The respect I have for those who cultivate the fields of rehabilitation is profound. I have come to know many of these workers well. Through the work of the appropriations subcommittee which I have chaired for several years, I too have endeavored to serve the disabled people of this country. In these years I have had an opportunity to gain an understanding of the national problem posed by disability and an awareness of the obstacles to delivery of medical rehabilitation services to those who need and could benefit from them. I have come to understand that medical rehabilitation, or disability control, or whatever you choose to call it, has vast potentials, not only in restoring the disabled to a high level of independence, but in preventing disability from developing.

Those of you here today are demonstrating by your presence at this seminar on the management of the chronic disease patient your concern for better care of this segment of the poplation. You and your counterparts in other sessions of this type are seeking to expand the horizons of medical care for this neglected group. You are denying, in effect, the validity of medical attitudes which claim that nothing can be done for those so unfortunate as to be afflicted with chronic diseases and old age. You are attempting to find solutions to the common problems associated with disability. We have learned by now that shutting the disabled out of sight accomplishes nothing. We can never build enough custodial "boxes" even for this. And we should not try.

In the process of gathering information relative to disability and to the need for rehabilitative services throughout the country, I have come to view rehabilitation in its broadest sense—health care concerned with preventing disability and maintaining function, as well as restorative services to those with existing impairments—as the window on the future. I am convinced that health measures enacted by Congress and health services provided by physicians and other health professionals must all take into account the chronicity of many illnesses and conditions. In our fight for life-saving techniques, let us make sure that it is really the whole life we are saving. Let our philosophy be based on reality, and let our goals be based on a belief in the true worth of man.

Workers in public health know that when large numbers of people need health services which in the usual course of events they do not receive, then it becomes a public health problem. When such a need is widespread, then it becomes also a national problem and of concern to legislative authorities. That there has been legislative recognition of such national health problems is evident in such laws as the following:

The Community Health Services and Facilities Act of 1961, which provides for demonstrations of new methods of providing community health services, including a variety of rehabilitation services.

The Health Professions Educational Assistance Act of 1963 and the Nurse Training Act of 1964 are both designed to increase professional health manpower, for without sufficient personnel to provide health services, the most desirable and effective medical program falls short of its goal.

The Heart Disease, Cancer, and Stroke Amendments of 1965 which assigns responsibility to the Public Health Service for encouraging and assisting the establishment of regional cooperative arrangements among medical schools, research institutions and hospitals, designed to forge a closer link between the centers of scientific and academic medicine on the one hand, and community health services on the other. This legislation specifies that this forthright program must not interfere with present patterns of patient care and professional practice, but it is nonetheless a revolutionary piece of legislation. It is designed to develop and disseminate medical knowledge of treatment techniques through cooperative efforts of medical resources in the community.

Nowhere in the legislation, or in the testimony in its support before the Congressional committees, will you find a blueprint for this program—because there is no Federal blueprint and it is not intended that there should be one. The pattern of grants-in-aid, already so well established and so successful in the support of medical research, will also be followed in this new program. These grants will be made in response to local initiative, to facilitate local planning, and to assist local execution of the plans. The emphasis of this program is clearly on bringing this country's proven research capability—as reflected in the medical schools and research hospitals—into a closer relationship with medical practice, as a resource for the practitioner, the local hospital, and the community health services in a wide geographic area.

The Social Security Amendments of 1965, which provide health insurance benefits to the aged and is popularly known as "Medicare." This legislative package evolved out of a recognition that it is one thing to have improved medical service, but quite another thing to pay for it. The rapid and dramatic increase in the costs of hospital care and health services generally is alarming. It is alarming because it means that despite our general prosperity we are still putting some forms of medical care beyond the reach of many of our citizens. This is not a tolerable situation. I am not contending that the charges made for medical services are excessive in relation to costs, or in relation to value but merely that they are still too often excessive in relation to ability to pay. Fear of the doctor's bill or the hospital bill should not be the factor that keeps members of any economic group from availing themselves of medical care.

There is another aspect to this problem of costs which disturbs me. This is the attempt to extend to the field of health services and medical research the concept of cost-benefit economics generated by our defense and space technology. These approaches start off with the assumption that every public act must be weighed in terms of its economic rate of return. This is a concept which we must reject out of hand. It involves a principle which cannot be applied to health.

This is not to say that there are never economic savings as a direct result of medical care. Certainly, the nearly 200,000 vocationally rehabilitated persons each year are returning to the labor market and paying taxes where formerly they contributed only to the costs of medical care, or prevented a family member from being employed. But there are millions of citizens with no employment potential. Those over 40, handicapped and uneducated for other than manual tasks; those with deteriorating chronic diseases; those past retirement. What of these? How do we measure the dollar costs to society of not providing them with necessary health services? And if we could do this, would it be in any way a yardstick of the human values involved?

There will be new advances in medical science in the years to come, and there will be new laws relating to health. Hopefully, breakthroughs in preventing death will lead to enriching human life as well, and emerging legislation will consider the human above the economic values of life. Medicine and law have been partners for generations in this land of ours. I expect this to continue into more and more areas, such as poverty—which goes hand in hand with disease and disability—and old age—which has outlived the killer diseases of youth only to fall heir to the chronic diseases in later years—and ignorance—which prevents the delivery of appropriate health services to all who need them.

Only then, when all men have the opportunity to achieve and to maintain their highest potentials, may we—the health professions and the lawmakers—rest upon our laurels secure in the knowledge that we have done our job faithfully and completely.

SENATE

FRIDAY, JULY 22, 1966

The Senate met at 11 o'clock a.m., and was called to order by the Acting President pro tempore (Mr. METCALF).

Rev. Clair M. Cook, Th. D., Methodist clergyman, and legislative assistant to Senator VANCE HARTKE, Washington, D.C., offered the following prayer:

O Thou God of our fathers and of the ages, as day follows day, and night follows night, in the years which stretch to eternity, we in our instabilities of time need to reach up to Thee for the immutable and unchanging verities of timelessness.

Therefore, we come before Thee in this hour that we may seek a higher vantage point of truth and righteousness. From the heights where we find Thee, may we seek to enlarge our too little outlook and to remedy our too large failures of perception.

Our Father, as we turn to the business of this day, make us aware that Thou hast entrusted us with decisions fateful in the lives of other men. Impress upon our consciences the vast responsibilities of the task, so grave that we must doubt our own wisdom and seek Thine own. Give to us the ability to look at our land with clarity, to view our international policies with the eyes of those whose lives they alter, to assess dispassionately and fairly the rights and wrongs of every issue.

As we deal with the lives and welfare of our own and of the rest of the world, keep us aware that we deal not simply with comforts or discomforts, but often with survival or with death. Add to our good will, good judgment; to our political expediency, courage to defy it when right demands; to our words for peace, the will to achieve it.

Thus, for this day and for every day, we ask Thy righteous guidance, Thy compassionate love, and Thy eternal wisdom as companions for the tasks here undertaken. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, July 21, 1966, was dispensed with.

ENROLLED BILL SIGNED

The ACTING PRESIDENT pro tempore announced that on today, July 22,

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1966, the Vice President signed the enrolled bill (S. 2948) to set aside certain lands in Montana for the Indians of the Confederated Salish and Kootenai Tribes of the Flathead Reservation, Mont., which had previously been signed by the Speaker of the House of Representatives.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Public Works, without amendment:

H.R. 15225. An act to amend section 15d of the Tennessee Valley Authority Act of 1933 to increase the amount of bonds which may be issued by the Tennessee Valley Authority (Rept. No. 1399).

By Mr. RANDOLPH, from the Committee on Public Works, with an amendment:

H.R. 14548. An act to extend the authority of the Postmaster General to enter into leases of real property for periods not exceeding 30 years, and for other purposes (Rept. No. 1400).

By Mr. LONG of Louisiana, from the Committee on Finance, with amendments:

H.R. 8188. An act relating to deduction for income tax purposes of contributions to certain organizations for judicial reform (Rept. No. 1401).

By Mr. BIBLE, from the Committee on Interior and Insular Affairs, without amendment:

H.R. 12389. An act to increase the amount authorized to be appropriated for the development of the Arkansas Post National Memorial (Rept. No. 1402).

By Mr. GRUENING, from the Committee on Interior and Insular Affairs, without amendment:

S. 3070. A bill to amend the Mineral Leasing Act with respect to limitations on the leasing of coal lands imposed upon railroads (Rept. No. 1408).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, with amendments:

H.R. 13277. An act to amend the Revised Organic Act of the Virgin Islands to provide for the reapportionment of the Legislature of the Virgin Islands (Rept. No. 1407).

By Mr. HART (for Mr. DODD), from the Committee on the Judiciary, without amendment:

S. 3238. A bill for the relief of Miss Matsue Sato (Rept. No. 1405).

By Mr. HART, from the Committee on the Judiciary, with amendments:

S. 1237. A bill to encourage the creation of original ornamental designs of useful articles by protecting authors of such designs for a limited time against unauthorized copying (Rept. No. 1404).

By Mr. TYDINGS, from the Committee on the Judiciary, without amendment:

S. 3254. A bill to amend sections 2072 and 2112 of title 28, United States Code, with respect to the scope of the Federal Rules of Civil Procedure and to repeal inconsistent legislation (Rept. No. 1406).

JUDICIAL REVIEW OF CONSTITUTIONALITY OF GRANTS OR LOANS UNDER CERTAIN ACTS—REPORT OF A COMMITTEE—ADDITIONAL COSPONSORS OF BILL (S. REPT. NO. 1403)

Mr. ERVIN. Mr. President, from the Committee on the Judiciary, I ask unanimous consent to submit a report on S. 2097, to provide for judicial review of the constitutionality of grants or loans under certain acts, together with the individual views of the Senator from Michigan [Mr. HART] and the Senator from New York [Mr. JAVITS].

Mr. President, unanimous consent is also hereby requested that the names of the Senator from Florida [Mr. SMATHERS], the Senator from Kentucky [Mr. COOPER], and the Senator from Hawaii [Mr. FONG] be added as cosponsors of the above-mentioned bill.

The ACTING PRESIDENT pro tempore. The report will be received and the bill will be placed on the calendar; and, without objection, the report will be printed, as requested by the Senator from North Carolina, and the names will be added as cosponsors.

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. TALMADGE:

S. 3639. A bill for the relief of certain corporations;

S. 3640. A bill for the relief of certain individuals; to the Committee on the Judiciary; and

S. 3641. A bill to amend the Internal Revenue Code of 1954 to allow teachers to deduct expenses incurred in pursuing courses for academic credit and degrees at institutions of higher education; to the Committee on Finance.

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

By Mr. FANNIN:

S. 3642. A bill for the relief of Zarko Vucinich, and wife, Alexandra Vucinich; to the Committee on the Judiciary.

By Mr. RUSSELL of South Carolina (for himself and Mr. THURMOND):

S. 3643. A bill for the relief of certain claimants; to the Committee on the Judiciary.

By Mr. TYDINGS:

S. 3644. A bill to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va.; to the Committee on Interior and Insular Affairs.

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

By Mr. ERVIN (for himself and Mr. THURMOND):

S.J. Res. 179. Joint resolution proposing an amendment to the Constitution relating to the power of courts of the United States to review convictions in criminal actions; to the Committee on the Judiciary.

(See the remarks of Mr. ERVIN when he introduced the above joint resolution, which appear under a separate heading.)

By Mr. MORSE:

S.J. Res. 180. Joint resolution to provide for the settlement of the labor dispute currently existing between certain air carriers and certain of their employees; to the Committee on Labor and Public Welfare.

(See the remarks of Mr. MORSE when he introduced the above joint resolution, which appear under a separate heading.)

CONCURRENT RESOLUTION

U.S. MILITARY PERSONNEL HELD CAPTIVE IN VIETNAM

Mr. JAVITS submitted a concurrent resolution (S. Con. Res. 103) relating to U.S. military personnel held captive in Vietnam, which was referred to the Committee on Foreign Relations.

(See the above concurrent resolution printed in full when submitted by Mr. JAVITS, which appears under a separate heading.)

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee on Constitutional Amendments of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

On request of Mr. MORSE, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. RANDOLPH:

Address by Hon. Stewart L. Udall at July 18, 1966, meeting of the National Petroleum Council; citation presented on that occasion to outgoing council president, Jake L. Hamon.

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

On request of Mr. MANSFIELD, and by unanimous consent, statements during the transaction of routine morning business were ordered limited to 3 minutes.

TAX BENEFITS FOR TEACHERS—BILL TO AMEND INTERNAL REVENUE CODE

Mr. TALMADGE. Mr. President, President Johnson has characterized the education of our youth as the "No. 1 business of the American people." Both quality and quantity of education are being pursued as a primary national goal of the United States. The 88th Congress was called the "education Congress" and the 1st session of the 89th Congress exceeded the 88th in the amount of legislation enacted in the field of education.

Not the least of these enactments are the billion-dollar Elementary and Secondary Education and Higher Education Acts of 1965.

It can no longer be said that the role of the Federal Government in education is passive.

However, in the midst of all this intensified activity in the area of education, there seems to be one Federal agency which has not gotten the message. Judging from one of its recent actions, it seems determined to do what it can to retard the progress of education in this country. That agency is the Internal Revenue Service, which, by means of some income tax regulations it has proposed, appears bent on frustrating

the desire for achieving educational excellence in this country.

The proposed income tax regulations published in the Federal Register on July 7 make it more difficult for teachers to deduct from their Federal income tax expenditures incurred in continuing their education.

I wrote Commissioner Sheldon Cohen protesting these proposed new regulations, and urged that the Internal Revenue Service give every consideration to a reappraisal of them. I ask unanimous consent that my letter, along with the regulations as published in the Federal Register, be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibits 1 and 2.)

Mr. TALMADGE. Mr. President, this is not the first time the Internal Revenue Service has tried to deny the expenses of schooling as a legitimate tax deduction to teachers interested in becoming better teachers.

The Revenue Service a number of years ago ruled that a Virginia schoolteacher could not deduct her expenses in attending a summer school even though she was required to take the summer school courses or risk revocation of her teaching certificate. But the Fourth Circuit Court of Appeals ruled against the Revenue Service in that case—*Hill* v. *Commissioner*, 4 Cir., 181 F. 2d 906—and held the expenses deductible. The Revenue Service did not give up its battle against schoolteachers, though, and it was only after the success of the Russian sputnik and the hue and cry raised about the needs of American education in 1958, that the relevant regulations were amended. Instrumental in this revision may have been a letter from the Secretary of Health, Education, and Welfare to the Secretary of the Treasury that—

> The importance to the national security of encouraging teachers to employ their summers and their leaves of absence in acquiring greater mastery of their professional responsibilities leads . . . to the conclusion that the criteria which now govern the deductibility of expenses of teachers for further education should be liberalized.

The 1958 regulations, which have remained intact on this point up to the present, state that—

> Education expenses "are deductible if they are for education (including research activities) undertaken primarily for the purpose of (1) maintaining or improving skills required by the taxpayer in his employment or other trade or business, or (2) meeting the express requirements of a taxpayer's employer, or the requirements of applicable law or regulations, imposed as a condition to the retention by the taxpayer of his salary, status or employment.

These regulations were interpreted by the Revenue Service itself in a 1960 Revenue Ruling (Rev. Rul. 60–97, 1960–1 C.B. 69) to permit a deduction for expenses of education primarily undertaken to maintain or improve one's skills or to meet the requirements of one's employer regardless of whether "academic credit, a degree, a new job, or advancement" might result.

The test of deductibility was the primary purpose of the education undertaken. The Revenue Service evidently found the test too tough—that it was losing too many cases and that too many underpaid schoolteachers were successfully deducting their school expenses. The Internal Revenue Service was particularly unhappy about those teachers who had other permanent or continuing teaching certificates and who were pursuing additional education in order to secure permanent or continuing certificates. The Revenue Service unsuccessfully has claimed persons holding temporary certificates do not meet the minimum educational requirements for qualification as teachers, and thus that their expenses of education are not deductible since such expenses are for the purpose of furthering the "temporary" teachers' prospects of employment and of advancement to the position of permanent teachers. The Revenue Service was defeated on the grounds that regardless of the type of certificate held, these persons were teachers and their primary purpose in going to school was to meet their employers' requirements that they must obtain additional credits in order to remain as teachers.

Thus, thwarted in attempts under the present regulations to prohibit teachers from deducting educational expenses, the Internal Revenue Service wants to promulgate a new set of regulations.

First of all, this presents a question whether income tax regulations of long standing, which have been litigated and approved by the courts and are as much a part of the law as congressional enactments, can be replaced by a new set of regulations.

It may be that such well-established regulations can only be changed by statute. But, even setting aside the question of the legality of proposing new regulations in this regard, the new regulations in question go farther than ever—they make it clear that no teachers can deduct the expenses of any education that results in a degree or similar recognition of the completion of an educational program, regardless of whether the teacher ever had it in mind to go for the degree or regardless of the fact that the degree does not mean a promotion, increase in compensation, or any other advancement. In addition, the deduction would be disallowed if the education qualifies the teacher for advancement in his field of education, regardless of whether he is in fact so advanced or not. Gone would be the primary purpose test of the present regulations. No longer would it matter that the additional education sought by the teacher was primarily for the purpose of maintaining or improving his teaching skills or of meeting the requirements of his employer in order to retain his present position.

These harsh regulations will greatly discourage this Nation's teachers from pursuing any further education. Teachers who are certainly not getting rich, even though their lot has been generally improved some in the past few years, will not be able to continue their schooling, knowing that no deduction will be available for their tuition and fees, their books, and the other incidentals that make the cost of higher education so steep today. The effects on our educational system will be serious, if not disastrous. Our educational system which we treasure so much gains its vitality from our teachers. Teachers are the heart of education in America.

We must do everything we can to encourage, not to discourage, our country's teachers to improve themselves in every way that they can to keep up with the rapidly exploding vistas of knowledge.

Toward this end, I am introducing a bill to amend the income tax law to allow a deduction to teachers as an ordinary and necessary business expense for any reasonable cost they incur in obtaining further education in their field. While the proposed regulations of the Internal Revenue Service apply to expenses for education by any individual, not only teachers, my bill provides a deduction only for teachers, be they teachers with permanent or continuing certificates or not.

It is the teacher, more than anyone, who must continue to keep her skills current and yet it is the teacher, less than anyone, who can afford to pay the cost of additional training. It is the teacher who will suffer most under the proposed regulations, and yet it is the teacher that we, as a nation, can least afford to see suffer.

On our teachers rests the fate of the generations to come, and on the generations to come rests the fate of our Nation and of the world.

I send to the desk a bill for this purpose and ask that it be printed.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred.

The bill (S. 3641) to amend the Internal Revenue Code of 1954 to allow teachers to deduct expenses incurred in pursuing courses for academic credit and degrees at institutions of higher education, introduced by Mr. TALMADGE, was received, read twice by its title, and referred to the Committee on Finance.

EXHIBIT 1

U.S. SENATE,
COMMITTEE ON FINANCE,
July 19, 1966.

Hon. SHELDON COHEN,
Commissioner, Internal Revenue Service, Washington, D.C.

DEAR MR. COMMISSIONER: I read with a sense of profound disbelief the proposed regulation published in the July 7 issue of the Federal Register dealing with deductibility of expenses for education which, if made effective, would disallow deductions for many teachers who incur educational expenses while sharpening their teaching skills.

Surely, the retarding effect that this regulation would have on the quality of professional instruction in this country is apparent to the Service.

At a time when a concerted effort is being made by the Congress, the President, and the States to upgrade present standards of education in our country, it is inconceivable that an instrumentality of the Federal Government would entertain such an incongruous proposal. Certainly it cannot be said that the intent of Congress is being implemented by the proposed new regulation when the present regulation dates back to 1958 and has never been challenged, so far as I know, by any Member of Congress.

Nor can this be explained away as a step toward clarification of the law. By not acting to change the long-standing rules, Congress has, by implication, adopted their rationale as expressive of its own intent, that is, that deductions for educational expenses incurred for the sake of improving skills and maintaining professional status be allowed, irrespective of the coincidental occurrence of a higher position in the educational hierarchy or an increase in salary.

Certainly we do not want to discourage higher compensation for our school teachers who are now paid at rates slightly above those paid babysitters. Nor do we want to discourage higher achievements in their professional fields merely because they are symbolized in the form of academic degrees.

It absolutely makes no sense to say that a teacher may receive a deduction for his expense in attending institutions of higher learning except in those cases where a degree is conferred as a result thereof or where the education attained qualifies him for an advancement in his field of teaching, regardless of whether he intends to advance himself as a result of the education.

I respectfully urge the Internal Revenue Service to carefully reappraise the proposed new regulation and refrain from taking any action that would limit present deductibility for educational expenses incurred by school teachers.

With best wishes and kindest personal regards, I am

Sincerely,

HERMAN E. TALMADGE.

EXHIBIT 2

[From the Federal Register, July 7, 1966]

PROPOSED RULEMAKING

DEPARTMENT OF THE TREASURY

Internal Revenue Service

[26 CFR Part 1]

Income Tax

Expenses for education

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury or his delegate. Prior to the final adoption of such regulations, consideration will be given to any comments or suggestions pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Internal Revenue, Attention: CC:LR:T, Washington, D.C. 20224, within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. Any person submitting written comments or suggestions who desires an opportunity to comment orally at a public hearing on these proposed regulations should submit his request, in writing, to the Commissioner within the 30-day period. In such case, a public hearing will be held, and notice of the time, place, and date will be published in a subsequent issue of the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 7805 of the Internal Revenue Code of 1954 (68A Stat. 917: U.S.C. 8705).

[SEAL] WILLIAM H. SMITH,
Acting Commissioner of Internal Revenue.

In order to clarify § 1.162–5 (relating to expenses for education) and § 1.262–1 (relating to personal, living, and family expenses) of the Income Tax Regulations (26 CFR Part 1), and for other purposes, those sections are amended as follows:

PARAGRAPH 1. Section 1.162–5 is amended to read as follows:

§ 1.162–5 Expenses for education.

(a) *General rule.* Expenditures made by an individual for education (including research) which are personal or capital expenditures, or which have elements of both, are not deductible. Educational expenditures included within this category are described in paragraph (b) of this section. On the other hand, expenditures made by an individual for education (including research) which are neither capital nor personal expenditures are deductible as ordinary and necessary business expenses if the education—

(1) Maintains or improves skills required by the individual in his present employment or other trade or business, or

(2) Meets the express requirements of the individual's employer, or the requirements of applicable law or regulations, imposed as a condition to the retention by the individual of an established employment relationship, status, or rate of compensation.

(b) *Nondeductible educational expenditures*—(1) *In general.* Educational expenditures described in subparagraphs (2) and (3) of this paragraph are personal or capital expenditures, or have elements of both, and, therefore, are not deductible as ordinary and necessary business expenses even though they may maintain or improve skills required by the individual in his present employment or other trade or business or may meet the express requirements of the individual's employer or of applicable law or regulations.

(2) *Education qualifying individual for a trade or business, position, or specialty.* (i) The first category of nondeductible capital or personal educational expenses are expenditures made by an individual for education which of itself, or when combined with education previously taken (or to be taken) will—

(*a*) Qualify the individual for a trade or business, position, or specialty therein for which he has not, at the time such education is undertaken, met the minimum educational requirements; or

(*b*) Qualify the individual for substantial advancement in his present area of employment or other trade or business or specialty therein. For this purpose, it is immaterial whether the individual intends to engage in the trade or business, position, or specialty or to advance himself as a result of the education. The education necessary to qualify for a trade or business, position, or specialty must be determined from a consideration of such factors as the requirements of the employer, the applicable law and regulations, and the standards of the profession, trade, or business involved. The fact that an individual is already performing service in a trade or business, position, or specialty does not establish that he has met the minimum educational requirements for qualification in that trade or business, position, or specialty. Moreover, if the minimum educational requirements for a trade or business, position, or specialty are changed, the fact that an individual has met the old requirements is immaterial in determining whether the expenditures for additional education undertaken to meet the new requirements are deductible. The preceding sentence shall apply only with respect to expenditures for education undertaken to meet a change in minimum educational requirements which was made after (the date on which notice is to be published in the FEDERAL REGISTER.)

(ii) In the case of teachers who are required to hold certificates issued by a designated State or local educational agency (such as the State department of education), a permanent or continuing certificate in a particular position will be accepted, under ordinary circumstances, as evidence that the teacher has met the minimum educational requirements for qualification in that position. Conversely, a certificate which is not a permanent or continuing certificate for a particular position will establish, under ordinary circumstances, that a teacher holding such a certificate has not met the minimum educational requirements for qualification in that position. As used in this subdivision, the term "permanent or continuing certificate" means a certificate which either need not be renewed, is renewable or convertible on the basis of experience only, or is renewable indefinitely by acquiring education which is required generally of all teachers holding such a certificate without regard to their prior level of education. The name or term applied to a particular certificate is not controlling.

(3) *General education.* The second category of nondeductible capital or personal educational expenses are expenditures for education which is undertaken as part of a program leading to attainment of a recognized level of education. Included within this nondeductible category are expenditures made by an individual for education which of itself, or when combined with education previously taken (or to be taken) will qualify the individual for a degree, diploma, or similar certificate evidencing completion of a recognized educational program. For this purpose, in the absence of clear evidence to the contrary, an individual will be considered to be undertaking education to meet the requirements for a degree if he has indicated to the institution from which he is taking such education that he is a candidate for a degree.

(4) *Special rule for education undertaken prior to January 1, 1967.* The determination of whether expenditures for education undertaken prior to January 1, 1967, are deductible shall be made without regard to the rules in subparagraph (3) of this paragraph (relating to general education). Thus, if an individual takes a course which begins before January 1, 1967, the expenditures for such course may be deductible even though he is taking such course as part of a program leading to a degree.

(c) *Deductible educational expenditures*—(1) *Maintaining or improving skills.* The deduction under the category of expenditures for education which maintains or improves skills required by the individual in his present employment or other trade or business is normally limited to expenditures for courses of relatively short duration which are in the nature of refresher courses or courses dealing with current developments. However, a deduction may also be allowable under this category for expenditures for academic or vocational courses provided such expenditures are not within one of the categories of capital or personal expenditures described in paragraph (b) of this section.

(2) *Meeting requirements of employer.* An individual is considered to have undertaken education in order to meet the express requirements of his employer, or the requirements of applicable law or regulations, imposed as a condition to the retention by the taxpayer of his established employment relationship, status, or rate of compensation only if such requirements are imposed for a bona fide business purpose of the individual's employer and not for the individual's benefit. Only the minimum education necessary to the retention by the individual of his established employment relationship, status, or rate of compensation may be considered as undertaken to meet the express requirements of the taxpayer's employer. However, education in excess of such minimum education may qualify as education undertaken in order to maintain or improve the skills required by the taxpayer in his present employment or other present trade or business (see subparagraph (1) of this paragraph). In no event, however, is a deduction allowable for expenditures for education which, even though for education required by the employer or applicable law or regulations, are within one of the categories of capital or personal expenditures described in paragraph (b) of this section.

(d) *Travel as a form of education.* In general, an individual's expenditures for travel (including travel while on sabbatical leave) as a form of education are personal in nature and, therefore, not deductible.

(e) *Travel away from home.* If an individual travels away from home primarily to obtain education the expenses of which are deductible under this section, his expenditures for travel, meals, and lodging while away from home are deductible. However, if as an incident of such trip the individual engages in some personal activity such as sightseeing, social visiting or entertaining, or other recreation, the portion of the expenses attributable to such personal activity constitutes nondeductible personal or living expenses and is not allowable as a deduction. If the individual's travel away from home is primarily personal, the individual's expenditures for travel, meals and lodging (other than meals and lodging during the time spent in participating in deductible educational pursuits) are not deductible. Whether a particular trip is primarily personal or primarily to obtain education the expenses of which are deductible under this section depends upon all the facts and circumstances of each case. An important factor to be taken into consideration in making the determination is the relative amount of time devoted to personal activity as compared with the time devoted to educational pursuits. Expenses in the nature of commuters' fares are not deductible. The rules set forth in this paragraph are subject to the provisions of section 162(a)(2), relating to deductibility of certain traveling expenses, and section 274 (c) and (d), relating to allocation of certain foreign travel expenses and substantiation required respectively, and the regulations thereunder.

(f) *Examples.* The application of this section may be illustrated by the following examples:

Example (1). A, a general practitioner of medicine, takes a 2-week course reviewing new developments in several specialized fields of medicine. A's expenses for the course are deductible because the course maintains or improves skills required by him in his trade or business and the expenses are not capital or personal expenses described in paragraph (b) of this section.

Example (2). B, a high school teacher of physics who has met the minimum education requirements for qualification in his position, takes summer school courses in nuclear physics and educational methods. B is not taking these courses as part of a program leading to a degree. As a result of taking such courses B receives an ingrade increase in salary pursuant to a wage schedule applicable to his present position. B's expenditures for such courses are deductible since they maintain and improve skills required by him in his position as a physics teacher and are not capital or personal expenses described in paragraph (b) of this section.

Example (3). Each 3 years State X requires all teachers who holds a continuing teaching certificate as elementary-school teachers either to read a list of books or to take certain courses giving 6 hours' academic credit in order to retain their position as teachers. C fulfills the requirements by taking the courses, but not as a part of a program leading to a degree, and thereby receives an automatic salary increase pursuant to the wage schedule applicable to his present position. Since C took these courses in order to fulfill those requirements are retained in employer and the expenses are not personal or capital expenses within the meaning of paragraph (b) of this section, the expenses for such education are deductible.

Example (4). The facts are the same as in example (3) except that, due solely to a shortage of qualified teachers, C's employer does not enforce the prescribed educational requirements (that is, teachers who do not fulfill those requirements are retained in their positions). C's expenses are nevertheless deductible.

Example (5). The facts are the same as in example (3), except that C took the courses under a program leading to a graduate degree. Under these circumstances, C's expenses for the courses are not deductible under paragraph (b)(3) of this section.

Example (6). D, a general practitioner of medicine, takes a course of study which qualifies him as a specialist in pediatrics. D's expenses for such education are not deductible because the course of study qualifies him for a specialty within his trade or business. See paragraph (b)(2) of this section.

Example (7). E, a self-employed certified public accountant, attends law school at night and after completing his law school studies receives a bachelor of laws degree. The expenditures made by E in attending law school are nondeductible personal and capital expenditures within the meaning of paragraph (b) of this section.

Example (8). Assume the same facts as in example (7) except that E is employed by an accounting firm, rather than self-employed, and that his employer requires him to obtain a bachelor of laws degree. E intends to remain as an employee of the accounting firm. Nevertheless, the expenditures made by E in attending law school are capital and personal expenditures and, therefore, not deductible.

Example (9). F, who has completed two years of a normal three year law school course leading to a bachelor of laws degree (LL.B.), is hired by a law firm to do legal research and perform other miscellaneous functions on a full-time basis. As a condition to continued employment, F is required to obtain an LL.B. and pass the state bar examination. F completes his law school education by attending night law school, and he takes a bar review course in order to prepare for the state bar examination. F's expenditures for night law school and for the bar review course are not deductible since they are personal and capital expenditures under paragraph (b) of this section.

Example (10). G, who holds a bachelor of arts degree, obtains temporary employment as an instructor at University X and undertakes graduate courses as a candidate for a graduate degree. Under the university's regulations, an individual may qualify for employment as a regular faculty member only if he holds a graduate degree and may hold a position as instructor only so long as he shows satisfactory progress toward obtaining this graduate degree. G's expenses for education leading to a graduate degree are nondeductible personal and capital expenditures within the meaning of paragraph (b) of this section.

Example (11). H, who has not completed the full college program leading to a bachelor of arts degree, applies for a certificate authorizing him to teach in the elementary schools of State X. The applicable regulations in State X require an individual to have a bachelor's degree in order to qualify for a continuing-elementary-school-teaching certificate. Because H has not obtained a bachelor's degree, he is issued a temporary certificate which is convertible to a continuing certificate upon the acquisition of a bachelor's degree. H obtains employment as a teacher on the basis of his temporary certificate, and he undertakes education at night and during summer vacations to obtain a bachelor's degree. H's expenditures for education leading to a bachelor's degree are nondeductible personal and capital expenditures within the meaning of paragraph (b) of this section.

Example (12). I, who holds a bachelor of arts degree from an accredited college, applies for a certificate authorizing him to teach in the secondary schools in State X. Because I does not have the number of credits in professional education required by laws and regulations of State X, he is issued an emergency teaching certificate. I obtains employment as a teacher and, while so employed, obtains the additional credits in professional education necessary to obtain a continuing certificate in his position. I's expenditures in obtaining the additional credits in professional education are not deductible under paragraph (b)(2) of this section.

Example (13). J, who holds a bachelor of arts degree, obtains a permanent teaching certificate to teach in the secondary schools in State X. Subsequent to the issuance of the permanent certificate, the regulations of State X are changed to require as a condition to the issuance (or retention) of a permanent teaching certificate for the secondary schools, in addition to a bachelor's degree, a specified number of hours of graduate courses. J's expenditures for the additional graduate courses are not deductible under paragraph (b)(2) of this section.

Example (14). K, a self-employed tax consultant, decides to take a 1-week course in new developments in taxation, which is offered in City X, 500 miles away from his home. His primary purpose in going to X is to take the course, but he also takes a side trip to City Y (50 miles from X) for 1 day, takes a sightseeing trip while in X, and entertains some personal friends. K's transportation expenses to City X and return to his home are deductible but his transportation expenses to City Y are not deductible. K's expenses for meals and lodging while away from home will be allocated between his educational pursuits and his personal activities. Those expenses which are entirely personal, such as sightseeing and entertaining friends, are not deductible to any extent.

Example (15). The facts are the same as in example (14) except that K's primary purpose in going to City X is to take a vacation. This purpose is indicated by several factors, one of which is the fact that he spends only one week attending the tax course and devotes five weeks entirely to personal activities. None of K's transportation expenses are deductible and his expenses for meals and lodging while away from home are not deductible to the extent attributable to personal activities. His expenses for meals and lodging allocable to the week attending the tax course are, however, deductible.

Example (16). L, a high school mathematics teacher in New York City, in the summertime travels to a university in California in order to take a single 3-hour mathematics course the expense of which is deductible under this section. A full course of study for the summer session is 12 hours. Since L is pursuing only one-fourth of a full course of study and the remainder of her time is devoted to personal activities the expense of which is not deductible, absent other compelling circumstances, the trip is considered taken primarily for personal reasons and the cost of traveling from New York City to California and return would not be deductible. However, one-fourth of the cost of L's meals and lodging while attending the university in California may be considered properly allocable to deductible educational pursuits and, therefore, is deductible.

PAR. 2. Paragraph (b) of § 1.262–1 is amended by adding a subparagraph (9) at the end thereof which reads as follows:

§ 1.262–1 Personal, living, and family expenses.

* * * * *

(b) *Examples of personal, living, and family expenses.* * * *

(9) Expenditures made by a taxpayer in obtaining an education or in furthering his education are not deductible unless they

qualify under section 162 and § 1.162-5 (relating to trade or business expenses).

[F.R. Doc. 66-7378; Filed, July 6, 1966; 8:46 a.m.]

MATTHEW A. HENSON

Mr. TYDINGS. Mr. President, I am introducing a bill today to permit the remains of Matthew A. Henson to be buried in Arlington Cemetery. A member of all seven of Adm. Robert E. Peary's arctic expeditions, Matthew Henson was the first man to set foot on the site of the North Pole. At Admiral Peary's command, he planted the American flag at that spot on April 6, 1909. His contributions to the arctic expeditions have been recognized by a Congressional Medal and a Presidential commendation.

Henson died in 1955 and was buried in New York. His last wish was to be buried in Arlington Cemetery with the commander who had called him his "most valuable companion." My bill would fulfill that wish, and would give added recognition to the feats of a little known American hero.

I ask unanimous consent that there be printed in the RECORD a biographical sketch of Matthew A. Henson by Dr. Herbert M. Frisby.

The ACTING PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the sketch will be printed in the RECORD.

The bill (S. 3644) to authorize the burial of the remains of Matthew A. Henson in the Arlington National Cemetery, Va., introduced by Mr. TYDINGS, was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

The sketch, presented by Mr. TYDINGS, is as follows:

MATTHEW (MATT) ALEXANDER HENSON

Matthew ("Matt") Alexander Henson was born August 8, 1866 on a farm, the site of a former slave market, in Nanjemoy, Charles County, Maryland. Henson, the man destined to become the first person to locate and stand on the Top of the World, was born in virtual obscurity. Little is known of his early boyhood. Around the age of eleven, he ran away from Nanajemoy one night and walked to Washington, D.C. There he divided his time between working in a restaurant operated by his aunt, Mrs. Janey Moore, and attending irregularly, the N Street Elementary School.

Henson left Washington at the age of thirteen, walked to Baltimore, Maryland, and located around the waterfront. Soon thereafter, as one without a home, he shipped as a cabin boy on a schooner under the command of a Captain Childs. This skipper taught him the rudiments of simple mathematics and navigation. The voyage carried him to China and return.

Returning to Washington, he found employment as a porter in a hat shop on Pennsylvania Avenue. One day, the then Lt. Robert E. Peary visited this store. He observed Matt Henson at work and became impressed with him. Matt was invited by Lt. Peary to join him on a canal surveying expedition to Nicaragua. Henson accepted.

When this mission was completed, Peary became interested in heading an expedition in search of the North Pole, which at that time, was the intensive objective of many nations. Henson accompanied Peary on each of his seven expeditions into the Arctic and Polar regions.

Matt saved Peary's life when he was attacked by an infuriated musk ox, and also on one occasion rescued him from starvation. He was chosen by Peary to be a member of the party of six to make the final dash to the Pole. Peary paid him this compliment—"He is my most valuable companion. I could not get along without him."

Overcome with exhaustion and crippled by the loss of most of his toes by frostbite, Peary sent Henson forward to make final observations and calculations, and await his arrival. Forty-five minutes later, Peary, driven up on his sled by four Eskimos, joined Henson. Peary's check confirmed the discovery of the North Pole.

"90 N. Lat., North Pole
April 6, 1909

"Arrived here today, 27 marches from Cape Columbia. I have with me 5 men, Matthew Henson, colored, Ootah, Eginwah, Seegloo and Ookeah, Eskimos; 5 sledges and 38 dogs.

"The expedition under my comand has succeeded in reaching the Pole . . . for the honor and prestige of the United States of America.

"Robert E. Peary,
"United States Navy."

(From the Log Book of Admiral Peary.)

"This scene my eyes will never see again. Plant the Stars and Stripes over there, Matt, . . . At the North Pole."—Peary.

Aside from Peary, the leader of the expeditions, Henson has been given most of the credit for the success of the discovery of the North Pole. This is because of his courage and daring, ability to withstand the most rigorous climate and exposure, mastery of the Eskimo language and their admiration of him, his skill in sled building, driving and igloo construction. These credits were accorded him by all the surviving members of the polar expeditions.

In recognition of his contributions, Mr. Henson was awarded the Master of Science degree by Morgan State College and Howard University, a Congressional Medal, Life Membership in the Explorers Club, a medal from the Chicago Geographical Society, a citation by the U.S. Department of Defense, a commendation from President Dwight D. Eisenhower, at the White House, numerous medals and plaques from civic organizations.

On August 12, 1956, a memorial tribute to him was dropped on the North Pole from a U.S. Air Force plane by Afro-American Arctic Correspondent, Herbert M. Frisby, the author of this biographical sketch.

There is Henson Bay, in northwest Arctic Canada, named as a tribute to him.

Mr. Henson died March 9, 1955 in New York City. He is survived by Mrs. Lucy J. Henson, his widow.

Since his passing, he has been memorialized by His Excellency, J. Millard Tawes, Governor of Maryland, proclaiming April 6, 1959, the 50th Anniversary of the Discovery of the North Pole, as Matthew Alexander Henson Day in the State of Maryland.

By action of the Maryland General Assemblies in 1959 and 1961, provisions were made for the permanent establishment of permanent memorials to Mr. Henson, one placed in the State House of Annapolis, and a small replica of the same one the campus of the Pomonkey High School, Charles County, both in Maryland.

By action of the Board of School Commissioners of Baltimore, Maryland, April 10, 1962, one of the city's recently constructed million dollar elementary schools was named in his honor—The Matthew A. Henson Elementary School.

The Herbert M. Frisby Historical Society is now engaged in a very hopeful memorial project providing for the transfer by the U.S. Government of Mr. Henson's remains from a cemetery in New York City to the U.S. National Cemetery, Arlington, Virginia and given a hero's burial.

H.M.F.

PROPOSED AMENDMENT TO THE CONSTITUTION RELATING TO POWER OF COURTS OF THE UNITED STATES TO REVIEW CONVICTIONS IN CRIMINAL ACTIONS

Mr. ERVIN. Mr. President, on behalf of myself and the Senator from South Carolina [Mr. THURMOND], I introduce for appropriate reference a joint resolution proposing an amendment to the Constitution, relating to the power of the courts of the United States to review convictions in criminal cases.

The proposed amendment would do two things: first, it would restore to the law the doctrine of res judicata and provide that the judgment of a State court in a criminal case would be conclusive as to all matters actually determined, and all matters which could have been litigated and determined in the case, and that it could only be reversed or set aside or modified by a direct review by appeal or certiorari from the highest court of the State having jurisdiction in the case to the Supreme Court of the United States.

The second provision of the amendment would establish the very sensible and sound rule that the voluntary confession of an accused in a criminal case shall be admissible in evidence against him on his trial, either in a Federal or a State court, and that a ruling of the trial judge admitting a confession as voluntary cannot be set aside by the Supreme Court of the United States or any other court of the United States, if it is supported by any competent evidence in the case.

Mr. President, this morning I made a statement before the Subcommittee on Constitutional Amendments of the Committee on the Judiciary, explaining in detail the purposes of the proposed amendment; and I ask unanimous consent that such statement, together with a copy of the proposed joint resolution, be printed at this point in the RECORD.

The ACTING PRESIDENT pro tempore. The joint resolution will be received and appropriately referred; and, without objection, the joint resolution and statement will be printed in the RECORD.

The joint resolution (S.J. Res. 179) proposing an amendment to the Constitution relating to the power of courts of the United States to review convictions in criminal actions, introduced by Mr. ERVIN, was received, read twice by its title, referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

S.J. RES. 179

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the

legislatures of three-fourths of the several States:

"Article —

"SECTION 1. The judgment of a court of a State upon a plea or verdict of guilty in a criminal action shall be conclusive with respect to all questions of law or fact which were determined, or which could have been determined, in that action until such judgment is reversed, vacated, or modified by a court having jurisdiction to review such judgment. No court of the United States shall have jurisdiction to reverse, vacate, or modify any such judgment of a State court except upon appeal from, or writ of certiorari granted to review, a determination made with respect to such judgment upon review thereof by the highest court of that State having jurisdiction to review such judgment.

"SEC. 2. Notwithstanding any requirement or prohibition of any other provision of this Constitution, an admission or confession made before trial by a defendant in a criminal action in a court of the United States, any State or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico shall be admissible in evidence against the defendant in the trial of that action if such admission or confession was voluntary. No court of the United States shall have jurisdiction to reverse, modify, or set aside a determination of a trial court in any such criminal action to the effect that any such admission or confession was voluntary if that determination is supported by any competent proof received in evidence in the trial of that criminal action.

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

The statement presented by Mr. ERVIN is as follows:

STATEMENT OF SENATOR SAM J. ERVIN, JR., BEFORE THE SUBCOMMITTEE ON CONSTITUTIONAL AMENDMENTS ON THE IMPLICATIONS OF THE SUPREME COURT DECISION OF MIRANDA *v.* ARIZONA

Mr. Chairman, no problem more critically demands attention and action than the alarming increase in crime in this country. Last year, the President expressed great alarm that the crime rate had doubled in this country in 25 years and had increased five times faster than the population growth in the last seven years. In our great cities, citizens are faced with increased odds that they may become the victims of muggings, vicious assaults, burglaries, and the wanton destruction of property. When we consider the staggering cost of crime in terms of dollars lost, of death, injury and suffering inflicted on thousands of victims, and of fear engendered in millions of law-abiding citizens, we must agree with President Johnson that "crime is a national problem."

The series of hearings of your Subcommittee, Mr. Chairman, on the implications of the recent decision of *Miranda* v. *Arizona* will, I feel, shed valuable light on the problems posed by this decision and the action Congress can take to deal with them.

Of course, there are many ways in which crime can be fought. Poverty and substandard social conditions are part of the crime picture, but more welfare and social programs, the greatest in our country's history, have not made a dent in the crime problem. Also, the problem of increasing crime is intimately related to the effectiveness of law enforcement. Improving police administration should certainly be considered by everyone sincerely interested in fighting crime, and I feel the "Law Enforcement Assistance Act of 1965" was a great step forward in this area. The upgrading of law enforcement activities is one of the most important steps that can be taken to reduce crime and I sincerely hope that Congress will continue to look for creative approaches in this area.

This investigation, however, deals with another part of the crime picture and I think this subcommittee should face the fact that increasingly in the last decade our law enforcement officers have been limited and often hamstrung in dealing with crime by high court rulings. These rulings have drastically limited police investigative powers, have forbidden the use of voluntary confessions by the accused in many instances heretofore permitted, and have altered reasonable procedures which once were the great bulwarks against crime. Recent high court rulings have stressed individual rights of the accused to the point where public safety has often been relegated to the back row of the courtroom. In the process, police have become confused in their efforts to protect the public from acknowledged criminals. Dissenting court opinions have pointed out that investigative procedural rules are becoming unrealistic.

Civilization represents at best a delicate balance between the rights of the individual and society's rights. As Mr. Justice Cardozo explained in *Snyder* v. *Massachusetts*, 291 U.S. 97, 122 (1934), "Justice, though due to the accused, is due to the accuser also. The concept of fairness must not be strained till it is narrowed to a filament. We are to keep the balance true."

We have not kept the balance true. Unfortunately, the Supreme Court in recent years has moved through logic shattering sentiment and stiffling procedures to favor the individual to such an extent that the administration of criminal justice is defeated. Indeed, in the prosecution of crimes, we have seen the powers of the police at any level to conduct in-custody interrogation gasp in the case of *Escobedo* and, more recently, die in *Miranda*.

Basically, the Court majority held in the Miranda case that:

"The prosecution may not use statements, whether exculpatory or inculpatory, stemming from custodial interrogation of the defendent unless it demonstrates the use of procedural safeguards effective to secure the privilege against self-incrimination."

The Court majority henceforth requires that before any suspect may be questioned he must be warned that he has a right to remain silent, that anything he says may be used against him, and that he has a right to the presence of an attorney, either retained or appointed. The suspect who submits to interrogation after being so warned may terminate such interrogation himself at any time simply by indicating that he wants it stopped.

Thus did the majority for all practical purposes fulfill the prediction by Mr. Justice White of its ultimate goal "to bar from evidence all admissions obtained from an individual suspected of crime, whether involuntary made or not". *Escobedo* v. *Illinois*, 378 U.S. 478, 495 (1964).

The claimed basis for the decision was the Fifth Amendment's protection of the privilege against self-incrimination, a basis which has no support in the language of the Fifth Amendment or in the history of the privilege. The clear language of the Amendment is that "in any criminal case" no person shall be compelled "to be a witness against himself." One of the foremost legal scholars of this century, Edward Corwin, after careful study, concluded that the Amendment, when "considered in the light to be shed by grammar and the dictionary appears to signify simply that nobody shall be compelled to give oral testimony against himself in a criminal proceeding under way in which he is defendant." This construction, that the privilege applies to prohibit compelled judicial interrogations only, is firmly supported by the English authorities and the common law history of the privilege. Moreover, the dissent by Mr. Justice Harlan and Mr. Justice White convincingly demonstrated that no legal precedent existed for the application of the privilege to police interrogation, a demonstration the majority opinion never really refuted.

It requires little reflection to realize what the Court majority has done. It has not only practically eliminated confessions from trial court considerations; it has probably made impossible the ordinary practice of police interrogation itself, a result which surely entails harmful consequences for the country at large. Mr. Justice Harlan in dissent warned that although the extent of the harm wrought by the decision could not be accurately foretold; it was readily apparent that it would impair law enforcement to some extent. He said:

"We do know that some crimes cannot be solved without confessions, that ample expert testimony attests to their importance in crime control, and that the Court is taking a real risk with society's welfare in imposing its new regime on the country. The social costs of crime are too great to call the new rules anything but a hazardous experimentation."

I believe that this "hazardous experimentation" is one which we cannot afford to take in view of the grave problems that crime now poses to this country. Accordingly, I propose to introduce a Constitutional Amendment to deal with the Miranda decision. My amendment will allow the law, as it did previously, to protect suspects and defendants from having confessions and other admissions coerced from them without rendering next to impossible the solving of many crimes. By providing that any admission or confession shall be admissible in evidence if made voluntarily, my amendment will return the rule which the Supreme Court itself recognized as valid until recent days and which has prevailed in all states whose legal systems are based upon the experience of the common law. When all is said, there is no reason residing in the proposition that persons charged with crime should be protected by law against their voluntary admissions and confessions that they committed the crime with which they are charged.

Beginning with *Brown* v. *Mississippi*, 297 U.S. 278 (1936), the Court applied due process standards to questions of admissibility of confessions in court. Excluded were confessions gained by threats or imminent danger, physical deprivation, physical brutality, repeated or extended interrogation, lengthy detention and other coercive means. The goal to be achieved, as in my amendment, was "voluntariness," not in the sense of the removal of all pressure but the removal of unfair, illegal, or reprehensible pressure.

My amendment will allow a determination of whether the confession was voluntary, and, as such, will afford protection to the civil liberties of suspects while allowing leeway to protection of the general public interest in having crime either prevented or solved.

After Miranda, we have the police handcuffed. In many cases, there are no clues at the scene of the crime. There may be no witnesses or the witness may be dead or disabled. The only thing the police may have to go on is a known criminal lurking in the area, or a crime being committed in a certain pattern. If they may not bring people in and question them, the rate of crime solving is likely to drop precipitately

If we do not seriously consider the enactment of this type of amendment, the result will be that the civil liberties of criminal suspects will be over protected while the rights and liberties of society will be seriously infringed upon.

The danger in the constant innovating drive of the majority of the court was well set out by the late Mr. Justice Jackson. He said:

"This Court is forever adding new stories to the temple of constitutional law, and the temple has a way of collapsing when one story too many is added". *Douglas* v. *Jeannette*, 319 U.S. 157, 181 (1943).

I maintain that we must act before the temple collapses.

In view of the nature of your hearings, Mr. Chairman, I wish to take this opportunity to discuss with you another section of the Constitutional Amendment which I intend to introduce. Many of the recent cases in which the Supreme Court has acted to handicap law enforcement officers have occurred through the use of federal habeas corpus review of state supreme court decisions. Much discussion and many law review articles have recently been written on the use of federal habeas corpus review. These articles point out that this review postpones almost indefinitely the settlement of cases, and delays beyond all reason the enforcement of justice.

As the matter now stands, after having appealed to the state supreme court and then to the United States Supreme Court, the defendant may still file a petition for habeas corpus in a lower federal court at any time after his conviction. These hearings constitute a completely new trial for the accused and the state will still have to follow the case to the Circuit Court of Appeals, and finally back again to the Supreme Court. Even then the journey is not ended; similar petitions can be filed in other lower federal courts.

This means that the liberalized rules governing issuance of federal habeas corpus virtually grant the guilty party an uncancelled ticket of admission to compete with society in an endless contest designed to test the propriety of retribution for his sins. The upshot of this protracted litigation is a distortion of values. It is as if society is put on trial for daring to extract penitence of the person accused of misconduct.

This procedure is a decided departure from the principle of res judicata which simply stands for the proposition that at some point all litigation must be concluded. In explaining the dangers of lower federal courts continuously reviewing state supreme court decisions, Justice Robert H. Jackson said:

"Call it res judicata or what one will, courts ought not to be obliged to allow a convict to litigate again and again exactly the same question on the same evidence . . . The writ has no enemy so deadly as those who sanction the abuse of it, whatever their intent."

This review by federal district courts of a decision of a state supreme court which has already been to the U.S. Supreme Court does violence to the basic principles of our Federal system. It is demeaning to our state supreme courts and must lead to the impairment of public confidence in our judicial institutions.

Accordingly, I feel that one of the most important steps Congress could take to improve the administration of criminal justice and to ensure orderly judicial procedures in our Federal system would be to provide that a final judgment of a state supreme court should be subject to review only by the Supreme Court of the United States and this is what my amendment proposes to do, Mr. Chairman. By preventing lower federal courts from sitting in judgment on a matter thoroughly litigated in the state courts, there will be a restoration of balances in this area and an end to the absurdity of endless litigation.

When one reads some recent decisions of the nation's highest Court, and realizes that under them perpetrators of the foulest crimes are turned loose in society to repeat their crimes, he is tempted to exclaim: Enough has been done for those who murder, and rape and rob. It is time to do something for those who do not wish to be murdered or raped or robbed. It is for this purpose that I propose my Constitutional Amendment.

U.S. POW'S IN NORTH VIETNAM

Mr. JAVITS. Mr. President, I invite the attention of the Senate to the resolutions which have been introduced in the other body and which have been introduced in the Senate by the Senator from Texas [Mr. TOWER] with respect to the U.S. prisoners of war in North Vietnam.

Mr. President, I send to the desk for appropriate reference a similar concurrent resolution.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred.

Mr. JAVITS. Mr. President, I believe that very strict attention should be paid to this concurrent resolution, which was developed in the other body by my colleague from New York, Representative REID and by Representative MORSE of Massachusetts, because it emphasizes the fact that we are not threatening anything, but only pointing out to the North Vietnamese the dreadful danger to the peace of the world, and the dreadful danger to their own people, which would be incurred by creating the kind of climate which would result from treating American prisoners of war as war criminals.

The American people would never understand this. The people of the world would never understand it. It would, in my judgment, cause a wave of revulsion to move through the world which would be extremely damaging to the short- and long-term prospects for peace, the responsibility for obstructing negotiations, imperiling the peace of the world, and killing innocent people lies with the regime in Hanoi. There is no wisdom in further imperiling the situation with these new threats by Hanoi.

Thus, Mr. President, I hope that serious attention will be paid to the concurrent resolution, which is an expression of conscience by a number of us, and that it will be an additional fact in causing the Government of North Vietnam to stay its hand from a barbarism which could be so devastatingly dangerous and damaging to their own people, let alone the peace of mankind.

Mr. President, my concurrent resolution serves to make several points which already should be perfectly clear to the leaders in Hanoi:

First. That United States opinion strongly believes that military personnel held captive in North Vietnam are entitled to be treated as prisoners of war as provided by the Geneva Convention of 1949 and other standards of international law and behavior.

Second. That failure by the Government of North Vietnam to accord them such treatment as prescribed by these accepted standards would a. be contrary to the best interests of the people of North Vietnam; b. would serious diminish opportunities for peace.

Third. That the President is requested to make these points clear to the Government of North Vietnam and other concerned parties.

If the leaders in Hanoi, unmindful of the consequences, take this fateful step, there is no telling the effect on prospects for peace in Vietnam. It is my hope that we shall not have to face such a tragedy.

The ACTING PRESIDENT pro tempore. The concurrent resolution will be received and appropriately referred; and, under the rule, the concurrent resolution will be printed in the RECORD.

The concurrent resolution (S. Con. Res. 103) was referred to the Committee on Foreign Relations, as follows:

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress:

(a) that all United States military personnel held captive in Vietnam are prisoners of war entitled to all the benefits of the Geneva Conventions of 1949;

(b) that the trial, punishment, or execution of any such personnel by the Communist regime in North Vietnam would be contrary to the Geneva Conventions of 1949, accepted standards of international law and standards of international behavior;

(c) that any such action undertaken by the Communist regime in North Vietnam in regard to United States military personnel would be a barbaric act and a reprehensible offense against the peace of mankind, the peoples of the world and the interests of the people of North Vietnam; and

(d) that the trial, punishment, or execution of such United States personnel by the Communist regime in North Vietnam would seriously diminish the opportunity for the achievement of a just and secure peace in Vietnam and southeast Asia, which is the objective of the people of the United States.

SEC. 2. The President of the United States is hereby requested to convey the sense of the Congress expressed in this resolution to the Communist regime in North Vietnam, to the participating states of the Geneva Conferences of 1954 and 1962, to the states adhering to the 1949 Geneva Conventions, and to the member states of the United Nations.

THE FOREIGN ASSISTANCE ACT OF 1966—AMENDMENTS

AMENDMENT NO. 697

Mr. McCARTHY submitted an amendment, intended to be proposed by him, to the bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 698

Mr. MUNDT submitted an amendment, intended to be proposed by him, to Senate bill 3584, supra, which was ordered to lie on the table and to be printed.

ADDITIONAL COSPONSORS OF BILLS

Mr. LONG of Louisiana. Mr. President, I ask unanimous consent that at the next printing of S. 3496, to authorize the appropriation of funds from the Treasury to help defray the costs of presidential campaigns the name of the Senator from Montana [Mr. METCALF] be added as a cosponsor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MONRONEY. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from Michigan [Mr. HART] be added as a cosponsor of the bill (S. 3434) to amend the Federal Aviation Act of 1958 in order to limit the liability of trip insurance sold within the confines of an airport.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, at its next printing, the name of the Senator from South Carolina [Mr. THURMOND] be added as a cosponsor of the bill (S. 3632) to amend title 10, United States Code, to strengthen the Reserve components of the Armed Forces, and for other purposes.

The ACTING PRESIDENT pro tempore. Without objection, it is so orderd.

FOREIGN ECONOMIC ASSISTANCE, 1966—ADDITIONAL COSPONSORS

AMENDMENT NO. 675

Mr. COOPER. Mr. President, I ask unanimous consent that the Senator from New York [Mr. JAVITS], the Senator from Wyoming [Mr. MCGEE,] the Senator from Oklahoma [Mr. HARRIS], and the Senator from Texas [Mr. TOWER], be permitted to join as cosponsors of the amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF AMENDMENT NO. 694

Mr. BYRD of Virginia. Mr. President, I ask unanimous consent to have added to an amendment which I sent to the desk yesterday, being amendment No. 694 to Senate bill 3584, which I am sponsoring, the name of two additional cosponsors, the senior Senator from Rhode Island [Mr. PASTORE], and the junior Senator from Georgia [Mr. TALMADGE].

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

On the request of Mr. MANSFIELD, and by unanimous consent, the Senate proceeded to consider executive business.

EXECUTIVE REPORTS OF COMMITTEES

The following favorable reports of nominations were submitted:

By Mr. HILL, from the Commitee on Labor and Public Welfare: Dr. Robert S. Morison, of New York, Dr. Emanuel R. Piore, of New York, Dr. Clifford M. Hardin, of Nebraska, Dr. Charles F. Jones, of Texas, Dr. Thomas F. Jones, Jr., of South Carolina, Dr. Joseph M. Reynolds, of Louisiana, Dr. Athelstan F. Spilhaus, of Minnesota, and Dr. Richard H. Sullivan, of Oregon, to be member of the National Science Board, National Science Foundation.

Mr. HILL. Mr. President, I also report favorably from the Committee on Labor and Public Welfare sundry nominations in the Public Health Service. Since these names have previously appeared in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be placed on the Secretary's desk for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The nominations, ordered to lie on the desk, are as follows:

J. Robert Lindsay, and sundry other candidates, for personnel action in the regular corps of the Public Health Service.

By Mr. MONRONEY, from the Committee on Post Office and Civil Service:

One hundred eighty-nine postmaster nominations.

By Mr. HART (for Mr. DODD), from the Committee on the Judiciary:

Joseph T. Ploszaj, of Connecticut, to be U.S. marshal for the district of Connecticut.

The ACTING PRESIDENT pro tempore. If there be no further reports of committees, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF JUSTICE

The legislative clerk proceeded to read sundry nominations in the Department of Justice.

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

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered and confirmed en bloc.

SIX NEW FEDERAL JUDGES IN TEXAS

Mr. YARBOROUGH. Mr. President, the six new Federal judges appointed by the President from Texas, and being confirmed today, one as a circuit judge for the fifth circuit, and five as U.S. district judges for Texas districts, make this a landmark day in the history of the judiciary of Texas.

I know all of these six men well. They represent notable achievements at the Texas bar. The President has selected wisely and well in choosing them. They bring to the bench physical and intellectual acumen and vigor and will be able to do the work necessary to relieve congested dockets and the growing volume of litigation in a State that has rapidly become urbanized and in its great cities is becoming industrialized.

The concentration of people, wealth, industry, and activity in great cities has led to an increase in the business of the Federal courts. The three new district judgeships created in Texas were badly needed, in addition to the new Federal circuit court judgeships created.

Two of these six men, Irving Goldberg, appointed U.S. circuit judge for the fifth circuit, and John B. Singleton, Jr., appointed U.S. district judge for the southern district of Texas, served on the staff of President Lyndon B. Johnson while he was a Member of the Congress of the United States. They have had Federal service in the legislative branch of the Government in Washington.

Woodrow Seals, appointed U.S. district judge for the southern district of Texas, was appointed U.S. district attorney for the southern district of Texas by the late President Kennedy in 1961, and has served as U.S. district attorney continuously from that date to this. He goes to the bench well versed in the duties of a Federal judge in that district.

The other three judges represent wide experience in the State judicial and governmental system. Judge Jack Roberts, of Austin, Tex., has served as a State district trial judge for 18 years and is now serving as a trial judge in Austin, the capital city of Texas.

Judge William M. Taylor, Jr., served as a State district judge in Dallas County, one of the two most populous counties in Texas, and is familiar with the duties of a judge in trying important cases in that great city. Judge Taylor's father was an able judge of the Supreme Court Commission of Appeals of Texas. He represents two generations of fine judicial service to the State of Texas and the people of this country.

Ernest Guinn, of El Paso, with high scholarly attainments in the University of Texas Law School, has served as city attorney for the city of El Paso and as county attorney for El Paso County, Tex. El Paso is the largest city on the United States-Mexican border. In those official capacities he learned the problems of the courts in a border city, both civil and criminal, and of the municipalities which border on our sister Republic of Mexico. Ernest Guinn has been a close personal friend for more than two score years; we were classmates in the University of Texas School of Law.

Ernest Guinn's appointment has been commended in editorials in the El Paso Herald Post and the El Paso Times, the two daily newspapers of El Paso.

The appointments of Judges Seals and Singleton have been commended in editorials in the Houston Chronicle and the Houston Post, the two daily newspapers of Houston.

The appointments of Judge Irving Goldberg, of Dallas, to the circuit court and of Judge William Taylor, of Dallas, to the district bench have led to the greatest volume of commendatory letters and telegraphs that I have ever received from the Dallas area on any matter. These six men come well recommended and I believe that they will add much to the efficiency and the dispatch of business of the Federal courts in Texas. I commend them to my colleagues in the Senate.

Mr. President, I ask unanimous consent to print at this point in the RECORD the aforementioned editorials from the El Paso Times, the El Paso Herald Post, the Houston Chronicle, and the Houston Post, and various and sundry articles from the Dallas News, the Dallas Times Herald, the El Paso Herald Post, the Houston Chronicle and the Austin American with biographical sketches of these six judges and with articles about them.

There being no objection, the editorials and articles were ordered to be printed in the RECORD, as follows:

[From the El Paso Times, June 29, 1966]

JUDGE GUINN

Appointment of Attorney Ernest Guinn to be a U.S. district judge was pleasing in a number of ways.

First, he is eminently qualified to be a federal judge.

Second, he is the first El Pasoan to receive such an appointment since R. E. Thomason was named by President Truman in 1947.

We on The Times have known Ernest Guinn for many years. We are fully aware of his capabilities as an attorney, his devotion to the welfare of his fellow man and of his other accomplishments as a student of the law and a citizen.

The Times editor for almost 30 years has known and admired Ernest Guinn.

We wish to commend President Lyndon Johnson for making a wise and timely appointment.

We are confident Guinn's appointment will receive quick approval in the Senate Judiciary Committee and in the Senate.

We hope Guinn, when he becomes a federal judge, will be assigned to preside in El Paso at least part of the time.

[From the El Paso Herald-Post, June 29, 1966]

MRS. GUINN WEEPS HAPPILY; ERNEST GETS CONGRATULATIONS

When Mrs. Mary Guinn learned that her husband, Attorney Ernest Guinn, had been appointed as new federal judge in the Western District of Texas, she wept with happiness.

"I'm crying," she said. "I always start crying when things are good."

Judge Guinn said he is "most grateful for this honor and deeply appreciative of the confidence expressed in me by our President by this appointment."

Congratulations were in order today from the couple's many friends in the Southwest and they were receiving them happily. Mrs. Guinn is also a practicing lawyer and equally as well known as her distinguished husband in professional legal circles.

Judge and Mrs. Guinn, who live at 1901 North Kansas street, have six children, and one grandchild, Ernest Guinn III, five-months old son of Ernest Jr.

Ernest Jr. is working in San Antonio as a criminal investigator for the State District Attorney's office. He is a student at St. Mary's University. His brother Dick also works in the State District Attorney's office and attends St. Mary's.

Daughters Kate and Laura are both attending summer school at the University of Texas in Austin. Sarah and Gammon Guinn live at home with their parents.

Judge Guinn said "it is an honor to El Paso and West Texas for the President to choose one of the members of the local bar for this judgeship," he said. "My life has been devoted to my profession, and I shall in all humility devote the rest of my life in endeavoring to fulfill the great responsibilities of a federal judge in such a manner as to reflect credit to the bench and to the bar."

Judge Guinn is a gradute of El Paso High School and received his law degree from the University of Texas School of Law in 1927, posting the highest grades in the school's history.

He was admitted to the bar 100 years to the day from his grandfather's admission in Tennessee. He was named El Paso City Attorney in 1938 by Mayor Marvin A. Harlan, and on Sept. 1 of the following year was appointed County Attorney. El Paso voters returned him to this elective post for 15 years before he retired to private practice of law with his wife.

He was elected chairman of the El Paso County Democratic Executive Committee in 1934 and was active in Democratic politics for many years, regarded as one of the ablest leaders in the liberal faction of the party.

Judge and Mrs. Guinn, a former Aoy school teacher, celebrated their 27th wedding anniversary this year.

Sen. RALPH YARBOROUGH, who nominated Guinn for the federal judgeship, was among the first to offer congratulations. In a telegram, the Senator said he believes that the work of the federal courts will be stepped up in efficiency and in disposition of the court's business.

"I think this is a good idea for justice in Texas," he said.

Senior U.S. District Judge R. E. Thomason gave his congratulations.

He said: "Ernest Guinn will make a fine judge because he is a man of fine character and ability. He is an experienced court and office lawyer and I welcome him as a colleague."

[From the Houston Chronicle, July 1, 1966]

TWO GOOD MEN FOR FEDERAL BENCH

President Johnson has made two good appointments in his selection of Woodrow B. Seals and John V. Singleton Jr. to fill the new federal district judgeships in Houston. Both are attorneys worthy of this high honor and of the President's confidence.

Seals, who is 48, has served as U.S. attorney for the Southern District of Texas since 1961. He is a native of Bogalusa, La. During the war he was an Army Air Corps pilot and served 26 months in the European Theater. When the war ended he was a captain and since has risen to lieutenant colonel in the Air Force Reserve.

Before he accepted his present U.S. attorney's post he practiced law in Houston privately. He is a liberal Democrat, a friend of Sen. RALPH YARBOROUGH and a leader in Harris County Democratic Party activities.

In 1957 he was elected chairman of the Harris County Democratic Executive Committee and he worked for the Kennedy-Johnson presidential ticket in 1960 and the Johnson-Humphrey ticket in 1964.

In 1960 he was instrumental in arranging then Sen. John Kennedy's appearance before the Houston Ministerial Assn. That was the dramatic meeting at which Kennedy disarmed many of the critics of his Catholic faith.

As a U.S. attorney, Seals has played behind-the-scene roles in promoting racial harmony in Houston and in securing voluntary compliance with civil rights laws.

He also was partly responsible for the writing of Texas' new Code of Criminal Procedure, for in 1957 he proposed at the state bar convention that a committee be formed to study possible revision of the existing code. Later he was chairman of the committee which recommended that the code be revised.

He is a former president of the Houston Criminal Lawyers' Assn.

Singleton, also 48, was born in Kaufman but grew up in Waxahachie. He is a lifelong friend of the President, having served as his secretary in 1941–42 when Mr. Johnson was in Congress.

Singleton is a member of the Houston law firm of Barrow, Land, Rehmet and Singleton.

During World War II he was in the Navy and served briefly after the war as an attorney with the Veterans Administration in Houston and as an investigator for the Office of Price Administration.

He is a past president of the Junior Bar Assn. and past vice-president of the Houston Bar. In 1963 Gov. Connally appointed him as the first lay member of the state depository board since the board was established in 1905. In 1964 he was a regional campaign director for President Johnson.

A conservative, Singleton also has served as Democratic state committeeman.

Both Seals and Singleton are men of ability, experience and intellect and we are confident they will add distinction to our federal judiciary.

[From the Houston Post, July 4, 1966]

TWO EXCELLENT APPOINTMENTS

President Johnson made two excellent appointments in naming Woodrow B. Seals and John V. Singleton Jr. both of Houston, as federal district judges in the Southern District of Texas.

Both have distinguished themselves as able lawyers, and Seals has served ably as United States attorney for the Southern District for the past five years, having been appointed to that position in 1961 by President John F. Kennedy. Both, at 48, are relatively young men and will bring to the bench a vigor that is needed in disposing of the ever-increasing volume of work which the courts must handle. Both men can look forward to a long period of service, with benefits to both the government and the public.

Seals engaged in the private practice of law before becoming United States attorney and served as chairman of the Harris County Democratic Executive Committee. He served as a captain in the Air Force during World War II and received his law degree in 1949 from the University of Texas.

Singleton, was a secretary to President Johnson in 1941–42 when the President was a member of the United States House of Representatives and later served as a member of the House police force. During World War II, he served in the Navy.

For a short time after the war, he was an attorney with the Veterans Administration and an investigator for the Office of Price Administration in Houston. He also received his law degree from the University of Texas and was admitted to the bar in 1942. Since leaving government service, he has been engaged in the private practice of law but has been active in Democratic politics.

The Post joins the many friends of both men in extending its congratulations on their selection. It is confident that both will prove to be outstanding members of the federal judiciary.

[From the Houston Chronicle, July 10, 1966]

SINGLETON: SPECTATOR TO BAR TO BENCH

(By Bill Lee)

When John Virgil Singleton Jr. was a boy growing up in Waxahatchie, he killed many a hot summer afternoon listening to trials at the Ellis County Courthouse.

Now 48 and a Houston attorney, he is preparing to mount the bench of a higher court than he ever visited in the little central Texas cotton town—the federal district judgeship for which he has been nominated by President Lyndon B. Johnson.

Singleton sprang from the rich blacklands, where cotton was king and where plants and men grew easily. Ellis County once boasted it marketed more cotton than any other county in the United States.

But in Singleton's time, an ugly depression replaced the pleasant prosperity.

FIVE-CENT COTTON

"I can remember when cotton sold for 5 cents a pound," Singleton recalls.

But in the face of hard times, the Singleton family maintained its stability. Young Singleton went through the public schools, played basketball and managed the football team in high school.

Even then Singleton wanted to become a lawyer.

"I have no recollection of the time when I didn't want to become a lawyer," Singleton says.

Perhaps Dan Moody, the young governor from Georgetown, had something to do with the desire. Moody was a lawyer and a close friend of Singleton's father, who owned an insurance agency in Waxahatchie.

Singleton was graduated from high school in 1936. That summer he and friends piled into a 1927 Pierce Arrow and traveled the South and Southwest, selling magazine subscriptions.

It wasn't easy. Sometimes they traded subscriptions for eggs and vegetables, and then exchanged these for meals at restaurants.

"One of my most vivid memories is being without food in Little Rock for a day and a half because I had no money," he says.

On entering the University of Texas that fall, Singleton became close friends with two schoolmates who were to influence his career tremendously. They were Gov. John Connally and U.S. Rep. JAKE PICKLE.

"John beat me for president of the student body one year," Singleton recalls.

CONNALLY REQUEST

In 1941, when Lyndon Johnson was running unsuccessfully for the U.S. Senate nomination, Connally asked Singleton to help his friend. Singleton campaigned, as he was to do in later Johnson senatorial and presidential races.

Later that year, having been graduated from the Texas law school, Singleton went to Washington and worked as Johnson's secretary for a few months while awaiting an assignment in the U.S. Navy.

The next four years Singleton was in the Navy, spending most of the time as a gunnery officer aboard a destroyer escort in the Pacific.

On his discharge as a lieutenant senior grade in 1946, he came to Houston and joined the law firm of Fulbright, Crooker, Freeman and Bates. He left in 1954 to become a partner in a smaller firm. In 1962 he took up his present practice with Barrow, Bland, Rehmet and Singleton.

In 1953 he married Jane Tully, the fashion editor for the old Houston Press. They now live at 221 Sage Rd.

Singleton was Harris County chairman of the Johnson-for-President movement in 1960 and later that year served on the county steering committee for the Kennedy-Johnson campaign. In the last presidential campaign he was director of a seven-state region for Johnson.

Connally appointed him in 1963 to the important state depository board, from which he must resign before assuming the judgeship.

In 1964 he was named state Democratic committeeman from Harris County.

He has been president of the Houston Junior Bar Assn. and vice-president of the Houston Bar Assn. He is a director of the Texas Bar Assn. and chairman of its grievance committee.

Singleton says a good judge must have more than legal ability and experience.

"The important thing is heart, a feeling for people and their rights," he explains. "He must be compassionate, and know what makes people tick."

On the walls of Singleton's office are inscribed portraits of the President and the Johnson family and a lithograph of Scottish golfers of a by-gone age. An explanation is below the lithograph:

"In 1582 John Henrie and Patrick Rogie were prosecuted for playing Golf on the links of Leith every Sabbath during the time of the sermons."

Somehow, one gets the idea that Singleton knows such prosecution belongs to a by-gone age.

He is a golfer himself, and a good one, shooting in the upper 70s.

SEALS: CHURCH, CIVIC WORK AND POLITICS

(By Bob Tutt)

Woodrow Bradley Seals was the oldest of seven children in a humble family at Bogalusa, La.

His father, who had a third-grade education, operated cafes and worked as a sawmill hand, a janitor and a WPA worker.

As he grew up Seals helped support the family and sold newspapers on Canal St. when the family lived in New Orleans. He worked in sawmills for 10 cents an hour.

After graduation from high school he worked for a railroad for two years before he was able to enroll in Pearl River Junior College at Poplarville, Miss.

PILOTED TRANSPORTS

During World War II he piloted transport planes that dropped paratroops during the invasions of North Africa, Sicily and Italy. He came through three crashes without injury.

After the war he used the GI Bill of Rights to study law at the University of Texas. He settled in Houston in 1950 to open a general law practice.

Plunging into church and civic work and politics, he was elected county Democratic chairman in 1958, was re-elected two years later and was named co-chairman of the 1960 Kennedy-Johnson campaign in Harris County.

This briefly, is the man President Kennedy appointed U.S. attorney for the Southern District of Texas five years ago.

President Johnson now has nominated him for a federal district judgeship, a lifetime position of power and prestige.

The 48-year-old attorney has impressive credentials for the job.

He has played an important behind-the-scenes role in helping head off and solve civil rights problems in this area.

The Texas Bar Assn. has saluted him for helping bring about the revision of the state code of criminal procedure and helping write the state's first bail bond regulatory law.

Although identified with the liberal wing of the Democratic Party, Seals earned the respect and friendship of many conservatives during his tenure as county chairman.

Seals has far-reaching interests.

He has held every position in St. Stephen's Methodist Church a layman can hold. He is vice-chairman of the Board of Christian Social Concerns of the Texas Methodist Conference.

He teaches a Sunday School class and a Bible class.

EXPERIENCE IS WIDE

He is a vice-president of the Texas Bill of Rights Foundation, a director of the Community Council, the United Fund, the Planned Parenthood Assn. and the Council on Human Relations and a lieutenant colonel in the Air Force Reserve.

He subscribes to periodicals ranging from the London Economist to the Reader's Digest to the Scientific American.

He is a voracious newspaper reader, subscribing to Houston's two daily and one weekly newspapers as well as Catholic, Jewish and Negro papers.

Seals met his wife Daisy at Pearl River Junior College. She is from a family of cotton planters in Yazoo County in the rich Delta country of Mississippi. They were married in Massachusetts on June 1, 1942, just hours before he was scheduled to fly to Europe.

The couple lives at 1510 Lehman with their son Bradley, who will be a junior at the University of Texas in the fall.

[From the Dallas News, June 29, 1966]

FORMER JUDGE WILLIAM TAYLOR WILL ASSUME DISTRICT POSITION

William McLaughlin Taylor, Jr., 57, named to succeed Federal District Judge T. Whitfield Davidson, is a former assistant district attorney, assistant city attorney, district judge and political worker.

After serving in the district attorney's office, 1933–1936, and the city attorney's office, 1936–1939, Taylor was in private practice until 1949 when he was appointed judge of the 134th District Court.

He won a full term on the district court bench in 1950, running on the Democratic ticket. He resigned from the bench in April, 1953, however, to return to private practice.

He has managed Dallas campaigns of U.S. Senator RALPH YARBOROUGH and "campaigned for Lyndon Johnson every time he ran."

YARBOROUGH wired Taylor Tuesday: "Your elevation to this high post is a great moment for Texas and will enhance the stature of our federal judiciary."

Taylor said, "This is a great honor, and a great responsibility. I trust I can live up to the President's and the Senator's confidence."

A partner in the firm of Strasburger, Price, Kelton, Miller and Martin, Taylor has represented many insurance companies and construction contractors.

One of his trials in 1956 lasted 11 weeks before a jury, a record duration at the time. Taylor won it.

Born in Denton, Taylor came to Dallas when he was 4 years old. From 1918 to 1921 he lived in Austin where his father, William M. Taylor, Sr. was a member of the Supreme Court Commission of Appeals.

Called "Mac" by his friends, the younger Taylor attended the University of Texas and Southern Methodist University Law School. He has been practicing law in Dallas since 1932. During World War II he served as a captain the U.S. Marine Corps.

IRVING GOLDBERG WILL FILL POST IN CIRCUIT COURT OF APPEALS

Irving L. Goldberg, who will celebrate his 60th birthday Wednesday, is described by a colleague as a lawyer who will carry "a high degree of intellectual capacity" to his new federal bench.

Goldberg, a Dallas lawyer since 1932, has been named by President Lyndon Johnson to one of the four new judicial posts created in the U.S. Court of Appeals for the Fifth Circuit. Goldberg will be one of 13 judges.

A partner in the firm of Goldberg, Akin, Gump, Strauss and Hauer, Goldberg, is a graduate of the University of Texas and Harvard Law School. He said Tuesday he plans to maintain his residence at 5906 Walnut Hill Lane in Dallas.

The circuit court, based in New Orleans, meets in various cities throughout the South.

In addition to the appointment, Tuesday was an important day for the Goldberg family, because Goldberg's daughter and son-in-law, Mr. and Mrs. Michael Lowenberg of Dallas, were in Austin taking the state bar examination.

The Lowenbergs are recent graduates of Harvard Law School.

Another daughter, Miss Nancy Goldberg, is a teacher in a private school in New York City.

An acquaintance described Goldberg as "a very gentle man who usually has a book on government, history or philosophy within reach."

Born in Port Arthur, Goldberg came to Dallas in 1932 to begin a successful career in civil law. He has held no political offices but has been "interested" in Democratic politics.

He supported campaigns of U.S. Senator RALPH YARBOROUGH and President Johnson. He is vice-chairman of the State Advisory Committee to the U.S. Commission on Civil Rights.

A past president of Temple Emanu-El, Goldberg also has served as president of the Jewish Welfare Federation in Dallas and Golden Acres, a home for Jewish aged.

[Dallas Morning News, June 22, 1966]

LBJ PICKS EIGHT FOR FEDERAL JUDGE POSTS: DALLAS ATTORNEYS, TAYLOR, GOLDBERG, AMONG APPOINTEES

(By Robert E. Baskin)

WASHINGTON.—President Johnson Tuesday named five federal district judges for Texas, including Dallas lawyer William M. Taylor Jr., and three judges for the Fifth Circuit

Court of Appeals, including another Dallas lawyer, Irving L. Goldberg.

The appointments appeared to be the result of a compromise between Mr. Johnson and Sen. RALPH YARBOROUGH. The senator's first choice for the vacancy in the northern district was Taylor, while Johnson had favored either Goldberg or Dallas Dist. Atty. Henry Wade for the post.

In the lengthy negotiations over the judgeships, Wade apparently lost out, despite the fact that he had been highly regarded by Mr. Johnson and had assisted several of his campaigns. YARBOROUGH was known to be adamantly opposed to Wade.

Other judgeship nominations by Mr. Johnson included Federal Dist. Atty. Woodrow B. Seals of Houston for the southern district, Travis County Judge Jack Roberts of Austin for the western district, El Paso lawyer Ernest A. Guinn for the western district, and Houston lawyer John V. Singleton Jr. for the southern district.

YARBOROUGH issued a statement in which he reported that "the President and I have labored for long hours to fill these lifetime federal judicial appointments in Texas."

He said that Atty. Gen. Nicholas Katzenbach and Deputy Atty. Gen. Ramsey Clark of Dallas had a part in the selections. YARBOROUGH said he would support all of the nominees for confirmation in the Senate.

"I congratulate the President, a nonlawyer, on his patience and diligence in searching for qualified men," YARBOROUGH declared.

"I have been present personally while the President read the estimates and recommendations of each of the men by the bar. All of them have the approval of the Bar Association. With their vigor and good health, I believe that the work of the federal courts in Texas will be stepped up in efficiency and in dispatch of the court's business. I think it is a good day for justice in Texas."

The nomination of Dallas attorney Taylor for the northern district judgeship was hardly a surprise. The Dallas News reported last January that he was the first choice of YARBOROUGH to succeed retired Federal Judge T. Whitfield Davidson.

Taylor and YARBOROUGH served together in the Texas attorney general's office in the 1930's and their friendship has remained firm over the years. A native of Denton and a graduate of Southern Methodist University and the University of Texas, the 55-year-old Taylor has assisted in several of YARBOROUGH's campaigns in Dallas County.

Goldberg, 60, a native of Port Arthur who holds degrees from the University of Texas and Harvard Law School, has long been a friend of Mr. Johnson. He is currently serving on the state advisory committee of the U.S. Commission on Civil Rights.

Seals, the nominee for the southern district, is another University of Texas Law School graduate, who has served as federal district attorney since June 1961.

In addition to Goldberg, Mr. Johnson named two others for the Fifth Circuit Court, which sits in New Orleans. They were Federal District Judge Robert A. Ainsworth of New Orleans and Montgomery, Ala., lawyer John C. Goldbold.

[From the Dallas Times-Herald, June 29, 1966]

TEXAS POSTS FILLED: DALLASITES NAMED FEDERAL JUDGES

(By Margaret Mayer)

WASHINGTON.—President Johnson nominated and Sen. RALPH YARBOROUGH heartily endorsed six Texans, including two Dallasites, for judgeships, breaking a hiatus that has existed in Texas patronage appointments for more than a year.

The nominations announced by the White House Tuesday are:

Irving L. Goldberg, Dallas attorney and longtime personal friend of the President, to the Fifth Circuit Court of Appeals.

William M. Taylor Jr., Dallas attorney and longtime personal friend of Sen. YARBOROUGH, to fill the northern district bench vacated by Judge T. Whitfield Davidson last November.

Woodrow B. Seals of Houston, U.S. district attorney and friend of Sen. YARBOROUGH, to a newly-created southern district bench.

John V. Singleton Jr., Houston attorney and friend of Gov. John Connally, to newly-created Southern district bench.

State District Judge Jack Roberts of Austin, to a western district bench.

Ernest A. Guinn, former El Paso county attorney now in private practice, to a western district bench.

One of the western district judgeships was left vacant by the President's promotion of former Rep. Homer Thornberry of Austin from the district court to the court of appeals last July. The other western district position was created by Congress this year.

The nominations will go to the Senate Judiciary Committee where, in the view of Sen. YARBOROUGH's unqualified support, they are expected to receive prompt approval.

With a 10-day congressional recess starting this weekend, the committee is not expected to hear the nominations before mid-July.

The choices for judgeships, reported in The Times Herald two weeks ago, continue in effect a 50-50 division of Texas patronage between the President and the Texas Democratic senator that began when Johnson became vice president.

They are the first patronage appointments the two have agreed upon since Judge Thornberry's promotion a year ago. Meanwhile, a vacancy still exists in the northern federal district attorney's office, pending district Barefoot Sanders' resignation in February 1965.

Seals' appointment as a southern district judge creates a second district attorney's vacancy, perhaps opening a 50-50 way for agreement on the northern district appointment.

Sen. YARBOROUGH issued a statement on the President's nominations soon after they were announced. He said:

"The President and I have labored long hours to fill these lifetime federal appointments in Texas, so important to the preservation of rights of every person and the just workings of our constitutional system. We have had continued efficient aid of the attorney general and deputy attorney General Ramsey Clark.

"These recommendations are joint recommendations for confirmation by the Senate . . . our problem was not just to find six qualified men to be federal judges. That would be easy in an able bar the size of the Texas bar. Our problem was to choose six qualified men out of many . . .

"I congratulate the President, a nonlawyer, on his patience and diligence in search of qualified men. I have been personally present while the President read the estimates and recommendations of each of the men by the bar. All of them have the approval of the bar association . . . I think it is a good day for justice in Texas."

Goldberg, a member of the Dallas law firm of Goldberg, Akin, Gump, Strauss and Hauer, will fill one of four new positions on the Fifth Circuit Court of Appeals which covers the Southern states.

Other nominees for the circuit court also announced Tuesday are U.S. District Judge Robert A. Ainsworth Jr., of New Orleans and John Cooper Godbold, attorney in Montgomery, Ala.

Goldberg, who celebrates his 60th birthday Wednesday, has been practicing law in Dallas since 1932. He is a native of Port Arthur and a graduate of the University of Texas and Harvard Law School. He served in the Navy during World War II and is presently vice chairman of the Texas Advisory Commission to the U.S. Commission on Civil Rights. Goldberg and his wife live at 5906 Walnut Hill in Dallas.

Taylor, 57 years old, is a native of Massachusetts. He is a graduate of the University of Texas and SMU School of Law, has been an assistant district attorney and assistant city attorney in Dallas, served in the Marine Corps in World War II and as a state district judge in Dallas in 1949–53. He is a partner in the Dallas law firm of Strausburger, Price, Kelton, Miller and Martin.

The President's two Houston nominees have both been active in state politics in past years, Seals as a leader among democratic party loyalists and Singleton as a campaign worker for the President and Gov. Connally.

Seals, 48, is a native of Bogalusa, La., and was a railroad messenger and mail handler before he attended a junior college in Mississippi. He was a captain in the Air Corps in World War II, got his law degree from the University of Texas after the war and practiced law in Houston before his appointment as district attorney in 1961.

JUDGE NOMINEES' CAREERS BEGAN HERE IN SAME YEAR

Irving L. Goldberg and William M. Taylor Jr. began their legal careers in Dallas the same year—1932.

Wednesday they began preparing to be Federal judges on the same day.

The two well-known and highly respected attorneys were appointed to judgeships Tuesday by President Johnson. Goldberg fills a new position on the U.S. Fifth Circuit of Appeals and Taylor replaces the retired T. Whitfield Davidson on the Dallas Federal District Court bench.

"As a lawyer who is devoted to his profession" said Goldberg Wednesday, "this appointment comes as a new dimension to my professional life."

Taylor, son of a former Texas Supreme Court judge, echoed his colleague's assessment.

Goldberg, 60, will be one of 13 judges on the important appeals court which is based in New Orleans but hears cases throughout the southeastern and southwestern parts of the United States.

Born in Port Arthur, he is a graduate of the University of Texas and Harvard Law School. He began his private practice of law here in 1932 and is now a partner in the firm of Goldberg, Akin, Gump, Strauss and Hauer.

While never holding a political office of any kind, the "intellectual lawyer," as he is often called by his admirers, has been active in behind-the-scenes politics for many years.

He is a personal friend of President Johnson. It was Goldberg the President called shortly after President Kennedy was assassinated. Johnson wanted Goldberg to locate U.S. District Judge Sarah T. Hughes to swear him in as President.

He has been active in Jewish affairs in Dallas, holding top leadership positions at Temple Emanu-El, The Jewish Welfare Federation and Golden Acres. He is a member of the board of Hebrew Union College, Cincinati, and is on the board of the Community Council of Greater Dallas.

Taylor, 57, is a graduate of the University of Texas and the Southern Methodist University Law School.

"Mac" to his friends, has served as an assistant district attorney of Dallas County, an assistant city attorney and spent four years as judge of the 134th District Court.

This position he resigned in 1953 to return to the private practice of law. He is now

a partner in the firm of Strasburger, Price, Kelton, Miller and Martin.

His father, William M. Taylor Sr., was a justice of the Texas Supreme Court. The younger Taylor served as a Marine captain during World War II.

Taylor's activity in politics also has been behind-the-scenes, with the exception of his four years on the state bench.

He has managed campaigns in Dallas County for RALPH YARBOROUGH and has worked for other Democratic candidates.

[From the Austin American, June 29, 1966]

LBJ PICKS ROBERTS FOR U.S. BENCH

(By Nat Henderson)

President Lyndon B. Johnson said Tuesday that he will nominate 126th District Court Judge Jack Roberts for a federal bench in the huge Western District of Texas.

The 56-year-old Austin jurist, who in 17 years has presided over some of the most important civil litigation in Texas and who has experience in both the prosecution and defense of criminal cases, apparently will continue to reside here and have his chambers in the U.S. Courthouse.

Judge Roberts thus will become the third federal jurist with chambers in Austin. The others are Justice Homer Thornberry of the Fifth Circuit Court of Appeals and District Judge Adrian A. Spears, chief judge of the Western District.

President Johnson also disclosed in Washington shortly before announcing he will spend the July 4 holidays in Texas that he will nominate five other men from his home state for federal judgeships.

To be nominated with Judge Roberts for another vacant bench in the Western District is Ernest A. Guinn, an attorney who is a former city and county attorney at El Paso.

When the Senate confirms the appointments of Judge Roberts and Guinn, all four benches allotted to the Western District will be filled. Besides Chief Judge Spears of Austin, the only jurist sitting in the Western District is Judge D. W. Suttle of El Paso.

The Travis County Bar Association and other groups of attorneys for several months have been urging the President to fill the vacancies in the Western District because of the tremendous work load on Judges Spears and Suttle.

The district, one of the largest in the nation, has divisions of Federal Court in Austin, San Antonio, Waco, Pecos, Del Rio and El Paso. On the basis of criminal filings per judgeship the Western District tops all others in the nation.

The Southern District of California is the only one to handle more criminal cases numerically than the Western District. However, the California district in 1964 terminated 3,400 criminal cases with 16 judges and 45 assistant U.S. attorneys while the Western District closed 1,500 with only two full-time judges and 10 assistant attorneys.

Judges Spears and Suttle additionally have had a heavy schedule of civil hearings. One anti-trust case heard by Judge Spears lasted 50 days in court.

President Johnson's other nominees for the district courts in Texas will include John V. Singleton Jr., a Houston attorney; Woodrow Seals of Houston, U.S. attorney since 1961; and William A. Taylor Jr., Dallas, a former state district judge.

Singleton, who was secretary to Johnson when Johnson was a House member in 1941–42, and Seals are being nominated for judgeships in the Southern District of Texas. Taylor will be in the Northern District.

A Dallas lawyer, Irving Goldberg, will be nominated for a post on the Fifth Circuit Court of Appeals. Goldberg since 1962 has been vice chairman of the Texas State Advisory Commission to the Federal Civil Rights Commission.

Also to be nominated by Johnson to the Fifth Circuit are Robert Ainsworth Jr., New Orleans, a U.S. district judge for Eastern Louisiana since 1961, and John Goldbold, an attorney from Montgomery, Ala., Texas is in the Fifth Circuit.

When informed of the new Johnson nominees, Judge Thornberry said in Austin, "Judge Roberts, a personal friend for over 30 years, brings to the bench of the U.S. Courts a wealth of legal talent and judicial experience. I welcome him to the judiciary and congratulate the President of the U.S. and Sen. RALPH YARBOROUGH."

Commenting in Washington on the nominations, Sen. YARBOROUGH said, "I think it is a good day for justice in Texas."

He said he worked "many hours" with the President to choose men who were qualified, had the necessary experience and were recommended by the Bar Association. The Senator said consideration also was given to geographical distribution and the heavy workloads on the courts.

YARBOROUGH said many lawyers and judges were considered. He said the hardest job was to select a few out of the wide field of able candidates.

Judge Spears, presiding Tuesday in San Antonio, said "I have known Judge Roberts personally and by a reputation for a number of years, and I am happy to welcome him as one of our colleagues. He is certainly well qualified, and I am looking forward to working with him."

He said a meeting of the judges in the Western District will be held after the Senate confirmations. The division of the work will be discussed then.

The elevation of Judge Roberts will leave a vacancy in the 126th District Court, where he has presided since Oct. 1, 1948. Such a vacancy in the state courts is filled by gubernatorial appointment. However, there has been no confirmation and very little rumor about the choice of Gov. John Connally for the district bench here.

Judge Roberts, who received his law degree from the University of Texas in 1933, was in private practice before becoming a title attorney for the General Land Office. During World War II, he served with Army intelligence. He was elected district attorney here in 1946 and district judge in 1948.

ATOMIC ENERGY COMMISSION

The legislative clerk proceeded to read sundry nominations in the Atomic Energy Commission.

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

The ACTING PRESIDENT pro tempore. Without objection, the nominations will be considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

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

FOREIGN AID AND THE OTHER PROGRAMS—HOW LONG CAN THE MONEY HOLD OUT?

Mr. SYMINGTON. Mr. President, because of the current hearings on defense appropriations, it was not possible for me to be in the Chamber yesterday during debate on the foreign aid bill. I have now read the RECORD, however.

The United States is in a war; and whether or not we approve of this war, I am certain that every Member of the Senate believes that the young Americans who are fighting it should have fullest support.

It is a real war. Including the planes lost this week, the total loss of America planes over North Vietnam alone now amounts to over 300; and more important, American casualties now run into the tens of thousands, with thousands dead.

In addition to all this, the United States still maintains hundreds of thousands more troops, all over Europe and other parts of the Far East.

This morning, the press states that the expected surge of support for the British pound has failed to materialize, even after the emergency economic program announced by the British Prime Minister.

From Germany today also comes the report that the British will cut heavily their military forces in Germany.

At the Bretton Woods Conference of 1944, the pound, as well as the dollar, was made synonymous with gold for international trade. It is, therefore, to our interest to stand behind the British pound to the best of our ability.

Under these and other developing circumstances, one has the right to ask: How long can the United States continue to defend this much of the free world and to finance this much of the free world at the same time it both conducts this war in South Vietnam and carries on the essential domestic programs to which it is committed and which are so vital to the future of our country?

The gross national product of the United States is one thing, and the continuing unfavorable balance of payments of this Nation is another—and as we pursue and increase these vast expenditures, with relatively little priority, it is fair for some of us to begin to worry, frankly, as to whether or not the money in turn is beginning to run out.

If there is even a remote chance of that being true, and especially because the integrity of the dollar is the very base of the strength of the free world, the time to face up to it is now, not later, when possibly the dollar could have developed the same type and character of problem that faces the British pound today.

Let us not delay corrective actions until we are faced with the difficult choice the British have just had to make, such as depressing the economy with wage-price controls and other severe measures, or devaluing the currency.

All of the programs mentioned in the debate yesterday are desirable, including all the aid we can afford to Asia and Africa and the other parts of the world. But we also have serious problems here, and they are growing: the lack of adequate educational facilities, the explosions in our cities resulting from the stark tragedies of unemployment and poverty.

Therefore, even though, again, all of these programs are desirable, is it not fair to start considering just how many of them we can afford; and, with that premise, which ones are the most desirable?

In answer to some of the more ardent critics of those of us who believe that, because of such reasons as the above, there ought to be a new look at the foreign aid program, may I say, with respect, that I believe the time has ended when people in American public life can be sure of improving their position by recommending increasing Government expenditures in every field.

UNIFORM RELOCATION ACT OF 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1343, S. 1681.

The PRESIDING OFFICER (Mr. BREWSTER in the chair). The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 1681) to provide for uniform, fair, and equitable treatment of persons, businesses, or farms displaced by Federal and federally assisted programs.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Government Operations, with amendments, on page 1, line 4, after the word "of" to strike out "1965" and insert "1966"; on page 2, line 5, after the word "programs" to strike out the comma and "by code enforcement activities undertaken in connection with an urban renewal project, or by a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan"; at the beginning of line 12, to strike out the word "and"; in line 13, after the word "assisted" to strike out "programs" and insert "programs, and (5) land acquisition policies"; on page 3, line 5, after the word "the", to strike out "business" and insert "business"; in line 13, after the word "years", to strike out "immediatley" and insert "immediately"; on page 4, line 8, after the word "lesser;" to strike out "and"; in line 10, after the word "person", to strike out "owned the fee title or a life estate in the real property occupied." and insert "purchase a dwelling for the purpose of residence within one year from the date of actual displacement except that such displaced person shall only be eligible for payment under this subsection when the dwelling purchased is situated upon real estate in which such person acquires fee title, life estate, ninety-nine-year lease, or other type of long-term lease equivalent to fee ownership; and"; after line 17, to insert:

(4) An additional payment for reasonable and necessary expenses incurred for (i) recording fees, transfer taxes, and similar expenses incidental to conveying the real property from which such person is displaced, (ii) penalty costs for prepayment of any mortgage encumbering such real property, and (iii) the pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting of title in a Federal agency, or the effective date of the acquisition of such real property by a Federal agency, whichever is earlier.

On page 5, line 15, after the word "pay", to insert the "to or"; in line 18, after the word "exceed" where it appears the second time, to strike out "$1,000 to" and insert "$500 in the first twelve months and $500 in the second twelve months to"; in line 21, after the word "dwelling.", to strike out "The" and insert "Subject to the limitation imposed by the preceding sentence, the"; on page 6, line 9, after the word "the", to strike out "Housing and Home Finance Administrator" and insert "Secretary of Housing and Urban Development"; in line 12, after the word "such", to strike out "Act" and insert "Act, or a dwelling unit assisted under section 101 of the Housing and Urban Development Act of 1965"; after line 14, to insert:

(2) The Secretary of Housing and Urban Development shall make the determinations under this subsection on the amount of assistance according to family size, family or individual income, average rents required, or similar considerations for all agencies making such payments.

After line 19, to insert:

(3) The additional payments under this subsection may be paid on a lump sum or other than monthly basis in cases in which the small size of the payments that would otherwise be required do not warrant a number of separate payments or in other cases in which other than monthly payments are determined warranted by the head of the Federal agency.

At the top of page 7, to insert:

(4) No payment received under this subsection shall be considered as income for the purpose of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal act.

After line 4,

(f) No provision of this section shall be construed to give any person a cause of action in any court, nor may any violation of this section be raised as a defense by such person in any action.

After line 8, to insert:

(f) All functions performed under this section shall be subject to the operation of the Act of June 11, 1946 (60 Stat. 237), as amended (5 U.S.C. 1001–1011). Any displaced person adversely affected or aggrieved by the operation of this section after the effective date of this Act may institute in the district court of the United States for the judicial district in which such claimant resides or in which such claim first arose an action for the review of such determination. Upon the filing of such action, such court shall have jurisdiction to hear and determine such action and to enter therein such judgment, decree, or order as it shall deem appropriate and may modify such determination upon a showing that such determination was arbitrary, capricious, or in violation of standards applicable to such determinations in similar cases.

On page 8, line 3, after the word "subsection", to strike out "(b)" and insert "(c)"; after line 8 to insert:

(b) Federal agencies administering programs which may be of assistance to displaced persons covered by this Act shall cooperate to the maximum extent feasible with the Federal or State agency causing the displacement to assure that such displaced persons receive the maximum assistance available to them.

At the beginning of line 15, to strike out "(b)" and insert "(c)"; in line 20, after the word "assistance;" to insert "(2) to assure that within a reasonable period of time prior to displacement, there will be available, in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings equal in number to the number of, and available to, such displaced families and individuals and reasonably accessible to their places of employment, except that such assurance may be waived during any period of national emergency proclaimed by the President;"; at the beginning of line 5, to strike out "(2)" and insert "(3)"; in line 7, after the word "farms;"; to strike out "(3)" and insert "(4)"; in line 13, after the word "persons;", to strike out "(4)" and insert "(5)"; in line 14, after the word "and", to strike out "(5)" and insert "(6)"; after line 19, to insert:

(d) Paragraph (3) of section 7(b) of the Small Business Act is amended to read as follows:

"(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a business, or in establishing a new business, if the Administration determines that such concern has suffered substantial economic injury as the result of its displacement by, or location in, adjacent to, or near, a federally aided urban renewal project or highway construction program or any other public improvement program conducted by or with funds provided in whole or in part by the Federal Government or by the States; and the purpose of a loan made pursuant to such project or program may, in the discretion of the Administration, include the purchase or construction of other premises whether or not the borrower owned the premises occupied by the business and,".

On page 11, line 5, after the word "President", to strike out "shall make such" and insert "is authorized to make such rules and"; in line 8, after the word "section", to strike out "2" and insert "3"; after line 10, to strike out:

(2) That a displaced person who makes proper application for a relocation payment authorized for such person by section 2(a)—

(A) shall be reimbursed for his actual and reasonable expenses in moving himself, his family, his business, farm operation, or other personal property, and in the case of a farm operation, for his actual and reasonable expenses in searching for a replacement farm; and

(B) shall, if he disposes of personal property on moving his business or farm operation and replaces such property at the new location, be paid an amount equal to the reasonable expenses that would have been required in moving such personal property to the new location.

And, in lieu thereof, to insert:

(2) That a displaced person who makes proper application for a relocation payment

authorized for such person by section 3(a) shall be reimbursed for or paid—

(A) his actual and reasonable expenses in moving himself, his family, his business, farm operation, or other personal property, and in the case of a farm operation, for his actual and reasonable expenses in searching for a replacement farm;

(B) if he disposes of personal property on moving his business or farm operation and replaces such property at the new location, an amount equal to the reasonable expenses that would have been required in moving such personal property to the new location; and

(C) such other expenses authorized by section 3(a) as may be provided for in regulations issued under this section;

On page 12, line 18, after the word "move," to insert "or, in certain hardship cases, the President may, by regulation, authorize advance payment of certain relocation costs"; on page 13, line 8, after "8" to strike out "(d)" and insert "(b)"; on page 14, line 6, after "(a)" to strike out:

If a State agency acquires real property, and if—

(1) Federal financial assistance is available to pay the cost in connection with the acquisition of such real property or of the improvement for which such property is acquired, and

(2) Such State agency has agreed.

And insert:

Notwithstanding any other provision of law, on and after the effective date of this Act, no contract, grant to, or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired or as the result of which displacement will otherwise occur, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement.

In line 22, after the word "of" to strike out "the" and insert "such"; in the same line, after the word "agency", to strike out "responsible for the administration of such Federal financial assistance"; on page 15, at the beginning of line 1, to strike out "(A)" and insert "(1)"; in the same line, after the word "reasonable", to strike out "location" and insert "relocation"; in line 2, after the word "section", to strike out "3" and insert "3(a)"; in line 4, after the word "this", to strike out "Act," and insert "Act;"; at the beginning of line 5, to strike out "(B)" and insert "(2)"; in line 8, after "(c)," to strike out "and (d)" and insert "(d), and (e)"; in the same line, after the word "this", to strike out "Act," and insert "Act;"; at the beginning of line 9, to strike out "(C)" and insert "(3)"; at the beginning of line 11, to strike out "(D)" and insert "(4)"; in line 13, after the word "that", to strike out "there are or are being provided," and insert "within a reasonable period of time prior to displacement, there will be available"; in line 22, after the word "of", to strike out "employment," and insert "employment."; after line 22, to strike out "then Federal financial assistance shall be available to share the cost of such relocation payments and relocation assistance programs in accordance with subsection (d) of this section. However, no State agency need agree to make any relocation payment in excess of $25,000 to any displaced person in order to receive the assistance authorized by this subsection or to meet the requirements of section 9."; on page 16, after line 4, to insert:

(b) The cost to a State agency providing the payments and services described in subsection (a) of this section may be included as part of the cost of the project for which Federal financial assistance is available to such State agency, and such State agency shall be eligible for Federal financial assistance with respect to such payments and services in the same manner and to the same extent as with respect to other project costs, except that the Federal agency providing such assistance shall contribute the first $25,000 of the cost of providing a relocation payment to any displaced person. However, no State agency need agree to make any relocation payment in excess of $25,000 to any displaced person in order to receive the assistance authorized by the subsection.

At the beginning of line 18, to strike out "(b)" and insert "(c)"; in line 22, after the word "subsection," to strike out "(c)", and insert "(a)"; on page 17, at the beginning of line 3, to strike out "(c)" and insert "(d)"; in the same line, after the word "Any", to insert "grant to, or"; after line 9, to strike out:

(d) The cost to a State agency providing the payments and services described in subsection (a) of this section may be included as part of the costs of the project for which Federal financial assistance is available to such State agency, and shall be eligible for Federal financial assistance in the same manner and to the same extent as other project costs, except that the Federal agency providing such assistance shall contribute the first $25,000 of the cost of providing a relocation payment to any displaced person.

In line 23, after the word "persons," to insert "or to provide the funds necessary to meet the requirements of section 10(b) of this Act"; on page 18, line 1, after the word "payments", to insert "and an amount necessary to make the required payments under section 10(b)"; after line 9 to strike out:

Requirements for approval of contracts or agreements for Federal financial assistance

SEC. 9. Notwithstanding any other provision of law, on and after the effective date of this Act, no contract or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement in compliance with the requirements of section 8(a).

At the top of page 19, to strike out:

Displacement by code enforcement for urban renewal project or voluntary rehabilitation under urban renewal plan

And, in lieu thereof, to insert:

Displacement by certain programs receiving assistance under title I of the Housing Act of 1949, as amended

After line 6, to strike out:

SEC. 10. A person who moves his business or other personal property, or moves from his dwelling, on or after the effective date of this Act, as the direct result of code enforcement activities undertaken in connection with an urban renewal project or a program of voluntary rehabilitation of buildings or other improvements in accordance with an urban renewal plan, which project or plan receives Federal financial assistance under the Housing Act of 1959, shall, for the purposes of this Act, be deemed to be a displaced person.

And insert, in lieu thereof:

SEC. 9. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling on or after the effective date of this Act, as a direct result of any project or program which receives Federal financial assistance under title I of the Housing Act of 1949, as amended, shall, for the purposes of this Act, be deemed to be a displaced person.

On page 20, after line 2, to strike out:

PART C. GENERAL PROVISIONS

District of Columbia and National Capital Housing Authority eligible for Federal financial assistance

SEC. 11. Whenever, in connection with the acquisition of real property, the District of Columbia or the National Capital Housing Authority provides to a displaced person any relocation payment or advisory service required by this Act, and Federal financial assistance is available to pay the cost in connection with the acquisition of such real property, or of the public improvement for which such property is acquired, the cost of such agency of providing such payments or services shall be eligible for Federal financial assistance in the manner provided for in section 8(d).

And, in lieu thereof, to insert:

PART C.—LAND ACQUISITION POLICY

SEC. 10. (a) The following policies shall be adhered to by Federal agencies in the acquisition of real property by Federal agencies through the exercise of the power of eminent domain to carry into effect Federal programs:

(1) the agency shall make every reasonable effort to acquire the real property by negotiated purchase; and

(2) the construction or development of any public improvement shall be so scheduled that no person lawfully occupying the real property shall be required to surrender possession on account of such construction or development without at least ninety days' written notice from the agency of the date on which such construction or development is scheduled to begin.

(b) Notwithstanding any other provision of law on or after the effective date of this Act, no contract, grant to, or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired or as the result of which displacement will otherwise occur, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement by which such State agency has undertaken—

(1) to comply with the policies prescribed by subsection (a) to the same extent to which such policies would apply if such acquisition were made by a Federal agency; and

(2) to refrain from requiring any owner of real property so acquired to surrender possession of such property before the agency pays to the owner (A) the agreed purchase price arrived at by negotiation, or (B) in any case where only the amount of the payment to the owner is in dispute, not less than 75 per centum of the appraised fair value of such property as approved by the agency.

On page 22, after line 3, to insert:

PART D.—GENERAL PROVISIONS

At the beginning of line 6, to change the section number from "12" to "11"; at the beginning of line 7, to strike out "(1)" and insert "(a)"; at the beginning of line 8, to strike out "(A)" and insert "(1)"; in line 9, after the word "Government", to strike out "including the National Capital Housing Authority"; in line 11, after the word "corporation", to insert "and"; after line 11, to strike out:

(B) the District of Columbia, and any agency or instrumentality thereof, including the District of Columbia Redevelopment Land Agency; and

At the beginning of line 15, to strike out "(C)" and insert "(2)"; at the beginning of line 16, to strike out "(2)" and insert "(b); at the beginning of line 17, to strike out "(A)" and insert "(1)"; in line 20, after the word "or", to strike out "imminence of acquisition" and insert "reasonable expectation of acquisition"; at the beginning of line 23, to strike out "(B)" and insert "(2)"; in the same line after the word "the", to strike out "owner" and insert "farm operator"; on page 23, line 1, after the word "or", to strike out "imminence of" and insert "reasonable expectations of"; at the beginning of line 4, to strike out "(C)" and insert "(3)"; in line 7, after the word "or", to strike out "imminence" and insert "reasonable expectation"; in line 10, after the word "or", to strike out "imminence" and insert "reasonable expectation"; in line 11, after the word "acquisition", to insert "of such real property"; at the beginning of line 15, to strike out "(D)" and insert "(4)"; in line 18, after the word "or", to strike out "imminence" and insert "reasonable expectation"; in line 21, after the word "or", to strike out "imminence" and insert "reasonable expectation"; in line 22, after the word "acquisition", to insert "of such real property"; on page 24, at the beginning of line 1, to strike out "(E)" and insert "(5)"; at the beginning of line 2, to strike out "(A)" and insert "(1)"; in the same line after the amendment just above stated, to strike out "(B)" and insert "(2)"; in the same line after the amendment just above stated to strike out "(C)" and insert "(3)"; in the same line after the word "or" to strike out "(D)" and insert "(4)"; in line 5, after the word "or", to strike out "imminence" and insert "reasonable expectation"; in line 7, after the word "State", to strike out "agency." and insert "agency: *Provided*, That this shall not include the owner of property on the premises of another under a lease or licensing arrangement where such owner is required pursuant to such lease or license to move such property at his own expense."; at the beginning of line 12, to strike out "(3)" and insert "(c)"; in line (13), after the word "primarily", to strike out "(A)" and insert "(1)"; in line 14, after the word "property;" to strike out "(B)" and insert "(2)"; in line 16, after the word "or", to strike out "(C)" and insert "(3)"; at the beginning of line 17, to strike out the word "public." and insert "public; or (4) by a nonprofit organization."; at the beginning of line 20, to strike out "(4)" and insert "(d)"; at the top of page 25, to insert:

(e) The term "farm operator" means any owner, part owner, tenant, or sharecropper who operates a farm.

At the beginning of line 3, to strike out "(5)" and insert "(f)"; at the beginning of line 6, to strike out "(6)" and insert "(g)"; in line 7, after the word "States," to insert "the District of Columbia,"; after line 9, to strike out:

(7) The term "State agency" means any agency or instrumentality created by a State or by a compact between two or more States approved by Congress.

And insert, in lieu thereof:

(h) The term "State agency" means any agency or instrumentality created by a State, or by a political subdivision of a State or by agreement between two or more States or by two or more political subdivisions of a State or States.

At the beginning of line 17, to strike out "(8)" and insert "(i)"; at the beginning of line 22, to strike out "(9)" and insert "(j)"; on page 26, at the beginning of line 1, to strike out "(10)" and insert "(k)"; at the beginning of line 4, to strike out "(11)" and insert "(l)"; at the beginning of line 7, to strike out "(12)" and insert "(m)"; in line 10, after the word "or", to strike out "imminence" and insert "reasonable expectation"; after line 13, to strike out:

(13) The term "person" means any individual, and any partnership, corporation, or association.

And insert, in lieu thereof:

(n) The terms "owner" and "person" mean any individual, and any partnership, corporation, or association.

After line 17, to strike out:

Applicability of Administrative Procedure Act

SEC. 13. No provision of the Administrative Procedure Act shall apply to this title except section 3 (5 U.S.C. 1002), which shall apply to section 5 of this Act.

At the beginning of line 23, after "SEC." to strike out "14" and insert "12."; on page 27, at the beginning of line 4, after "SEC." to strike out "15" and insert "13"; in line 16, after "1964", to strike out "(78 Stat. 305)." and insert "(49 U.S.C. 1606 (b))."; in line 17, after "1949" to strike out "(78 Stat. 786)." and insert "(42 U.S.C. 1455(c))."; at the beginning of line 19, after "(7)", to strike out "Sections 114(b) and 114(c)" and insert "Section 114"; in line 20 after "1949", to strike out "(78 Stat. 788–789)." and insert "(42 U.S.C. 1465(a)–(d))."; in line 23, after "1937", to strike out "(78 Stat. 795)" and insert "(42 U.S.C. 1415(8)),"; after line 24, to strike out:

(9) Section 2 of the Act entitled "An Act to authorize the Commissioners of the District of Columbia to pay relocation costs made necessary by actions of the District of Columbia government, and for other purposes", approved October 6, 1964 (78 Stat. 1004), and in the second sentence of section 4 of such Act the following words: "administer the payments authorized by section 2 of the Act."

And insert, in lieu thereof:

(9) Title IV of the Housing and Urban Development Act of 1965 (42 U.S.C. 3071–3074).

On page 28, at the beginning of line 16, after the word "SEC." to strike out "16" and insert "14."; at the beginning of line 17, to strike out "of the fourth month beginning"; and, at the beginning of line 18, to strike out "of this Act."; so as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Uniform Relocation Act of 1966."

Declaration of policy

SEC. 2. The purpose of this Act is to establish a uniform policy for the fair and equitable treatment of owners, tenants, and other persons displaced by the acquisition of real property in Federal and federally assisted programs. Such a policy shall be as uniform as practicable as to (1) relocation payments, (2) advisory assistance, (3) assurance of availability of standard housing, (4) Federal reimbursement for relocation payments under federally assisted programs, and (5) land acquisition policies.

PART A.—FEDERAL PROGRAMS

Relocation payments

SEC. 3. (a) If the head of any Federal agency acquires real property for public use in a State, or the District of Columbia, he shall make fair and reasonable relocation payments to displaced persons in accordance with the regulations established by the President under section 6 of this Act.

(b) If any displaced person who moves or discontinues his business elects to accept the payment authorized by this subsection in lieu of the payment authorized for such business by subsection (a) of this section, the head of such Federal agency shall make a fixed relocation payment to such person in an amount equal to the average annual net earnings of the business, or $5,000, whichever is the lesser. No payment shall be made under this subsection unless the head of such agency is satisfied that the business (1) cannot be relocated without a substantial loss of its existing patronage, and (2) is not part of a commercial enterprise having at least one other establishment, not being acquired by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business, before Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business moves from the real property acquired by the United States and includes any compensation paid by the business to the owner, his spouse, or his dependent children during such two-year period. Such earnings and compensation shall be established by Federal income tax returns filed by such business and its owner and his spouse and dependent children for such two taxable years.

(c) If any displaced person who moved from a dwelling elects to accept the payments authorized by this subsection in lieu of the payments authorized by subsection (a) of this section for moving from such dwelling, the head of such Federal agency shall make the following fixed relocation payments to such person:

(1) A moving expense allowance, determined according to a schedule established by the head of such agency, not to exceed $200;

(2) A dislocation allowance equal to the amount paid under paragraph (1) of this subsection or $100, whichever is the lesser;

(3) An additional payment of $300 if the displaced person purchases a dwelling for the purpose of residence within one year from the date of actual displacement except that such displaced person shall only be eligible for payment under this subsection

when the dwelling purchased is situated upon real estate in which such person acquires fee title, life estate, ninety-nine-year lease, or other type of long-term lease equivalent to fee ownership; and

(4) An additional payment for reasonable and necessary expenses incurred for (i) recording fees, transfer taxes, and similar expenses incidental to conveying the real property from which such person is displaced, (ii) penalty costs for prepayment of any mortgage encumbering such real property, and (iii) the pro rata portion of real property taxes paid which are allocable to a period subsequent to the date of vesting of title in a Federal agency, or the effective date of the acquisition of such real property by a Federal agency, whichever is earlier.

(d) If any displaced person who moves or discontinues a farm operation elects to accept the payment authorized by this subsection in lieu of the payment authorized for such farm operation by subsection (a) of this section, the head of such Federal agency shall make a fixed relocation payment to such person in the amount of $1,000. In the case where the entire farm operation is not acquired by such Federal agency, the payment authorized by this subsection shall be made only if the head of such agency determines that the remainder property is no longer an economic unit.

(e)(1) In addition to any amount under subsections (a), (b), (c), and (d) of this section, the head of such Federal agency may pay to or on behalf of any displaced family, displaced elderly individual, or displaced handicapped individual, monthly payments over a period not to exceed twenty-four months an amount not to exceed $500 in the first twelve months and $500 in the second twelve months to assist such displaced family or individual to secure a decent, safe, and sanitary dwelling. Subject to the limitation imposed by the preceding sentence, the additional payment shall be an amount which, when added to 20 per centum of the annual income of the displaced individual or family at the time of displacement, equals the average annual rental required for such a decent, safe, and sanitary dwelling of modest standards adequate in size to accommodate the displaced individual or family in areas not generally less desirable in regard to public utilities and public and commercial facilities: *Provided*, That such payment shall be made only to an individual or family who is unable to secure a dwelling unit in a low-rent housing project assisted under the United States Housing Act of 1937, or under a State or local program found by the Secretary of Housing and Urban Development to have the same general purposes as the Federal program under such Act, or a dwelling unit assisted under section 101 of the Housing and Urban Development Act of 1965.

(2) The Secretary of Housing and Urban Development shall make the determinations under this subsection on the amount of assistance according to family size, family or individual income, average rents required, or similar considerations for all agencies making such payments.

(3) The additional payments under this subsection may be paid on a lump sum or other than monthly basis in cases in which the small size of the payments that would otherwise be required do not warrant a number of separate payments or in other cases in which other than monthly payments are determined warranted by the head of the Federal agency.

(4) No payment received under this subsection shall be considered as income for the purpose of determining the eligibility or the extent of eligibility of any person for assistance under the Social Security Act or any other Federal act.

(f) All functions performed under this section shall be subject to the operation of the Act of June 11, 1946 (60 Stat. 237), as amended (5 U.S.C. 1001–1011). Any displaced person adversely affected or aggrieved by the operation of this section after the effective date of this Act may institute in the district court of the United States for the judicial district in which such claimant resides or in which such claim first arose an action for the review of such determination. Upon the filing of such action, such court shall have jurisdiction to hear and determine such action and to enter therein such judgment, decree, or order as it shall deem appropriate and may modify such determination upon a showing that such determination was arbitrary, capricious, or in violation of standards applicable to such determinations in similar cases.

Relocation assistance programs

SEC. 4. (a) If the head of any Federal agency acquires real property for public use in a State, or in the District of Columbia, he shall provide a relocation assistance program for displaced persons which shall offer the services described in subsection (c) of this section. If the head of such agency determines that other persons, occupying property adjacent to the real property acquired, are caused substantial economic injury because of the public improvement for which such property is acquired, he may offer such persons relocation services under such program.

(b) Federal agencies administering programs which may be of assistance to displaced persons covered by this Act shall cooperate to the maximum extent feasible with the Federal or State agency causing the displacement to assure that such displaced persons receive the maximum assistance available to them.

(c) Each relocation assistance program required by subsection (a) of this section shall include such measures, facilities, or services as may be necessary or appropriate in order (1) to determine the needs of displaced families, individuals, business concerns, and farm operators for relocation assistance; (2) to assure that within a reasonable period of time prior to displacement, there will be available, in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings equal in number to the number of, and available to, such displaced families and individuals and reasonably accessible to their places of employment, except that such assurance may be waived during any period of national emergency proclaimed by the President; (3) to assist owners of displaced businesses and displaced farm operators in obtaining and becoming established in suitable business locations or replacement farms; (4) to supply information concerning the Federal Housing Administration home acquisition program under section 221(d)(2) of the National Housing Act, the small business disaster loan program under section 7(b)(3) of the Small Business Act, and other programs offering assistance to displaced persons; (5) to assist in minimizing hardships to displaced persons in adjusting to relocation; and (6) to assure, to the greatest extent practicable, the coordination of relocation activities with other project activities and other planned or proposed governmental actions in the community or nearby areas which may affect the carrying out of the relocation program.

(d) Paragraph (3) of section 7(b) of the Small Business Act is amended to read as follows:

"(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the Administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a business, or in establishing a new business, if the Administration determines that such concern has suffered substantial economic injury as the result of its displacement by, or location in, adjacent to, or near, a federally aided urban renewal project or highway construction program or any other public improvement program conducted by or with funds provided in whole or in part by the Federal Government or by the States; and the purpose of a loan made pursuant to such project or program may, in the discretion of the Administration, include the purchase or construction of other premises whether or not the borrower owned the premises occupied by the business and,"

Federal programs with local cooperation

SEC. 5. Whenever real property is acquired by a State agency for a Federal public improvement project, such acquisition shall, for purposes of this Act, be deemed an acquisition by the Federal agency having authority over such project and such Federal agency shall make relocation payments, provide relocation assistance, and provide assurance of availability of housing as required in the case of acquisitions of real property by a Federal agency.

Authority of the President

SEC. 6. (a) To carry into effect the provisions of this Act, the President is authorized to make such rules and regulations as he may determine to be necessary to assure:

(1) That relocation payments authorized by section 3 shall be fair and reasonable and as uniform as practicable;

(2) That a displaced person who makes proper application for a relocation payment authorized for such person by section 3(a) shall be reimbursed for or paid—

(A) his actual and reasonable expenses in moving himself, his family, his business, farm operation, or other personal property, and in the case of a farm operation, for his actual and reasonable expenses in searching for a replacement farm;

(B) if he disposes of personal property on moving his business or farm operation and replaces such property at the new location, an amount equal to the reasonable expenses that would have been required in moving such personal property to the new location; and

(C) such other expenses authorized by section 3(a) as may be provided for in regulations issued under this section;

(3) That a displaced person who makes proper application for a relocation payment authorized for such person by this Act shall be paid promptly after a move or, in certain hardship cases, the President may, by regulation, authorize advance payment of certain relocation costs;

(4) That any person aggrieved by a determination as to eligibility for a relocation payment authorized by this Act, or the amount of a payment, may have his application reviewed by the head of the agency; and

(5) That a displaced person shall have a reasonable time in which to apply for a relocation payment authorized by this Act.

(b) The President may, by regulation, establish a limitation on the amount of a relocation payment authorized by section 3(a) with due consideration for the declaration of policy in this Act and the provisions of subsection (a) of this section and section 8(b).

(c) In order to prevent unnecessary expense and duplication of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, the President is authorized to require that any Federal agency make relocation payments or provide relocation services, or otherwise carry out its functions under this Act, by utilizing the facilities,

personnel, and services of any other Federal agency, or by entering into appropriate contracts or agreements with any State agency having an established organization for conducting relocation assistance programs.

(d) The President may make such other rules and regulations consistent with the provisions of this Act as he deems necessary or appropriate to carry out this Act.

Fund availability

SEC. 7. Funds appropriated or otherwise available to any Federal agency for the acquisition of real property or any interest therein shall be available also for obligation and expenditure to carry out the provisions of this Act.

PART B.—FEDERALLY ASSISTED PROGRAMS

Relocation payments and assistance; assurance of availability of housing

SEC. 8. (a) Notwithstanding any other provision of law, on and after the effective date of this Act, no contract, grant to, or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired or as the result of which displacement will otherwise occur, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement with the head of such Federal agency to provide to displaced persons for moves from such real property—

(1) fair and reasonable relocation payments as described in section 3(a) of this Act and in accordance with regulations established by the President under section 6 of this Act;

(2) fixed relocation payments in the same amounts and under the same terms and conditions as are required to be made by a Federal agency by subsections 3 (b), (c), (d), and (e) of this Act;

(3) relocation assistance programs offering the services described in section 4(c) of this Act; and

(4) a feasible method for the temporary relocation of families and individuals displaced from the property acquired, and assurance that within a reasonable period of time prior to displacement, there will be available in areas not generally less desirable in regard to public utilities and public and commercial facilities and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and individuals and reasonably accessible to their places of employment.

(b) The cost to a State agency providing the payments and services described in subsection (a) of this section may be included as part of the cost of the project for which Federal financial assistance is available to such State agency, and such State agency shall be eligible for Federal financial assistance with respect to such payments and services in the same manner and to the same extent as with respect to other project costs, except that the Federal agency providing such assistance shall contribute the first $25,000 of the cost of providing a relocation payment to any displaced person. However, no State agency need agree to make any relocation payment in excess of $25,000 to any displaced person in order to receive the assistance authorized by the subsection.

(c) In order to prevent unnecessary expenses and duplication of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, any agreement by a State agency under subsection (a) of this section shall provide that such agency may make relocation payments or provide relocation assistance or otherwise carry out its functions under this Act by utilizing the facilities, personnel, and services of any other State agency having an established organization for conducting relocation assistance programs.

(d) Any grant to, or contract or agreement with a State agency executed before the effective date of this Act, under which Federal financial assistance is available to pay the cost in connection with the acquisition of real property, or of the improvement for which such property is acquired, may be amended to include an agreement as described in subsection (a) of this section.

(e) If the head of a Federal agency determines that it is necessary for the expeditious completion of a public improvement for which a State agency has entered into an agreement, as described in subsection (a) of this section, to make relocation payments to displaced persons, or to provide the funds necessary to meet the requirements of section 10(b) of this Act, he may advance the Federal share of such relocation payments and an amount necessary to make the required payments under section 10(b) to such State agency. Upon determination by the head of such Federal agency that any part of the funds advanced to a State agency under this subsection are no longer required, the amount which he determines not to be required shall be repaid upon demand. Any sum advanced and not repaid on demand shall be deducted from sums otherwise available to such State agency from Federal sources.

Displacement by certain programs receiving assistance under title I of the Housing Act of 1949, as amended

SEC. 9. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling on or after the effective date of this Act, as a direct result of any project or program which receives Federal financial assistance under title I of the Housing Act of 1949, as amended, shall, for the purposes of this Act, be deemed to be a displaced person.

PART C.—LAND ACQUISITION POLICY

SEC. 10. (a) The following policies shall be adhered to by Federal agencies in the acquisition of real property by Federal agencies through the exercise of the power of eminent domain to carry into effect Federal programs:

(1) the agency shall make every reasonable effort to acquire the real property by negotiated purchase; and

(2) the construction or development of any public improvement shall be so scheduled that no person lawfully occupying the real property shall be required to surrender possession on account of such construction or development without at least ninety days' written notice from the agency of the date on which such construction or development is scheduled to begin.

(b) Notwithstanding any other provision of law on or after the effective date of this Act, no contract, grant to, or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired or as the result of which displacement will otherwise occur, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement by which such State agency has undertaken—

(1) to comply with the policies prescribed by subsection (a) to the same extent to which such policies would apply if such acquisition were made by a Federal agency; and

(2) to refrain from requiring any owner of real property so acquired to surrender possession of such property before the agency pays to the owner (A) the agreed purchase price arrived at by negotiation, or (B) in any case where only the amount of the payment to the owner is in dispute, not less than 75 per centum of the appraised fair value of such property as approved by the agency.

PART D.—GENERAL PROVISIONS

Definitions

SEC. 11. As used in this Act—

(a) The term "Federal agency" means—

(1) any department, agency, or instrumentality in the executive branch of the Government and any wholly owned Government corporation; and

(2) the Architect of the Capitol.

(b) The term "displaced person" means—

(1) any person who is the owner of a business which moves from real property or is discontinued on or after the effective date of this Act as a result of the acquisition or reasonable expectation of acquisition of such real property, in whole or in part, by a Federal or State agency;

(2) any person who is the farm operator of a farm operation which moves from real property or is discontinued on or after the effective date of this Act as a result of the acquisition or reasonable expectation of acquisition of such real property, in whole or in part, by a Federal or State agency;

(3) any individual who is the head of a family which moves from real property occupied as a dwelling on or after the effective date of this Act, as a result of the acquisition or reasonable expectation of acquisition of such real property, in whole or in part, by a Federal or State agency, or which moves from such dwelling as a result of the acquisition or reasonable expectation of acquisition of such real property by such Federal or State agency, of other real property on which such family conducts a business or farm operation;

(4) any individual, not a member of a family, who moves from real property occupied as a dwelling on or after the effective date of this Act, as a result of the acquisition or reasonable expectation of acquisition of such real property, in whole or in part, by a Federal or State agency, or who moves from such dwelling as a result of the acquisition or reasonable expectation of acquisition of such real property by such Federal or State agency, of other real property on which such individual conducts a business or farm operation; and

(5) any individual, not described in paragraph (1), (2), (3), or (4) of this section, who moves his personal property from real property on or after the effective date of this Act as a result of the acquisition or reasonable expectation of acquisition of such real property, in whole or in part, by a Federal or State agency: *Provided*, That this shall not include the owner of property on the premises of another under a lease or licensing arrangement where such owner is required pursuant to such lease or license to move such property at his own expense.

(c) The term "business" means any lawful activity conducted primarily (1) for the purchase and resale of products, commodities, or any other personal property; (2) for the manufacture, processing, or marketing of any such property; or (3) for the sale of services to the public; or (4) by a nonprofit organization. Such term does not include the activity of an investor in acquiring or holding real property for resale for gain.

(d) The term "farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

(e) The term "farm operator" means any owner, part owner, tenant, or share cropper who operates a farm.

(f) The term "family" means two or more individuals living together in the same dwelling unit who are related to each other by blood, marriage, or adoption.

(g) The term "State" means each of the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any territory or possession of the United States, and any political subdivision thereof.

(h) The term "State agency" means any agency or instrumentality created by a State, or by a political subdivision of a State or by agreement between two or more States or by two or more political subdivisions of a State or States.

(i) The term "Federal financial assistance" does not include any annual payment by the United States to the District of Columbia authorized by article VI of the District of Columbia Revenue Act of 1947 (D.C. Code, secs. 47-2501a and 47-2501b).

(j) The term "head of a Federal agency" or "head of a State agency" includes a duly designated delegate of such agency head.

(k) The term "elderly individual" means a person, not a member of a family, who is sixty-two years of age or over.

(l) The term "handicapped individual" means a person, not a member of a family, who is handicapped within the meaning of section 202 of the Housing Act of 1959.

(m) The term "displaced", when used in relation to any person, means any person moved or to be moved from real property on or after the effective date of this Act as a result of the acquisition or reasonable expectation of acquisition of such property for a public improvement constructed or developed by or with funds provided in whole or in part by the Federal Government.

(n) The terms "owner" and "person" mean any individual, and any partnership, corporation, or association.

Severability

SEC. 12. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of the provision to other persons or circumstances shall not be affected thereby.

Acts repealed

SEC. 13. (a) The following laws and parts of laws are hereby repealed:

(1) The Act entitled "An Act to authorize the Secretary of the Interior to reimburse owners of lands required for development under his jurisdiction for their moving expenses, and for other purposes," approved May 29, 1958 (43 U.S.C. 1231-1234).

(2) Paragraph 14 of section 203(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2473).

(3) Section 2680 of title 10, United States Code.

(4) Section 133 of title 23, United States Code.

(5) Section 7(b) of the Urban Mass Transportation Act of 1964 (49 U.S.C. 1606(b)).

(6) Section 105(c) of the Housing Act of 1949 (42 U.S.C. 1455(c)).

(7) Section 114 of the Housing Act of 1949 (42 U.S.C. 1465(a)-(d)).

(8) Paragraph (8) of section 15 of the United States Housing Act of 1937 (42 U.S.C. 1415(8)), except the first sentence of such paragraph.

(9) Title IV of the Housing and Urban Development Act of 1965 (42 U.S.C. 3071-3074).

(b) Any rights or liabilities now existing under prior Acts or portions thereof shall not be affected by the repeal of such prior Acts or portions thereof under subsection (a) of this section.

Effective date

SEC. 14. This Act shall take effect on the first day after the date of enactment.

Mr. MUSKIE. Mr. President, S. 1681, as amended, constitutes a long step forward toward achieving a uniform Federal policy of relocation assistance for those displaced by Federal and federally aided programs. These programs have made governments at all levels a major purchaser of land. Over the next 8 years more than 1 million families, businesses, and farm operations, according to fairly conservative estimates, will be forced to relocate at sizable personal expense and inconvenience. The record to date shows that a majority of the displaced are the poor, the aged, members of minority groups, and owners of small businesses. These individuals and businesses have extreme difficulty in successfully relocating.

Yet, compensation for people forced to move by Federal projects and by federally aided programs is now covered by several uncoordinated legislative and administrative provisions. None of these—with the possible exception of those for urban renewal and public housing—adequately recognizes the real impact of relocation in human terms.

Mr. President, an article from the May 14, 1966, Miami Herald illustrates my point. I ask unanimous consent that the article be printed in the RECORD.

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

HARD TIMES FOR A CORNER GROCERY

A grocer we know leases a little store in what is left of the Central Negro District. He moved in years ago and took care of the needs of white and Negro alike, often extending credit to the old and the impecunious who literally shop for food from day to day to live from day to day.

Urban Renewal and the expressway are moving out our friend's customers bodily. Each thrust of the bulldozer is a push toward bankruptcy or the loss of his business. Some of the many merchants in the area already have been driven to the wall.

Get a government loan designed more or less for these emergencies? Yes—maybe. But that is more debt, and a similar operation elsewhere could be driven out again.

The impulse is to say that this is just somebody's hard luck. But that is not quite the case. Little merchants—genuinely—have been victimized by big government. Their investments are shot. And, as we said, there are many of them. They are also employers. As they go, jobs go with them.

We have no pat answer for this injustice. But somewhere there must be one.

A business destroyed in this manner is an asset that has been confiscated for what we generally regard as a good social purpose. But it is a hollow mockery of the very words "economic opportunity."

Something is wrong or wanting with the governmental thinking which confronts our friend, the corner grocer, with personal disaster. What can be done? Let the planners and the law-givers answer. Without malice but without reason, they planned it this way.

Mr. MUSKIE. Mr. President, it makes no sense that a person displaced by one type of Federal project may be eligible for relocation compensation and assistance, while some others may not. It makes no sense that a person in one State may be compensated for a move because his State has authorized payment—under the highway program for example, while in a neighboring State a person may be forced to move under the same Federal grant program, without compensation.

These inconsistencies and inequities should no longer be tolerated. The Federal Government should not, by the diversity of its programs, be the source of these inequities. Instead, we should have a uniform set of provisions to help families and individuals, businesses and nonprofit organizations, and farmers avoid the human and economic disasters that are frequently the lot of those forced to relocate. The displaced should be fairly and equally treated. They should be assured of equal or better housing. The lives of small businesses should be sustained. The burdens of relocation should not sound the death knell of small businesses and farms or create unnecessary misery for displaced families.

The principal objective of S. 1681 is to correct these conditions. It seeks to achieve consistency and equity in treatment of those forced to relocate because of Federal and federally aided public improvement programs.

The need for achieving this policy objective has been fully documented in four different studies: "[The] Study of Compensation and Assistance for Persons Affected by Real Property Acquisition in Federal and Federally Assisted Programs" by the Select Subcommittee on Real Property Acquisition of the House Committee on Public Works (Committee Print No. 31, 88th Cong., 2d sess., 1964); "Relocation: Unequal Treatment of People and Businesses Displaced by Governments" by the Advisory Commission on Intergovernmental Relations—January 1965—"Housing of Relocated Families—Summary of a Bureau of the Census Survey of Families Recently Displaced From Urban Renewal Sites" by the Housing and Home Finance Agency, Office of the Administrator—March 1965; and hearings on "Uniform Compensation for Relocation" held by the Subcommittee on Intergovernmental Relations of the Senate Committee on Government Operations, June 30, July 1, 13, and 14, 1965 (89th Cong., 1st sess.). These studies suggest six basic findings which clearly establish the need for this legislation:

First. The governmental displacement of persons and businesses is substantial at present, and all indications are that the rate of displacement will continue to grow. Displacements in the immediate past totaled 85,550 per year, while such displacements in the future will amount to an estimated 132,600 per year. U.S. House of Representatives, Committee on Public Works, Select Subcommittee on Real Property Acquisition, "Study of Compensation and Assistance for Persons Affected by Real Property Acquisition in Federal and Federally Assisted Programs," 88th Congress, 2d session, Washington, 1965, Committee Print No. 31, page 18. The latter is based on the forecast that 111,080 families and individuals, 17,860 business and nonprofit organizations, and 3,660 farmers will be displaced annually as a consequence of governmental acquisition of real property under Federal and federally assisted development programs during the years ahead, ibidem.

Second. The present provisions for relocation assistance under existing legislation are widely inconsistent, as the following table demonstrates. U.S. Senate, Committee on Government Operations, "Uniform Compensation for Relocation," hearings by Subcommittee on Intergovernmental Relations on June 30, July 1, 13, and 14, 1965—89th Congress, 1st session, pages 69–70.

I ask unanimous consent to insert the table in the RECORD.

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

TABLE 1.—*Comparison of present relocation provisions in Federal and federally aided programs causing displacement*

Displacing department or program	Statutory maximum relocation payments authorized			
	When individual or family is displaced from dwelling	When displaced business terminates (does not move)	When displaced business reestablishes	When farm operation is displaced
Urban renewal	Moving expenses and losses on disposition of personal property to $200 for anyone, plus relocation adjustment payment up to $500 for low- and moderate-income families and elderly individuals, the exact amount depending on family's or person's income and the rental level of available housing.	$3,000 (almost exclusively for losses on disposition of personal property) plus an additional $2,500 for firms with average annual net earnings of less than $10,000 per year which are not part of an enterprise having establishments outside the urban renewal area.	Loss of property only to $3,000; or moving expenses and loss of property combined to $3,000; or total certified moving expenses only (administrative ceiling established at $25,000); plus additional $2,500 allowance as for firms terminating.	Not applicable.
Public housing	Same as urban renewal	Same as urban renewal	Same as urban renewal	Do.
Mass transportation	$200 (moving expenses and losses on disposition of personal property).	$3,000 (almost exclusively for losses on disposition of personal property).	Loss of property only to $3,000; or moving expenses and loss of property combined to $3,000; or total certified moving expenses only (administrative ceiling established at $25,000).	Do.
Federal-aid highways	$200 (moving expenses only)	No payment	$3,000 (moving expenses only)	$3,000 (moving expenses only).
Defense Department; Interior (except NPS); NASA.	"Fair and reasonable costs" but not to exceed 25 percent of fair market value or property taken (moving expenses, costs in search for replacement property, costs to obtain financing, and closing costs for replacement property).	do	"Fair and reasonable costs" but not to exceed 25 percent of fair market value of property taken (moving expenses, costs in search for replacement property, cost to obtain financing, and closing costs for replacement property).	"Fair and reasonable costs" but not to exceed 25 percent of fair market value of property taken (moving expenses, costs in search for replacement property, costs to to obtain financing, and closing costs for replacement property).
TVA	None	None	None	None.
Agriculture Department; GSA; Post Office Department.	do	do	do	Do.

Displacing department or program	Relocation assistance		Assurance of standard housing	Federal reimbursement for relocation costs of federally aided programs
	Persons	Businesses and farms		
Urban renewal	HHFA Administrator issues regulations requiring a relocation assistance program including measures to (1) determine needs of families and individuals for relocation assistance, (2) provide information and assistance to aid in relocation and otherwise minimize hardship of displacement, and (3) assure necessary coordination of relocation activities with other governmental actions in the community which may affect carrying out of relocation program.	Same as for persons. (Farms not applicable.)	Loan or capital grant contracts require local public agencies to show that there is a feasible method for temporary relocation of displaced families and individuals and that there are decent, safe, and sanitary dwellings equal to number of displaced units. Rehousing units must not be generally less desirable in regard to public utilities and public and commercial facilities, and must be at rents within the financial means of the displaced and reasonably accessible to their places of employment.	100-percent Federal reimbursement.
Public housing	None	None	Same as urban renewal	Do.
Mass transportation	do	do	Same as urban renewal except provision does not apply to individuals.	Do.
Federal-aid highways	Secretary of Commerce requires State highway departments to give satisfactory assurance that relocation advisory assistance shall be provided for relocation of families. No requirement that advisory services be directed toward finding decent, safe, and sanitary housing at prices or rents within their means.	do	None	90-percent Federal reimbursement on Interstate; 50 percent on primary-secondary.
Defense Department; Interior (except NPS); NASA.	None	do	do	Not applicable.
TVA	Authorized to advise and cooperate in readjustment of population displaced by its projects and to cooperate with Federal, State, and local agencies to that end.	do	do	Do.
Agriculture Department; GSA; Post Office Department.	None	do	do	None.

Mr. MUSKIE. In assessing this problem, the Advisory Commission report commented:

Great inconsistencies exist in present provisions for relocation assistance. These inconsistencies concern the amount and scope of relocation payment, advisory assistance, and assurance with respect to availability of standard housing. Nationwide, federally aided urban renewal and highway programs cause the most displacement. The urban renewal program makes the most comprehensive provision for relocation assistance; relocation provisions of the highway program are appreciably less generous.

To illustrate, a homeowner whose property is condemned for a federally aided urban renewal project can claim moving costs up to $200. The man across the street, whose property is taken for a federally aided highway project, is also entitled to a maximum of $200 for moving expenses, but only if the State has authorized participation in the Federal relocation payments program. Twenty-eight States had not authorized such payments as of December 1964, and even among those that had, a sizable number had not allowed payments up to the Federal dollar limit, or not for tenants and lessees. Inconsistency in payment of business moving expenses is even more striking since the Federal Aid Highway Act allows such expenses only up to $3,000, whereas the Federal urban renewal program pays the businessman up to $25,000 for the expenses of each move. Finally, Federal urban renewal provides fairly comprehensive advice and counseling to displacees; the Federal highway program provides no such service to businesses and individuals. (Ibid., pp. 64–65.)

Third. The adverse effects of relocation hit most severely those families and individuals least able to withstand them. The report of the House Select Subcommittee on Real Property Acquisition pointed out:

Most displacements affect low- or moderate-income families or individuals, for whom a forced move generally is a very difficult experience. The problem is aggravated for the elderly, the large family and the nonwhite

displacee. Lack of standard housing at prices or rents that low- or moderate-income families can afford is the most serious relocation problem. Moving costs, where not reimbursed, and related expenses and losses are substantial burdens. ("Study of Compensation, etc.," op. cit., p. 106.)

The HHFA survey cited above further highlights the adverse impact of displacement on low- or moderate-income families. On the basis of interviews conducted at 2,300 relocation housing units which were occupied by households relocated during June–August of 1964 from urban renewal projects located in 132 cities, it was found that 1,090 of the households covered were white and 1,210, nonwhite. Nearly two out of every five of the relocated families had incomes below $3,000, and almost the same proportion had incomes between $3,000 and $6,000. While 94 percent of displaced families were relocated in standard housing, the median gross rents were higher—$74 compared to $66 prior to relocation, and the median proportion of income spent for rent increased from 25 to nearly 28 percent. These are but some of the dimensions of the displacement hardships stemming from a Federal development activity with one of the best relocation programs—Housing and Home Finance Agency, Office of the Administrator, "The Housing of Relocation Families," March 1965, page 1.

Fourth. In terms of business displacees, the surveys show that small businesses, particularly those owned and operated by the elderly, are major victims of the relocation process. The House select subcommittee found that, in general, dislocated businesses bear a disproportionate share of the social costs of the project which causes their displacement and more of them are forced to discontinue than are businesses unaffected by governmental action. "Study of Compensation," in the work cited, page 122. During the Senate hearings, the executive administrator for the Small Business Adminstration reported that by 1972 about 120,000 businesses will have been displaced by urban renewal, and that at the present rate, 3 out of 10 of these firms will liquidate. If this loss ratio continues, upward of 35,000 concerns will be put out of business by urban renewal alone. "Uniform Compensation for Relocation," in the work cited, page 154. The difficulties are especially severe for those engaged in nonspecialized types of business, such as the "Mom and Pop" grocery stores or taverns and those that require special zoning or licenses, such as liquor stores. Studies of small displaced businesses in Boston, Providence, New Haven, and Hartford indicate that the typical displacee is an independent commercial establishment, a partnership, or proprietorship, rather than a corporation, and the owners are usually over 60 years old and tenants without long-term leases. The Advisory Commission found that the elderly fare far worse than other small businessmen in that they have less capital and have more difficulty in obtaining outside financing, including SBA loans. Such entrepreneurs, it was discovered, have insufficient energy or spirit to start again in a new location.

Fifth. Of growing importance in the relocation process is adequate provision for advisory assistance. The previously cited HHFA study discovered that 90 percent of the households displaced as a consequence of urban renewal projects in the 132 survey cities required counseling and financial or other assistance from local agencies during the relocation period. "The Housing of Relocation Families," in the work cited, page 1. The Advisory Commission found that for the poor, the nonwhite, the elderly, and many small business people, relocation payments are not enough to assure their making an adequate adjustment to a forced move. Such displacees, the Commission report concluded, need intensive counseling "to prepare them for displacement and help them carry out their move; advice about suitable housing, business opportunities and alternative sources of livelihood if they discontinue business; and followup after displacement to help make a successful readjustment." Advisory Commission on Intergovernmental Relations, "Relocation: Unequal Treatment of People and Businesses Displaced by Governments" January 1965, page 105.

Sixth. Present Federal relocation provisions are not only inconsistent and inequitable, but their administration, particularly in the case of business relocation, is too cumbersome. Current requirements for detailed documentation are costly for the public and for the displaced person. The House select subcommittee encountered great concern "over the detailed documentation now required to support relocation payments" "Study of Compensation, and so forth," in the work cited, page 113, and recommended the adoption of a simplified optional fixed payment procedure in order to "encourage prompt payments and substantial savings in costs of administration, with adequate safeguards for all parties." Ibidem. Congress has already authorized fixed relocation payments for displaced families or individuals in certain programs. Yet administrative agency practices do not always give the displacee the opportunity to decide whether to accept the fixed payment or to prove his actual cost.

The Committee on Government Operations was impressed with these findings and believes that S. 1681, as amended, will make the relocation process more humane and just. Three basic reasons highlight the need for this uniform national relocation policy:

First. The Government's exercise of eminent domain in acquiring real property establishes its clear responsibility in this field. Under this constitutional doctrine, it can force people to sell their property and the property owner cannot refuse to sell even if he feels the price offered is insufficient compensation for the cost of reestablishing himself. Since the courts generally have limited compensation to the fair market value of real property acquired, property owners and tenants must look to the legislature to be compensated for incidental costs not covered by the value of the real property taken. Further, unlike property owners displaced by private acquisition, owners displaced by public acquisition cannot hold out for a price which will assure them compensation for the cost of resettling as well as for the value of their real property. Tenants in either case have little protection, and low-income groups—usually renters—find it most difficult to rehouse and readjust.

Second. The Federal Government for many years has indicated its concern for the economic and social welfare of its citizens. Yet this concern has not resulted in a uniform effort to alleviate the adverse effects of forcible displacement. Persons and businesses displaced by local, State, or Federal development programs are entitled to assistance in relocating, and this entitlement should extend to lessees and tenants as well as to owners of homes and business establishments.

Finally, the legislation implements one of the legislative goals of President Johnson. In his housing message of 1964, the President took special note of the critical nature of the displacement problem as it related to urban renewal:

> Despite existing programs assisting families and persons displaced by urban renewal projects, the human cost of relocation remains a serious and difficult problem.
>
> The vast majority of those displaced by urban renewal and public housing have relocated in better and standard housing, but some have not. For most, the cost of improving housing has been an unsought burden. For some, the inconvenience of displacement has meant only another slum dwelling and the likelihood of repeating this experience.
>
> * * * Similarly, small businessmen—especially those in leased premises—often incur economic loss and hardship as a result of displacement by urban renewal and moving expense reimbursements. CONGRESSIONAL RECORD, volume 110, part 1, page 1104.

What are the specific purposes of S. 1681? How does the measure implement them? The bill specifically declares that a uniform policy for fair and equitable treatment of owners, tenants, and other persons displaced by the acquisition of real property by Federal and federally assisted programs involves: First, uniform relocation payments; second, advisory assistance; third assurance of availability of standard housing; fourth, Federal reimbursement for relocation payments under federally assisted programs and fifth, certain land acquisition practices.

First. As to relocation payments: Who is covered? What are the benefits? All persons, businesses, and farms displaced by Federal or federally assisted programs are covered by this legislation. Such displaced persons and firms are given the choice of reimbursement, either according to their "actual and reasonable expenses," or according to a fixed or formula-based schedule. The first option normally would be utilized by the wealthier displacee, while the second clearly would be the choice of the less well to do, since the small amounts authorized and speedier administration contemplated are geared to the special needs of this group.

Under the second option, a displaced individual or family could receive moving expense and dislocation allowances of up to $300, and an additional $300 payment if a new home is purchased within the year from the date of actual displacement. Under this fixed-payment option, a displaced business which decides to terminate or to start over, would receive a relocation payment of up to $5,000, and a displaced farmer could receive a relocation payment of $1,000.

Section 3(e) of the legislation builds upon the Department of Housing and Urban Development's experience with relocation adjustment payments authorized by section 114(c)(2) of the Housing Act of 1964—Public Law 88-560. Under this provision of S. 1681, low income displaced families, elderly individuals, or handicapped individuals—for whom housing units are not available—are entitled to monthly payments over a period not to exceed 2 years and totally not more than $1,000 for relocation in "decent, safe, and sanitary housing" of modest standards.

These relocation payment provisions would apply uniformly to Federal and federally assisted programs.

Second. As to relocation assistance: What is it? How is it to be administered? The bill provides that relevant Federal agencies must provide a relocation assistance program for displaced persons—in addition to the payments I have described. This would include special studies of the needs of the individuals and firms involved; assistance to displaced businesses and farm operators in obtaining and becoming established in suitable replacement enterprises; supplying information concerning the FHA home acquisition program and the SBA disaster loan program; and above all, the assurance "that within a reasonable period of time prior to displacement, there will be available, in areas not generally less desirable in regard to public utilities and public commercial facilities, and at rents or prices within the financial means of the families and individuals displaced, decent, safe, and sanitary dwellings.

In addition to this relocation assistance program, the legislation amends the Small Business Act to provide assistance to any small business concern if it has suffered substantial economic injury as a result of a Federal, federally aided or State public improvement program.

The Housing Act of 1961 authorized SBA to make loans on favorable terms to displaced business concerns suffering such injury. But many small firms are adversely affected even though their property is located outside the boundaries of the development project. This provision of the legislation provides loan assistance for these and other concerns, as well as for the enterprises actually displaced.

Third. What reimbursement for relocation payments is provided for federally assisted programs? The legislation specifically requires State and local agencies administering federally assisted development programs to agree to provide the same schedule of relocation payments, advisory assistance, and housing assurances I have already described with reference to direct Federal efforts—as a condition of payment of Federal funds. Equally significant, it provides that a State or local government using Federal funds for property acquisition or improvement may receive Federal reimbursement for 100 percent of the cost of relocation up to $25,000 for any displaced person or business. Expenses in excess of $25,000 will be paid on a project-cost formula basis. This provision corresponds with present urban renewal practice and will go far toward correcting some of the serious injustices that now confront larger firms that are forced to move.

Finally, S. 1681 extends the coverage of three land acquisition policies contained in section 402 of the Housing and Urban Development Act of 1965. Section 10 requires that every reasonable effort must be made to acquire property through a negotiated purchase. It also stipulates that the development of public improvement programs should be so scheduled that no person lawfully occupying the affected real property shall be required to surrender possession without at least 90 days written notice from the date on which such development is to commence. Finally, this section of S. 1681 requires that Federal financial assistance under any joint development effort may be provided only if the Federal agency head involved is satisfied that the applying State agency has met both of the above requirements when the acquisition of land is required to implement the program. The State applicant must also adhere to a policy wherein no owner is required to surrender possession of his real property before the State agency pays him: First, the agreed negotiated price; or second, not less than 75 percent of the most recent fair and reasonable value of the property as determined by such agency, provided that this amount alone is in dispute. This 75-percent payment is restricted to federally assisted programs since direct Federal activities already provided a much higher percentage.

Uniform relocation payments, a meaningful program of advisory assistance—including assurance of adequate substitute housing, full Federal reimbursement for relocation payments of up to $25,000 under Federal-State-local development programs, and adoption of certain land acquisition policies—these are the four integral features of this legislation. These are the answers we have provided to those who call for a more uniform, fair, and equitable treatment of owners, tenants, and others displaced by the Government's acquisition of real property.

The estimated cost of S. 1681 is comparatively modest. Present forecasts indicate that, over the next 4 to 8 years, Federal and federally assisted programs will displace annually more than 111,000 families and individuals, nearly 18,000 businesses and nonprofit organizations, and 3,700 farm operations. The following table provides a breakdown of forecasts by departments and agencies:

I ask unanimous consent to have the table printed in the RECORD.

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

Average displacement per year by direct Federal and federally assisted programs causing substantial dislocation estimated for next 4 to 8 years

Departments and agencies	Families and individuals	Businesses and nonprofit organizations	Farm operations
Direct Federal:			
Defense	3,240	260	1,890
General Services Administration	540	310	10
Interior	580	50	360
International Boundary and Water Commission	240	30	10
Post Office Department	150	20	----------
Tennessee Valley Authority	120	20	30
Federally assisted:			
Bureau of Public Roads	36,770	3,880	1,350
HHFA Public Housing	3,170	170	----------
Urban Renewal Administration	66,250	13,130	----------
Summary:			
Direct Federal	4,900	700	2,300
Federally assisted	106,200	17,200	1,400
All programs	111,100	17,900	3,700

Source: Hearings, "Uniform Compensation for Relocation," p. 65.

Mr. MUSKIE. Based on these figures, it is estimated that the total annual cost of S. 1681 will approximate $136.6 million. This is nearly $63.8 million more than the relocation payments authorized under present laws—as the following table indicates.

I ask unanimous consent to insert the table in the RECORD.

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

Estimated future annual costs of relocation payments under S. 1681 to all Federal and federally aided programs (in thousands)[1]

Departments and agencies	Estimated future costs under present laws	Estimated future costs under S. 1681
Urban Renewal Administration	$63,234	$77,316
Public Housing Administration	1,033	1,801
Bureau of Public Roads	6,477	51,897
Army Engineers	1,903	4,073
Navy	2	7
Interior	188	271
Departments and agencies now without relocation provisions	----------	1,297
All programs	72,837	136,629

[1] These figures are extrapolated from data contained in the following sources: Advisory Commission on Intergovernmental Relations, from data in "Study of Compensation for Persons Affected by Real Property Acquisition in Federal and Federally Aided Programs," 1964, pp. 12-19; and "Uniform Compensation for Relocation," hearings, Subcommittee on Intergovernmental Relations, U.S. Senate, 89th Cong., 1st sess., 1965, p. 80.

Mr. MUSKIE. Mr. President, it is to be noted that the largest item in this increase relates to the Federal highway program, which at present provides maximum payments of only $200 for relocation expenses for families and individuals, and $3,000 for the relocation of businesses and farm operations.

Mr. President, in conclusion I want to express my thanks to the members of the Senate Subcommittee on Intergovernmental Relations and to the members of the full Committee on Government Operations who participated in developing this legislation. I also want to express my gratitude to the junior Senator from Alabama and the Committee on Banking and Currency for their continuing interest in and cooperation on this legislation. Senator SPARKMAN was the first to focus the attention of the Senate on the relocation question. And S. 1681, as amended, includes many of the provisions contained in Senator SPARKMAN'S own bill, S. 1201.

Mr. President, I ask unanimous consent that a section-by-section analysis of S. 1681 be inserted at this point:

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

SECTION-BY-SECTION ANALYSIS

Section 2. The purpose of S. 1681 is to establish a uniform policy for fair and equitable treatment of persons displaced by Federal and federally aided programs. Uniformity applies to relocation payments and advisory assistance, assurance of availability of standard housing, Federal reimbursement for relocation payments, and certain land acquisition policies.

* * * * *

Section 3 enumerates the kinds of relocation payments to be made when displacement occurs as a result of a Federal development program. A major effect of this section would be to standardize relocation payments among agencies providing such assistance and to require payments by displacing agencies not now authorized to make them, such as the General Services Administration and the Post Office Department. Under this section the displaced person is given the choice of reimbursement (1) according to his actual and reasonable expenses, or (2) according to a fixed or formularized schedule.

Section 3(a). Heads of Federal agencies are required to make relocation payments in accordance with regulations established by the President under section 6 of this act. The displaced person is entitled to fair and reasonable relocation payments. This subsection provides the first reimbursement alternative cited above.

Section 3(b). In lieu of his actual and reasonable expenses, a displaced person can elect to accept compensation according to a fixed schedule. In the case of independent businesses, those that cannot be relocated without loss of patronage are entitled to an amount equal to their net earnings or $5,000, whichever is less. Such payments are authorized only if (1) the head of the Federal agency is satisfied that the business cannot be relocated without a substantial loss of its existing patronage, and (2) the business is not part of a commercial operation having at least one other establishment not being displaced, which is engaged in a similar business. This second restriction is similar to that found in section 114(a)(2)(C) of the Housing Act of 1964 (Public Law 88-560). Average annual net earnings are defined as one-half of any net earnings of the business, before Federal, State, or local income taxes during the two taxable years preceding the taxable year in which the business moves. Such earnings would include any compensation paid by the business to the owner, his spouse, or his dependent children during this 2-year period and would be established by pertinent income tax returns. This provision recognizes the economic impact of displacement on the proprietor who must buy an established concern; reestablish his business at a different location; or discontinue business operations and, in some cases, lose his livelihood as a result. Moreover, it permits disbursements to a qualifying displaced concern within a week from the time of a move and with a minimum of administrative expense and redtape.

Section 3(c). A displaced person who moves from a dwelling has the option under this subsection of accepting fixed and/or formularized payments in lieu of reimbursement for his reasonable and actual expenses. These include: (1) a moving expense allowance, determined according to a schedule established by the head of the Federal agency authorized to make the payment, of up to $200; (2) a dislocation allowance not greater than the moving expense allowance, or $100, whichever is the lesser; and (3) an additional payment of $300 if the displaced person purchases a residence within 1 year from the date of actual displacement. In addition, such a displaced person is entitled to (4) an additional payment for certain reasonable and necessary expenses incurred as a result of the conveyance of his real property to the acquiring Federal agency. This provision is comparable in all major respects with section 404(d) of the Housing and Urban Development Act of 1965 (Public Law 80-117). A departure from the fixed and/or formularized approach employed in the rest of this subsection was necessary in that with this fourth payment category, the wide variation in these closing costs made it impossible to establish a fixed payment.

The first formularized payment authorized by this subsection for displaced residential occupants provides a moving expense payment, determined in accordance with a schedule established by the displacing agency. The second provides a dislocation allowance of $100 or an amount equal to the actual moving expense, whichever is the lesser. This is intended to reimburse the displacee for loss of property and out-of-pocket costs without the time-consuming documentation presently required by the urban renewal "loss of property" provision. The additional flat payment of $300 is provided only for the prospective homeowner and recognizes to some degree certain of the closing costs required for the purchase of a replacement home.

Section 3(d). A displaced farm operator under this subsection has the option of accepting a fixed payment of $1,000 in lieu of reimbursement for his fair and reasonable expenses. This lump-sum payment is intended to cover moving expenses, loss of property, and related costs in securing a replacement farm or adjusting to nonagricultural activity. This fixed payment is established to meet such average costs only as they relate to a single farm operation and is authorized on this basis, whether the enterprise is conducted by a single operator, or two or more operators working the same farm. If the entire farm operation is not acquired by a Federal agency, the authorized payment shall be made only if the head of such agency determines that the remainder property is no longer an economic unit. In making this determination, the agency head should consider, among other factors, the following criteria:

(*a*) The appraised values of the whole property before, and the remainder property after, acquisition;

(*b*) The extent of damages to the remainder property because of acquisition;

(*c*) The income-earning capacity in farming for the whole property before acquisition and the income-earning capacity in farming of the remainder property; and

(*d*) Whether or not the farm operation will be discontinued as a result of a partial taking.

This subsection is designed primarily to assist the small farm operator. The large farm or ranch operator who incurs sizable moving expenses and costs in search of replacement property inevitably will prefer to claim reimbursement for such expenses as provided in section 3a.

Section 3(e). Low-income displaced families, elderly individuals, or handicapped individuals for whom public housing units are not available are entitled to monthly payments over a period not to exceed two years, and totaling not more than $500 in the first 12 months and $500 in the second 12 months for relocation in "decent, safe, and sanitary housing" of modest standards. The criterion "decent, safe, and sanitary housing" has been established by the Department of Housing and Urban Development. The committee expects that other agencies, in administering this subsection, will follow these guidelines.

Total payments in any one year cannot exceed an amount which, if added to 20 percent of the annual family or individual income, equals the average annual rent required for a modest "decent, safe and sanitary" dwelling, adequate in size to accommodate the displaced family or individual. These provisions closely resemble those for relocation adjustment payments authorized by section 114(c)(2) of the Housing Act of 1964 (Public Law 88-560).

The amount of the monthly payment an eligible person would receive can be easily computed by determining the average annual rental required for such a dwelling—deducting from this amount 20 percent of the annual income of the displaced family or individual—and dividing by 12. It is hoped that by the end of the 2-year period during which monthly payments would be made to such persons, there would be a significant increase in the supply of standard low-income and medium-income housing. Further, it is hoped that some of the families involved would have increased their incomes and rent-paying capacity. Finally, the committee believes that these relocation assistance payments will ease the transitional period during which displaced persons adjust to somewhat higher housing costs.

Section 3(f) requires that a Federal agency administering a program involved in the acquisition of real property publish in the Federal Register the rules under which it operates as well as such information as is required in section 3 of the Administrative Procedure Act (Public Law 79-404). In addition, it affirms the right of aggrieved parties, as provided in section 10 of that Act, to bring an action on administrative determinations before a Federal district court, which is empowered to modify such determinations. The citation in section 3(f) of two criteria for judicial modification of administrative actions is not intended to limit the additional criteria cited in section 10(e) of the Administrative Procedure Act.

* * * * *

Section 4 provides that Federal agencies render relocation assistance to those displaced and to certain others adversely affected by Federal public improvement projects.

Section 4(a) requires heads of the Federal agencies involved to provide a relocation assistance program for displaced persons, businesses, and farm operators and for persons occupying adjacent property, if such agency heads determine that they have suffered substantial economic injury by a public improvement program. The latter provision authorizes the relocation services for highway-oriented and other business concerns

which are not physically displaced but frequently incur substantial economic injury because of a Federal or federally assisted program.

Section 4(b). The subsection recognizes that the family or individual facing displacement may be in need of advice and assistance not normally performed by the relocating agency. For example, the wide range of programs extended under the Economic Opportunity Act, where appropriate, should be made available. Relevant health and medical services might also prove to be of assistance, as well as employment counselling. The committee expects that the relocating agency will coordinate these efforts as they relate to the relocation provisions and assist the displacee by directing him to all the available and pertinent services.

Section 4(c). Each agency's relocation program will include such measures and services necessary in order to—

(1) determine the needs of various types of displacees for relocation assistance;

(2) assure that within a reasonable period of time prior to displacement there will be available to displaced homeowners and tenants "decent, safe, and sanitary housing" at prices within their financial means and in areas reasonably accessible to their places of employment; this assurance can be waived during a period of national emergency where the President determines that this stipulation would materially hinder a program's development; in the event that this waiver is granted, the affected agency is not relieved of its responsibilities under the other sections of this act;

(3) assist owners of displaced businesses and displaced farm operators in obtaining and reestablishing in suitable business locations or replacement farms;

(4) supply information concerning the Federal Housing Administration's home acquisition program under section 221(d)(2) of the National Housing Act, small business disaster loan program under section 7(b)(3) of the Small Business Act, and other Federal programs offering assistance to displaced persons;

(5) assist displaced families or individuals in adjusting to relocation; and

(6) assure coordination of relocation activities to the maximum extent possible, with other pertinent governmental efforts in the community or nearby areas affected by relocation programs.

Provisions (1) through (5) above, in effect, extend present urban renewal relocation assistance provisions to all Federal development programs.

Section 4(d) amends the Small Business Act to provide assistance to any small business concern if it is determined that such an establishment has suffered substantial economic injury as a result of a Federal, federally aided, or State public improvement program. The Housing Act of 1961 authorized the Small Business Administration to make loans on favorable terms to displaced business concerns suffering such injury. Many small business concerns are adversely affected even though the property they occupy may be located outside the boundaries of the development project; highway-oriented businesses generally are most adversely affected. This subsection would provide loan assistance for these and other concerns, as well as for business enterprises actually displaced.

* * * * *

Section 5 provides that the same requirements for relocation payments and assistance programs shall apply in cases where a State agency requires real property for a Federal public improvement project. Data compiled by the House Select Subcommittee revealed that some displacements have occurred when local interests have acquired the necessary lands for the Federal Government. In some of these cases, the Federal agency in question has been unable or unwilling to extend relocation payments.

* * * * *

Section 6. This section vests responsibility for relocation regulations in the President in order to achieve Government-wide uniformity and compliance. The responsibility for making such regulations is delegable.

Section 6(a)(2) stipulates that the displacee who makes proper application for payment authorized by section 3(a) shall be paid or reimbursed for his actual and reasonable expenses for moving himself, his family, business, farm operation, or other personal property. In the case of a farm operator, he shall also be reimbursed for his reasonable expenses in searching for a replacement farm. In the case of a business or farm operation, reimbursement equal to the cost of moving personal property is authorized if the displacee chooses to dispose of rather than move the enterprise. Finally, this subsection provides for such other fair and reasonable relocation expenses as may be authorized by the head of the Federal agency acting in accordance with Presidential regulations. The purpose here is to grant the President the necessary flexibility to deal with situations not specifically enumerated in the first two subsections of section 6(a)(2). These payments might include, among other items, fair and reasonable expenses of a property owner in conveying real property to the Government. The committee wants to make it clear that the President's authority to provide payments is not limited solely to those covered in section 6(a)(2) (A) and (B). At the same time, all payments authorized by section 6(a)(2) necessarily involve detailed itemization and documentation.

Section 6(a)(3). The President is also authorized to make such necessary rules and regulations to assure that displacees who make proper application for authorized relocation payments shall receive such funds promptly after a move or, in certain hardship cases, prior to displacement. This is designed to assist those low-income displacees who have inadequate funds to finance a move.

Section 6(a)(4). A person whose eligibility for a relocation payment, or the amount of such payment, is in question is accorded the right to have either administrative action reviewed by the head of the agency involved. This section provides initial relief to persons affected by the operation of Federal or federally aided programs. In no way is it meant to restrict rights respecting relocation payments provided in section 3(f).

Section 6(a)(5). A displaced person is permitted reasonable time to file for relocation payments.

Section 6(b). This subsection permits the President, by administrative decision, to set ceilings on the amount of relocation payments authorized by section 3(a) paid to any single individual, family, farm operator, or business. Discretionary authority is needed, the committee feels, in order that relocation costs do not exceed the bounds of reasonableness. Yet the overall goal of uniform, fair, and equal treatment of such displacees, as stipulated in the declaration of policy and in section 6(a), and the fiscal guideline stipulated in section 8(b) should be given careful consideration in the development and promulgation of regulations on this topic.

Section 6(c) authorizes the President to require affected Federal agencies to use established relocation facilities of other Federal agencies or State and local agencies in carrying out relocation activities. This subsection seeks to eliminate unnecessary expense and overlapping of relocation functions and is intended to assist in promoting more uniform and effective administration of relocation assistance payments.

Section 6(d) authorizes the President to make such other rules and regulations as may be necessary to carry out responsibilities under this act.

* * * * *

Section 7 stipulates that funds appropriated or otherwise available to any Federal agency for the acquisition of real property, or any interest therein, are available for obligation and expenditure to implement provisions of this act.

Section 8 provides for relocation payments and assistance, as well as assurance of availability of housing under federally assisted programs.

Section 8(a), as amended, requires State and local government agencies administering federally assisted development programs to agree to provide the relocation payments, services, and housing assurances described in this section as a condition of payment of Federal funds. More specifically, this subsection requires: (1) the same fair and reasonable payments authorized by section 3(a) and subject to the regulations established by the President under section 6; (2) the same flat or formularized relocation payments as are required to be made by Federal agencies under subsections 3 (b), (c), (d), and (e); (3) a relocation assistance program offering the same services described in section 4(c); and (4) provision for temporary housing for relocated families and individuals and the assurance that standard housing will be available within a reasonable period of time prior to displacement.

Section 8(b), as amended, provides that a State or local government using Federal funds for property acquisition or improvement may receive Federal reimbursement for 100 percent of the cost of relocation up to $25,000 for any displaced person. This provision accords with present urban renewal practice. The Urban Renewal Administration also pays moving expenses in excess of $25,000 on a project cost formula basis. Similarly, Federal agencies will contribute to the cost of any relocation payment above $25,000 according to the project's cost-sharing formula. Yet, it is not necessary for a State agency to make relocation payments in excess of $25,000 in order to receive the funds authorized by this subsection. Federal participation, on a project formula basis, above $25,000 was considered necessary by the committee to encourage reimbursement of those businesses whose costs exceed this amount. In addition, this formula helps to assure that the displacing agency will consider carefully the desirability of relocating such companies.

Section 8(c). To avoid unnecessary expenses or duplication of services and to promote uniform and effective administration, this subsection provides that any State agency entering into an agreement under subsection 8(a) may utilize the facilities, personnel, and services of any other State agency already operating a relocation assistance program.

Section 8(d) provides that any contract or grant entered into before the effective date of this act, under which Federal financial assistance is provided for the acquisition of real property, or for related purposes, may be amended to provide for the payments and assistance listed in subsection 8(a).

Section 8(e) provides for advance payment of the Federal share of relocation payments if it is determined that the advance payment is necessary for expeditious completion of a

public improvement program. This also provides for advancement of the funds necessary to meet the payments required under section 10(b) of this act.

One of the principal effects of section 8, as a whole, would be changes in the federally assisted highway program. Its "before and after" situation may be compared as follows:

PRESENT	UNDER S. 1681
Relocation payments are optional with the States. Thirty-two States have elected to make payments. Of these, only 22 provide payments up to the level authorized under the highway program. Yet even here, the payments are far less than those provided by other relocation assistance programs, such as urban renewal.	Relocation payments are required as a condition of grants.
Federal reimbursement of relocation payments is according to the project's cost-sharing formula: 90 percent on interstate programs; 50 percent on primary and secondary programs.	Full Federal reimbursement up to $25,000 for any move; Federal-State sharing on project's cost-sharing formula (90–10 or 50–50) for the portion of individual payments above $25,000.
Advisory assistance required for families displaced.	Advisory assistance required for families, businesses, individuals, farm operators, and to be similar to present urban renewal provisions.
No assurance of availability of housing required.	Requires that supply of adequate standard housing be provided or in process of being provided.

Section 9 declares that any person who moves or discontinues his business or moves other personal property, or moves from his dwelling as the result of any program which receives Federal financial assistance under title I of the Housing Act of 1949, is a displaced person for the purposes of this act and entitled to all the attendant benefits. This assures that relocation payments are available to those displaced as a result of code enforcement, demolition activities, or voluntary rehabilitation activities carried out with assistance authorized by title I. Frequently, displacements occur even though the property is not acquired as a result of these projects. In addition, the provision would permit relocation payments to be made to anyone displaced from an urban renewal area in which a project receiving Federal financial assistance is being carried out. Such payments will be made regardless of whether the property from which the person is being displaced is acquired with Federal financial assistance. Finally, this section permits relocation payments to be made in connection with any program which, in the future, may be added to title I and which results in displacement without acquisition of property.

* * * * *

Section 10(a) provides that all Federal agencies acquiring real property through the exercise of the power of eminent domain must adhere to the following land acquisition policies in carrying out their respective development programs:

(1) Every reasonable effort must be made to acquire the property through a negotiated purchase; and

(2) The development of any such public improvement program must be so scheduled that no person lawfully occupying the affected real property shall be required to surrender possession without at least 90 days' written notice from the agency involved of the date on which such development is slated to commence.

Section 10(b) stipulates that Federal financial assistance under any development assistance program may be provided only if the Federal agency head involved is satisfied that the State agency applying has met both of the above requirements when the acquisition of land by eminent domain is required during the course of such a program. The State applicant must also adhere to a policy wherein no owner is required to surrender possession of his real property before such State agency pays him (1) the agreed negotiated price, or (2) not less than 75 percent of the most recent fair and reasonable value of such property as determined by the agency, if only the amount of such payment is in dispute. This payment of 75 percent is restricted to Federal assistance programs since direct Federal programs already provide a much higher percentage.

In general, section 10 is similar to section 402 of the Housing and Urban Development Act of 1965, which applies the three abovementioned land acquisition policies to certain development programs administered by the Department of Housing and Urban Development.

* * * * *

Section 11 defines "Federal agency," "displaced person," "business," "farm operation," "farm operator," "family," "State," "State agency," "Federal financial assistance," "head of a Federal agency," "head of a State agency," "elderly individual," "handicapped individual," "displaced," "owner," and "person."

These definitions are self-explanatory except for the following:

(1) The term "farm operation" as defined in subsection 11(d) is consistent with the general definition used by the Bureau of the Census and the U.S. Department of Agriculture, except that it does not specify any dollar income or acreage minimum necessary for the operation to qualify as a farm. The phrase "contributing materially," as used in this definition, means that the farm operation has contributed—or could contribute—at least one-third of the operator's income.

(2) The term "State agency" (subsection 11(h)) includes units of local government.

* * * * *

Section 12 states that the invalidity of any provision of this act or the application thereof shall not affect the remainder of this act and the application of the provision to other persons or circumstances.

* * * * *

Section 13 repeals relocation sections of statutes applicable to the Department of the Interior (42 U.S.C. 1231–1234), the Department of Defense (10 U.S.C. 2680), the National Aeronautics and Space Administration (42 U.S.C. 2473), the Federal aid highway program (23 U.S.C. 133) the urban mass transportation program (49 U.S.C. 1606), and certain parts of relocation provisions of the Housing Act of 1937 (42 U.S.C. 1415(8)), the Housing Act of 1949 (42 U.S.C. 1455(c); 1465 (a)–(d)), and the Housing and Urban Development Act of 1965 (42 U.S.C. 3071–3074).

* * * * *

Section 14 provides that this act will take effect on the day following the date of enactment.

Mr. JAVITS. Mr. President, in connection with this bill, I wish to be added as a cosponsor. I ask unanimous consent that my name be added to the bill as a cosponsor. It is a splendid bill. I am on the committee which reported the bill.

The PRESIDING OFFICER. Without objection, the name of the Senator from New York [Mr. JAVITS] will be added as a cosponsor.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1378), explaining the purposes of the bill.

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

PURPOSE

The purpose of S. 1681, as amended, is to establish a uniform policy for the fair and equitable treatment of owners, tenants, and other persons displaced by the acquisition of real property for Federal and federally assisted programs and by other activities undertaken in connection with programs authorized by title I, of the Housing Act of 1949, as amended. The bill specifically declares that this policy shall be as uniform as practicable as to (1) relocation payments, (2) advisory assistance, (3) assurance of availability of standard housing, (4) Federal reimbursement for relocation payments under federally assisted programs, and (5) certain land acquisition practices.

This policy is necessary to eliminate the great inconsistencies that exist among Federal and federally assisted programs with respect to the amount and scope of such payments, and the advisory assistance and assurance of housing offered. It recognizes that relocation is a serious and growing problem in the United States and that the pace of displacement will accelerate in the years immediately ahead. It recognizes that advisory assistance is of growing importance in the relocation process especially for the poor, the nonwhite, the elderly, and small business people. It recognizes the need for more equitable land acquisition practices in connection with the procurement of real property by eminent domain. In short, this legislation recognizes that the Federal Government has a primary responsibility to provide uniform treatment of those forced to relocate by Federal and federally aided public improvement programs and to ease the impact of such forced moves.

COMMITTEE AMENDMENTS

The committee adopted 4 major and 26 minor amendments to S. 1681 as introduced. Following are the major changes:

(1) It was agreed to include the three land acquisition policies set forth in section 402 of the Housing and Urban Development Act of 1965 (Public Law 89–117, 89th Cong., H.R. 7984, Aug. 10, 1965, p. 35), and to extend these to cover persons displaced as a consequence of Federal as well as federally assisted programs. In conjunction with this decision, the committee adopted a related amendment, which is similar to section 403 of the Housing and Urban Development Act of 1965, in order to provide clear assurance of full Federal financial responsibility under the land acquisition policy outlined in section 10(b) as amended. These changes were effected by:

(A) Page 2, line 6, striking "and"; and line 7, striking the period and, following the word "programs", inserting ", and (5) land acquisition policies."

(B) Page 13, immediately after the new section 9, inserting a new part C as follows:

"PART C.—LAND ACQUISITION POLICY

"SEC. 10. (a) The following policies shall be adhered to by Federal agencies in the acquisition of real property by Federal agencies through the exercise of the power of eminent domain to carry into effect Federal programs:

"(1) The agency shall make every reasonable effort to acquire the real property by negotiated purchase;

"(2) The construction or development of any public improvement shall be so scheduled that no person lawfully occupying the real property shall be required to surrender possession on account of such construction or development without at least ninety days' written notice from the agency of the date on which such construction or development is scheduled to begin.

"(b) Notwithstanding any other provision of law on or after the effective date of this Act, no contract, grant to, or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired or as the result of which displacement will otherwise occur, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement by which such State agency has undertaken—

"(1) to comply with the policies prescribed by subsection (a) to the same extent to which such policies would apply if such acquisition were made by a Federal agency; and

"(2) to refrain from requiring any owner of real property so acquired to surrender possession of such property before the agency pays to the owner (A) the agreed purchase price arrived at by negotiation, or (B) in any case where only the amount of the payment to the owner is in dispute, not less than 75 per centum of the appraised fair value of such property as approved by the agency."

(C) Page 12, line 4, after the word "persons", inserting the phrase "or to provide the funds necessary to meet the requirements of section 10(b) of this Act"; and line 5, after the word "payments" inserting the phrase "and an amount necessary to make the required payments under section 10(b)". These amendments were adopted in recognition of the fact that they are similar but not identical to section 101(a)(1), (5), and (6) of Senator SPARKMAN'S S. 1201, which the committee also considered, and in recognition of the desirability of extending the land acquisition policies, which now apply as a condition of eligibility for Federal assistance pursuant to a development program of the Department of Housing and Urban Development, to all Federal or federally assisted programs which involve the acquisition of real property by eminent domain.

(2) A new subsection (4(d)) was added in order to incorporate the provisions of section 301 or S. 1201 which relate to providing assistance from the Small Business Administration to owners and employees of small business concerns displaced and injured by Federal or federally assisted programs. In addition, the committee extended the scope of this provision to cover State and local relocation programs. The new subsection appears on page 6, after line 20, as follows:

"(d) Paragraph (3) of section 7(b) of the Small Business Act is amended to read as follows:

"'(3) to make such loans (either directly or in cooperation with banks or other lending institutions through agreements to participate on an immediate or deferred basis) as the administration may determine to be necessary or appropriate to assist any small business concern in continuing in business at its existing location, in reestablishing its business, in purchasing a business, or in establishing a new business, if the administration determines that such concern has suffered substantial economic injury as the result of its displacement by, or location in, adjacent to or near, a federally aided urban renewal project or highway construction program or any other public improvement program conducted by or with funds provided in whole or in part by the Federal Government or by the States; and the purpose of a loan made pursuant to such project or program may, in the discretion of the administration, include the purchase or construction of other premises whether or not the borrower owned the premises occupied by the business.'"

(3) The committee adopted an amendment which applies the Administrative Procedure Act (5 U.S.C. 1001–1011) to section 3 and provides for judicial review of administrative actions made pursuant to that section. This change was made to give recognition to the principle that the payments authorized by section 3 should be viewed as rightful compensation of persons displaced by Federal programs and not as benefits, privileges, or gratuities. Such persons, thus, are placed in a position of being able to maintain this right to which they are entitled, rather than of applying for a privilege that is within the power of a Federal agency to deny or modify. This action necessitated:

(A) Deleting the original subsection (f), on page 5, lines 11–14, and substituting the following:

"(f) All functions performed under this section shall be subject to the operation of the Act of June 11, 1946 (60 Stat. 237), as amended (5 U.S.C. 1001–1011). Any displaced person adversely affected or aggrieved by the operation of this section after the effective date of this Act may institute in the district court of the United States for the judicial district in which such claimant resides or in which such claim first arose an action for the review of such determination. Upon the filing of such action, such court shall have jurisdiction to hear and determine such action and to enter therein such judgment, decree, or order as it shall deem appropriate and may modify such determination upon a showing that such determination was arbitrary, capricious, or in violation of standards applicable to such determinations in similar cases."

(B) Page 17, deleting lines 21–24; page 18, line 2, striking "14" and substituting "12"; and in line 8, striking "15" and substituting "13".

(4) The final major amendment is essentially a procedural one, but it highlights more clearly one of the basic features of the bill as introduced. It combines sections 8 and 9 into a new section 8, in order to make it clear that the provisions of the original section 8, which relate to federally assisted programs, are mandatory and not voluntary in nature. The insertion of the new language on page 9, line 17, which is almost identical to section 9 of the bill as introduced, removes any doubts as to the necessity for State compliance with the subsequent sections dealing with relocation assistance and payments, before any contract, grant, or agreement providing for Federal financial assistance in connection with the acquisition of real property may be approved by Federal agency heads responsible for the administration of this type of assistance. The adoption of this amendment required the following:

(A) Page 9, line 11, strike everything beginning with the word "If" through the word "agreed" on line 17, and insert the following:

"Notwithstanding any other provision of law, on and after the effective date of this Act, no contract, grant to, or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired, or as the result of which displacement will otherwise occur, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement".

(B) Page 9, line 18, delete the first "the", substitute "such", and strike the phrase "responsible for the administration of such Federal financial assistance" as it appears on lines 18 and 19.

(C) Page 9, line 21, delete "(A)" and substitute "(1)";

Page 10, line 1, delete "(B)" and substitute "(2)"; line 5, strike "(C)" and substitute "(3)"; line 7, strike "(D)" and substitute "(4)"; line 16, strike the comma at the end of the line and substitute a period.

(D) Page 10, delete lines 17–23 and substitute the following:

"(b) The cost to a State agency providing the payments and services described in subsection (a) of this section may be included as part of the cost of the project for which Federal financial assistance is available to such State agency, and such State agency shall be eligible for Federal financial assistance with respect to such payments and services in the same manner and to the same extent as with respect to other project costs, except that the Federal agency providing such assistance shall contribute the first $25,000 of the cost of providing a relocation payment to any displaced person. However, no State agency need agree to make any relocation payment in excess of $25,000 to any displaced person in order to receive the assistance authorized by the subsection."

(E) Page 8, line 14, strike "(d)" and substitute "(b)".

(F) Page 10, line 24, strike "(b)" and substitute "(c)";

Page 11, line 3, strike "(e)" and substitute "(a)"; line 9, strike "(c)" and substitute "(d)"; delete lines 16–24; and

Page 12, delete lines 13–24.

* * * * *

THE NEED FOR S. 1681

The principal objective of S. 1681 is to achieve consistency and equity in treatment of those forced to relocate because of Federal and federally aided public improvement programs. The need for achieving this policy objective has been fully documented in four different studies: "(The) Study of Compensation and Assistance for Persons Affected by Real Property Acquisition in Federal and Federally Assisted Programs" by the Select Subcommittee on Real Property Acquisition of the House Committee on Public Works (Committee Print No. 31, 88th Cong., 2d sess., 1964); "Relocation: Unequal Treatment of People and Businesses Displaced by Governments" by the Advisory Commission on Intergovernmental Relations (January 1965); "Housing of Relocated Families—Summary of a Bureau of the Census Survey of Families Recently Displaced from Urban Renewal Sites" by the Housing and Home Finance Agency, Office of the Administrator (March 1965); and hearings on "Uniform Compensation for Relocation" held by the Subcommittee on Intergovernmental Relations of the Senate Committee on Government Operations, June 30, July 1, 13 and 14, 1965 (89th Cong., 1st sess.). These studies suggest six basic findings which clearly establish the need for this legislation:

1. The governmental displacement of persons and businesses is substantial at present, and all indications are that the rate of displacement will continue to grow. Displacements in the immediate past totaled 85,550 per year, while such displacements in the future will amount to an estimated 132,600

per year.[1] The latter is based on the forecast that 111,080 families and individuals, 17,860 business and nonprofit organizations, and 3,660 farmers will be displaced annually as a consequence of governmental acquisition of real property under Federal and federally assisted development programs during the years ahead.[2]

2. The present provisions for relocation assistance under existing legislation are widely inconsistent, as the following table demonstrates.[3]

TABLE 1.—*Comparison of present relocation provisions in Federal and federally aided programs causing displacement*

Displacing department or program	Statutory maximum relocation payments authorized			
	When individual or family is displaced from dwelling	When displaced business terminates (does not move)	When displaced business reestablishes	When farm operation is displaced
Urban renewal	Moving expenses and losses on disposition of personal property to $200 for anyone, plus relocation adjustment payment up to $500 for low- and moderate-income families and elderly individuals, the exact amount depending on family's or person's income and the rental level of available housing.	$3,000 (almost exclusively for losses on disposition of personal property) plus an additional $2,500 for firms with average annual net earnings of less than $10,000 per year which are not part of an enterprise having establishments outside the urban renewal area.	Loss of property only to $3,000; or moving expenses and loss of property combined to $3,000; or total certified moving expenses only (administrative ceiling established at $25,000); plus additional $2,500 allowance as for firms terminating.	Not applicable.
Public housing	Same as urban renewal	Same as urban renewal	Same as urban renewal	Do.
Mass transportation	$200 (moving expenses and losses on disposition of personal property).	$3,000 (almost exclusively for losses on disposition of personal property).	Loss of property only to $3,000; or moving expenses and loss of property combined to $3,000; or total certified moving expenses only (administrative ceiling established at $25,000).	Do.
Federal aid highways	$200 (moving expenses only)	No payment	$3,000 (moving expenses only)	$3,000 (moving expenses only).
Defense Department; Interior (except NPS); NASA.	"Fair and reasonable costs" but not to exceed 25 percent of fair market value of property taken (moving expenses, costs in search for replacement property, costs to obtain financing, and closing costs for replacement property).	do	"Fair and reasonable costs" but not to exceed 25 percent of fair market value of property taken (moving expenses, costs in search for replacement property, costs to obtain financing, and closing costs for replacement property).	"Fair and reasonable costs" but not to exceed 25 percent of fair market value of property taken (moving expenses, costs in search for replacement property, costs to obtain financing, and closing costs for replacement property).
TVA	None	None	None	None.
Agriculture Department; GSA; Post Office Department.	do	do	do	Do.

Displacing department or program	Relocation assistance		Assurance of standard housing	Federal reimbursement for relocation costs of federally aided programs
	Persons	Businesses and farms		
Urban renewal	HHFA Administrator issues regulations requiring a relocation assistance program including measures to (1) determine needs of families and individuals for relocation assistance, (2) provide information and assistance to aid in relocation and otherwise minimize hardship of displacement, and (3) assure necessary coordination of relocation activities with other governmental actions in the community which may affect carrying out of relocation program.	Same as for persons. (Farms not applicable.)	Loan or capital grant contracts require local public agencies to show that there is a feasible method for temporary relocation of displaced families and individuals and that there are decent, safe, and sanitary dwellings equal to number of displaced units. Rehousing units must not be generally less desirable in regard to public utilities and public and commercial facilities, and must be at rents within the financial means of the displaced and reasonably accessible to their places of employment.	100 percent Federal reimbursement.
Public housing	None	None	Same as urban renewal	Do.
Mass transportation	do	do	Same as urban renewal except provision does not apply to individuals.	Do.
Federal aid highways	Secretary of Commerce requires State highway departments to give satisfactory assurance that relocation advisory assistance shall be provided for relocation of families. No requirement that advisory services be directed toward finding decent, safe, and sanitary housing at prices or rents within their means.	do	None	90 percent Federal reimbursement on Interstate; 50 percent on primary-secondary.
Defense Department; Interior (except NPS); NASA.	None	do	do	Not applicable.
TVA	Authorized to advise and cooperate in readjustment of population displaced by its projects and to cooperate with Federal, State, and local agencies to that end.	do	do	Do.
Agriculture Department; GSA; Post Office Department.	None	do	do	None.

In assessing this problem, the Advisory Commission report commented:

"Great inconsistencies exist in present provisions for relocation assistance. These inconsistencies concern the amount and scope of relocation payment, advisory assistance, and assurance with respect to availability of standard housing. Nationwide, federally aided urban renewal and highway programs cause the most displacement. The urban renewal program makes the most comprehensive provision for relocation assistance; relocation provisions of the highway program are appreciably less generous.

"To illustrate, a homeowner whose property is condemned for a federally aided urban renewal project can claim moving costs up to $200. The man across the street, whose property is taken for a federally aided highway project, is also entitled to a maximum of $200 for moving expenses, but only if the State has authorized participation in the Federal relocation payments program. Twenty-eight States had not authorized such payments as of December 1964, and even among those that had, a sizable number had not allowed payments up to the Federal dollar limit, or not for tenants and lessees. Inconsistency in payment of business moving expenses is even more striking since the Federal Aid Highway Act allows such expenses only up to $3,000, whereas the Federal urban renewal program pays the businessman

[1] U.S. House of Representatives, Committee on Public Works, Select Subcommittee on Real Property Acquisition, "Study of Compensation and Assistance for Persons Affected by Real Property Acquisition in Federal and Federally Assisted Programs" (88th Cong., 2d sess.) Washington, 1965 (Committee Print No. 31), p. 18.

[2] Ibid.

[3] U.S. Senate, Committee on Government Operations, "Uniform Compensation for Relocation," hearings by Subcommittee on Intergovernmental Relations on June 30, July 1, 13, and 14, 1965 (89th Cong., 1st sess.), pp. 69–70.

up to $25,000 for the expenses of each move. Finally, Federal urban renewal provides fairly comprehensive advice and counseling to displacees; the Federal highway program provides no such service to businesses and individuals." [4]

3. The adverse effects of relocation hit most severely those families and individuals least able to withstand them. The report of the House Select Subcommittee on Real Property Acquisition pointed out:

"Most displacements affect low- or moderate-income families or individuals, for whom a forced move generally is a very difficult experience. The problem is aggravated for the elderly, the large family and the nonwhite displacee. Lack of standard housing at prices or rents that low- or moderate-income families can afford is the most serious relocation problem. Moving costs, where not reimbursed, and related expenses and losses are substantial burdens." [5]

The HHFA survey cited above further highlights the adverse impact of displacement on low- or moderate-income families. On the basis of interviews conducted at 2,300 relocation housing units which were occupied by households relocated during June–August of 1964 from urban renewal projects located in 132 cities, it was found that 1,090 of the households covered were white and 1,210, nonwhite. Nearly two out of every five of the relocated families had incomes below $3,000, and almost the same proportion had incomes between $3,000 and $6,000. While 94 percent of displaced families were relocated in standard housing, the median gross rents were higher—$74 compared to $66 prior to relocation, and the median proportion of income spent for rent increased from 25 to nearly 28 percent. These are but some of the dimensions of the displacement hardships stemming from a Federal development activity with one of the best relocation programs.[6]

4. In terms of business displacees, the surveys show that small businesses, particularly those owned and operated by the elderly, are major victims of the relocation process. The House select subcommittee found that, in general, dislocated businesses bear a disproportionate share of the social costs of the project which causes their displacement and more of them are forced to discontinue than are businesses unaffected by governmental action.[7] During the Senate hearings, the executive administrator for the Small Business Administration reported that by 1972 about 120,000 businesses will have been displaced by urban renewal, and that at the present rate, 3 out of 10 of these firms will liquidate. If this loss ratio continues, upward of 35,000 concerns will be put out of business by urban renewal alone.[8] The difficulties are especially severe for those engaged in nonspecialized types of business, such as the "Mom and Pop" grocery stores or taverns and those that require special zoning or licenses, such as liquor stores. Studies of small displaced businesses in Boston, Providence, New Haven, and Hartford indicate that the typical displacee is an independent commercial establishment, a partnership, or proprietorship, rather than a corporation, and the owners are usually over 60 years old and tenants without long-term leases. The Advisory Commission found that the elderly fare far worse than other small businessmen in that they have less capital and have more difficulty in obtaining outside financing, including SBA loans. Such entrepreneurs, it was discovered, have insufficient energy or spirit to start again in a new location.

5. Of growing importance in the relocation process is adequate provision for advisory assistance. The previously cited HHFA study discovered that 90 percent of the households displaced as a consequence of urban renewal projects in the 132 survey cities required counseling and financial or other assistance from local agencies during the relocation period.[9] The Advisory Commission found that for the poor, the nonwhite, the elderly, and many small business people, relocation payments are not enough to assure their making an adequate adjustment to a forced move. Such displacees, the Commission report concluded, need intensive counseling "to prepare them for displacement and help them carry out their move; advice about suitable housing, business opportunities and alternative sources of livelihood if they discontinue business; and followup after displacement to help make a successful readjustment." [10]

6. Present Federal relocation provisions are not only inconsistent and inequitable, but their administration, particularly in the case of business relocation, is too cumbersome. Current requirement for detailed documentation are costly for the public and for the displaced person. The House select subcommittee encountered great concern "over the detailed documentation now required to support relocation payments" [11] and recommended the adoption of a simplified optional fixed payment procedure in order to "encourage prompt payments and substantial savings in costs of administration, with adequate safeguards for all parties." [12] Congress has already authorized fixed relocation payments for displaced families or individuals in certain programs. Yet administrative agency practices do not always give the displacee the opportunity to decide whether to accept the fixed payment or to prove his actual cost.

The committee is impressed with these various findings and believes that S. 1681, as amended, constitutes a long step toward achieving a uniform Federal policy of assistance for those displaced by Federal and federally aided programs, for the following basic reasons:

First, the Government's exercise of eminent domain in acquiring real property establishes its clear responsibility in this field. Under this constitutional doctrine, it can force people to sell their property and the property owner cannot refuse to sell even if he feels the price offered is insufficient compensation for the cost of reestablishing himself. Since the courts generally have limited compensation to the fair market value of real property acquired, property owners and tenants must look to the legislature to be compensated for incidental costs not covered by the value of the real property taken. Further, unlike property owners displaced by private acquisition, owners displaced by public acquisition cannot hold out for a price which will assure them compensation for the cost of resettling as well as for the value of their real property. Tenants in either case have little protection, and low-income groups—usually renters—find it most difficult to rehouse and readjust.

Second, the Federal Government for many years has indicated its concern for the economic and social welfare of its citizens. Yet this concern has not resulted in a uniform effort to alleviate the adverse effects of forcible displacement. Persons and businesses displaced by local, State, or Federal development programs are entitled to assistance in relocating, and this entitlement should extend to lessees and tenants as well as to owners of home and business establishments.

Finally, the legislation implements one of the legislative goals of President Johnson. In his housing message of 1964, the President took special note of the critical nature of the displacement problem as it related to urban renewal:

"Despite existing programs assisting families and persons displaced by urban renewal projects, the human cost of relocation remains a serious and difficult problem.

"The vast majority of those displaced by urban renewal and public housing have relocated in better and standard housing, but some have not. For most, the cost of improving housing has been an unsought burden. For some, the inconvenience of displacement has meant only another slum dwelling and the likelihood of repeating this experience.

* * * Similarly, small businessmen—especially those in leased premises—often incur economic loss and hardship as a result of displacement by urban renewal and moving expense reimbursements." [13]

LEGISLATIVE BACKGROUND

In recent years there have been a growing number of complaints to the Congress concerning the equity of Government agency land acquisition practices, the adequacy of traditional standards of compensation, and the sufficiency of assistance to persons adversely affected by public improvement programs undertaken by the Federal Government or with the aid of Federal funds. In recent sessions of Congress, legislation has been enacted to provide more liberal payments for individual programs. Many bills have been introduced in both Houses proposing additional changes in present standards of compensation. Yet there was a growing feeling that these measures offered only a "patchwork" solution to the problem, at best. Some recognized that this additional legislation relating to particular programs would create even greater inequities for persons affected by programs not covered by such legislation.

Accordingly, several Members of Congress introduced bills proposing an independent commission to make a comprehensive study of all aspects of the land acquisition and relocation problems. Representative Ludwig Teller was the first to introduce such legislation in the 85th and 86th Congresses (H.R. 9994 and H.R. 1066). Majority Leader CARL ALBERT and Representatives Frank Burke and FRANK STUBBLEFIELD introduced similar bills in the 87th (H.R. 4851, H.R. 1995, and H.R. 2074, respectively. Senator JOHN SPARKMAN, chairman of the Housing Subcommittee of the Senate Banking and Currency Committee, introduced commission bills in the 86th and 87th Congresses (S. 2802 and S. 671). The Bureau of the Budget endorsed the purpose and objective of the proposed commission but suggested that the study be conducted within the legislative branch. This proposal was adopted, and the House Committee on Public Works established the Select Subcommittee on Real Property Acquisition, with Representative Clifford Davis serving as chairman.

The subcommittee was directed "to make a comprehensive, impartial and nonpartisan study, in order to determine whether owners, tenants, and other persons affected by the

[4] Ibid., pp. 64–65.

[5] "Study of Compensation, etc.," op. cit., p. 106.

[6] Housing and Home Finance Agency, Office of the Administrator, "The Housing of Relocation Families," March 1965, p. 1.

[7] "Study of Compensation, etc.," op. cit., p. 122.

[8] "Uniform Compensation for Relocation," op. cit., p. 154.

[9] "The Housing of Relocation Families," op. cit., p. 1.

[10] Advisory Commission on Intergovernmental Relations, "Relocation: Unequal Treatment of People and Businesses Displaced by Governments" (January 1965), p. 105.

[11] "Study of Compensation, etc.," op. cit., p. 113.

[12] Ibid.

[13] CONGRESSIONAL RECORD, vol. 110, pt. 1, p. 1104.

acquisition of real property in Federal and federally assisted programs receive fair and equal treatment and adequate compensation, considering the value of their property and the losses and expenses they incur on being required to move from their homes, farms, or business locations."[14] Senator SPARKMAN gave support to the subcommittee study in an address to the Senate on April 24, 1962.

After 3 years of extensive study, the subcommittee submitted its report in December 1964, entitled "Study of Compensation and Assistance for Persons Affected by Real Property Acquisition in Federal and Federally Assisted Programs." This publication is the most important single source of information on this complex topic. Its recommendations were introduced in the Senate in the 89th Congress as S. 1201 by Senator SPARKMAN, and in the House as H.R. 3421 (JOHNSON of California), H.R. 6559 (BINGHAM), and H.R. 6580 (ST GERMAIN). The report also provided indispensable background data for the committee's deliberations on S. 1681.

Following on the heels of this report came a survey by the Advisory Commission on Intergovernmental Relations in January 1965, entitled "Relocation: Unequal Treatment of People and Businesses Displaced by Government." This ACIR report focused its attention primarily on the issue of relocation. A basic source of information was a questionnaire survey of the relocation practices and policies of cities over 100,000 population which was conducted jointly in the summer of 1964 by the Commission and the U.S. Conference of Mayors. The ACIR staff, it should be noted, also worked closely with the staff of the House Select Subcommittee.

On the basis of its findings, ACIR made 14 recommendations for local, State, and Federal action to meet the problems of persons displaced by governments. For Federal action, the Commission recommended:

First. That the Congress establish a uniform policy of relocation payments and advisory assistance for persons and businesses displaced by direct Federal programs and by Federal grant-in-aid programs, and that the President direct that the necessary steps be taken to formulate uniform regulations for carrying out such a policy.

Second. The Congress should require that State and local governments administering Federal grant-in-aid programs assure the availability of standard housing before proceeding with any property acquisition that displaces people. This requirement should be at least comparable to that in Federal urban renewal legislation, assuring that (*a*) there is a feasible method for temporary relocation of displaced families and individuals, and that (*b*) there are or are being provided standard housing units within their financial means and in areas reasonably accessible to their places of employment.

Third. With respect to financing relocation payments under federally assisted programs, the full costs of payments to any person for relocating a family, and the costs of payments up to $25,000 to any person relocating a business, should be completely reimbursed by the Federal Government; and the costs of business relocation payments in excess of that amount should be shared on the basis of the cost-sharing formula governing the particular program.

Fourth. The Small Business Administration Act should be broadened to authorize disaster loans to small business concerns (*a*) that suffer substantial economic injury as a result of a construction program conducted by State and local government, as well as one conducted by a Federal or federally aided program; or (*b*) that are adversely affected but not actually displaced by government property takings.

Fifth. The Congress should amend the Manpower Development and Training Act to permit widow and widower owners of displaced firms to be eligible for manpower retraining allowances.

Sixth. The executive branch should: (*a*) authorize and encourage all Federal agencies causing displacements in urban areas to centralize in a single local agency in each major urban jurisdiction, through formal or informal agreement, responsibility for administering relocation planning, payments, and services; and (*b*) require all displacing agencies to give advance notice at the earliest practical time to local units of general government of any construction programs which will cause displacement.[15]

All but the fifth recommendation above were introduced by Senator MUSKIE on April 1, 1965, as S. 1681. The fifth recommendation was embodied in a separate bill on manpower development (S. 974), and was enacted and signed into law by the President as Public Law 89–15 on April 26, 1965. Companion measures to S. 1681 were introduced in the House by Representatives FOUNTAIN (H.R. 7821) and DWYER (H.R. 7970). H.R. 10212, introduced by Representative SICKLES, includes provisions similar to S. 1681.

COMMITTEE HEARINGS

Hearings on S. 1201 and S. 1681 were held on June 30, July 1, 13, and 14, 1965. Twenty-two witnesses testified, including Senators SPARKMAN, KENNEDY of New York and KENNEDY of Massachusetts; William G. Colman, Executive Director, Advisory Commission on Intergovernmental Relations; Curtis Aller, Director, Office of Manpower, Automation and Training, Department of Labor; Lewis A. Sigler, Assistant Legislative Counsel, Department of the Interior; George S. Bullen, assistant to the president for legislation, National Federation of Independent Business; Mayor Chuck Hall, of Dade County, Fla., representing the National Association of Counties; Henry H. Krevor, formerly counsel for the House Select Subcommittee on Real Property Acquisition; Ross D. Davis, Executive Administrator, Small Business Administration; Joe E. Moody, General Counsel, General Services Administration; Congressman WILLIAM B. WIDNALL (New Jersey); James Drought, assistant administrator for development, Boston Redevelopment Authority, speaking on behalf of Mayor John F. Collins, of Boston, the U.S. Conference of Mayors, and the National League of Cities; Richard L. Steiner, director of the Baltimore Urban Renewal and Housing Agency, speaking on behalf of Mayor Theodore R. McKeldin, of Baltimore; Lawrence Jones, Deputy Federal Highway Administrator, Bureau of Public Roads, Department of Commerce; Clarence Mitchell, director, Washington bureau, National Association for the Advancement of Colored People; Harry W. Reynolds, Jr., chairman, Center for Urban Studies, Municipal University of Omaha, Nebr.; Robert W. Hendricks, vice president and chairman, Public Affairs Committee, Society of Real Estate Appraisers; Timothy J. McCarthy, chief counsel, Providence, R.I., Redevelopment Agency; William L. Slayton, Commissioner, Urban Renewal Administration; Robert L. Free, president, American Institute of Real Estate Appraisers, on behalf of the National Association of Real Estate Boards; and Matt Triggs, assistant legislative director, American Farm Bureau Federation.

Official reports from 15 departments and agencies, and communications and statements from 12 public and private officials were submitted and made part of the hearing record. Every witness and all reports and statements favored enactment of S. 1681 as introduced, or with certain amendments.

Fifty-one amendments to S. 1681 were proposed during the hearings. Of the 44 minor proposals of a clarifying or substantive nature which were in harmony with the bill's purpose, 26 were adopted.[16] The committee rejected those procedural and substantive amendments which conflicted with the intent of the legislation, went far beyond its scope, or simply were not germane. The committee's reasons for rejecting two of the major amendments are cited later in this section.

The remaining five major proposals dealt with the relationship between S. 1681 and S. 1201, or major clarifications, or substantive changes which were in harmony with the basic purpose of the measure. All of these were adopted and are discussed below.

First, the committee decided to consider the relocation issue within the framework of the provisions of S. 1681. Under the leadership of the Bureau of the Budget, every Federal agency which testified or submitted a statement, requested more time to study the land acquisition provisions of S. 1201. During the 88th Congress, and at the request of the House Select Subcommittee on Real Property Acquisition, these agencies had studied problems similar to those which provisions of S. 1201 seek to alleviate. At the subcommittee's 1965 hearings, however, they were not prepared to discuss the many complexities and basic issues raised. They commented primarily upon relocation assistance and endorsed only those provisions of S. 1201 which are common to S. 1681. They were clearly opposed to consideration at this time of its other provisions, with the exception of section 301 (amendments to the Small Business Act), and some minor items that have been the subject of other current legislation.

Some of the issues considered by the House Select Subcommittee and treated in S. 1201, such as those dealing with land acquisition policies and taxation of capital gains resulting from forced sales, are quite complex. Aside from the three minor provisions discussed below, it is anticipated that the entire question of land acquisition will be explored in the first session of the 90th Congress.

Second, the committee amended S. 1681 by adding the provisions of subsections 402(1), 402(2), and 402(3) of the Housing Act of 1965. These subsections deal with land acquisition policies administered under six Department of Housing and Urban Development programs: public housing, urban renewal, mass transit, public facilities loans, open space, and community facilities.

This amendment goes beyond the scope of these provisions in the Housing Act of 1965 and calls for a uniform land acquisition policy to minimize present inconveniences and inequities to owners and tenants displaced by all Federal and federally assisted programs. In the case of Federal development programs, it calls for (1) negotiated purchase of property wherever possible, and (2) a 90-day notice before owners and tenants must surrender property. In the case of federally assisted development programs, it requires that both of the above policies shall apply and also requires, in cases where agreement on price has not been reached, immediate payment of 75 percent of the appraisal value of the property to the owner, with the balance deposited with the court. These changes conform with provisions of the Housing Act of 1965, and accord generally with recommendations of the Select Subcommittee on Real Property Acquisition.[17] They also conform with three provisions of title I of S. 1201, and implement the recommendation of Congressman WIDNALL that

[14] "Study of Compensation, etc.," op. cit., p. 1.

[15] "Uniform Compensation for Relocation," op. cit., p. 74.

[16] See committee amendments section of this report, pp. 2–11.

[17] See "Study of Compensation, etc.," op. cit., pp. 122, 123.

property owners receive a substantial proportion of the appraisal price at the time the property is transferred.[18]

Third, a provision was included in section 4 of S. 1681 for disaster loans to small businesses suffering substantial economic injury, though not actual displacement, as a result of Federal, federally aided, or State development projects. This extends the authority contained in section 7(b)(3) of the Small Business Act of 1961 and in S. 915 of the 89th Congress. The Select Subcommittee on Real Property Acquisition[19] recommended this extension, and it was endorsed by the Advisory Commission on Intergovernmental Relations and the Housing and Home Finance Agency.[20] Senator SPARKMAN, subsequent to hearings on the bill, recommended extending the proposal contained in his S. 1201 to include State and local projects. The committee sanctioned these changes.

Fourth, the committee accepted an amendment (section 3(f) advanced by Senator CURTIS subsequent to the hearings, to apply sections 3 and 10 of the Administrative Procedure Act of June 11, 1946, to section 3 of S. 1681. This action was taken to make clear the committee's intent that the bill provide for publication in the Federal Register of actions taken under Federal programs, as well as for judicial review of administrative actions growing out of this section. It is the intention of the committee that judicial review will advance the principle that payments to persons who suffer consequential damage as a result of displacement by Federal programs should be viewed as a right of such citizens, and not as a gratuity or privilege. This view was enunciated by the American Farm Bureau Federation during the hearings.[21] The committee rejected the contention of the Department of Justice that such payments should not be subject to review by the courts.[22]

The Supreme Court has already established that, in the Government's taking of property rights other than fee title, certain costs associated with displacement of the owner are compensable.[23] It is the opinion of the committee that in both the *General Motors* and *Kimball* cases the Court felt that equity required a modification of the traditional rule that consequential damage was beyond the requirements of the Fifth Amendment, as generally interpreted. Equally important, the Court took jurisdiction in these cases. It is the committee's belief that its provision for judicial review of administrative actions under section 3 is essential, particulary since these actions arise as a direct consequence of eminent domain proceedings—over which the Court has always exercised jurisdiction.

Fifth, a major change adopted by the committee required combining sections 8 and 9 of the bill as introduced. In urging this modification, the Department of Health, Education, and Welfare noted that the language of the original section 8(a) failed to make clear the mandatory intent of the legislation.[24] The committee agreed that, unless compliance with the relocation assistance and payment features of the bill by State and local governments was clarified at the outset, its basic objectives might be obscured.

[18] "Uniform Compensation for Relocation," op. cit., p. 177.

[19] "Study of Compensation, etc.," op. cit., p. 139.

[20] "Uniform Compensation for Relocation," op. cit., pp. 74–77.

[21] Ibid., p. 301.

[22] Ibid., pp. 37, 38.

[23] *U.S.* v. *General Motors Corp.*, 323 U.S. 373, 382 (1945); and *Kimball Laundry Co.* v. *U.S.* 338 U.S. 1., 12–15 (1949).

[24] "Uniform Compensation for Relocation," op. cit., p. 43.

The committee considered two broad categories of amendments advanced during the hearings, and rejected both.

First, the committee examined proposed amendments to section 3(e) which sought to achieve comparability with title I of the Housing Act of 1965. The latter provides for rent subsidies in private housing for certain low-income families, including those "displaced by governmental action."[25] Displaced persons, under the provisions of title I, must have an income below the maximum amount established for public housing eligibility. The formula provides for a subsidy which is the difference between the fair market rental for a dwelling unit and one-fourth of the tenant's income. Prescribed procedures include recertification of the income of such occupants at intervals of 2 years or less for the purpose of adjusting rental charges, and annual payments on the basis of the occupant's income.[26] These provisions differ from those of S. 1681 in several ways:

(*a*) The rental subsidy is higher in S. 1681 because it provides for payments equal to the difference between 20 percent of the family income and the actual rent in private accommodations, while the 1965 Housing Act limits this difference to 25 percent of the family income;

(*b*) S. 1681 sets a ceiling of 24 months and $1,000 for such assistance. There is no such ceiling in the 1965 Housing Act;

(*c*) S. 1681 limits eligibility for payments to an individual or a family unable to get into a low-rent public housing project, but it does not specifically limit family income under these provisions except by providing that the subsidy shall be related to 20 percent of income for the rental of a dwelling of "modest" standards. The 1965 Housing Act applies only to those whose income is low enough to qualify them for public housing; and

(*d*) S. 1681 provides this relocation assistance payment regardless of whether a full-fledged rent subsidy program has been established in the community. The Housing Act of 1965 requires a community to establish and operate such a program; in smaller localities, this may prove impractical.

The committee decided, in light of the broader and more positive features of S. 1681, to retain the provisions of section 3(e). In doing so, it was necessary to add a clarifying amendment which states that, should a displaced person receive assistance under title I of the Housing Act of 1965, he shall be ineligible to receive the relocation adjustment payment contained in section 3(e). In adhering to the original section, with this minor modification, the committee recognized that the purposes of section 3(e) of S. 1681 and title I of the Housing Act of 1965 are in essence quite different. The relocation adjustment payments authorized by the former cover only certain categories of persons and families displaced by governmental action. The forced relocation process then establishes the critical dividing point. As a consequence, the committee decided that relocation adjustment payments should be made to cover certain low-income displacees who are ineligible for public housing and should not be disbursed on an experimental basis without time limits. The committee basically has accepted the arguments supporting the relocation adjustment payments as provided by section 310(a) of the Housing Act of 1964 and the rationale for their continuance when the issue of rent supplements arose in 1965. These payments were extended to the elderly, and to certain low-income families displaced as a consequence of urban renewal programs, and they have not been superseded by title I of the Housing Act of 1965. In short, by retaining section 3(e), the committee has broadened the coverage and expanded the benefits authorized by the relocation adjustment payments program in the 1964 Act.

[25] Ibid., pp. 81–83.

[26] Public Law 89–117, title I, sec. 101.

Second, the Bureau of the Budget, as well as other agencies and witnesses, favored changes in the schedule of payments under certain provisions of the bill. The Bureau's recommendations in this instance were rejected:

(1) The committee did not accept the suggestions of the Bureau of the Budget, the Department of the Interior, and the Bureau of Public Roads that the $5,000 relocation payment as provided in section 3(b) be reduced to $2,500.[27] The statement of the Bureau of the Budget maintained that the lower figure would be more in line with the provisions of the Housing and Community Development Act of 1964. Under that act, the Administrator paid small displaced businesses $1,500 plus moving expenses. The Housing Act of 1965 raised this figure to $2,500 in addition to actual moving costs. This action raised the maximum relocation payment for such concerns—as a practical matter—to $5,500 and, in effect, negated this argument of the Bureau of the Budget. The committee was impressed with the reasoning of Henry H. Krevor, formerly counsel for the House Select Subcommittee on Real Property Acquisition. Mr. Krevor stressed the importance to small businessmen of immediate payment as a result of displacement. In many marginal businesses, he pointed out, failure to receive quick payment has prevented successful relocation.[28] This payment of up to $5,000 is made to an owner on the basis of his net annual income. The owner or operator need merely present his tax returns for the preceding 2 years in order that his relocation payment can be equitably computed. This payment releases the Government from any further financial obligation, thereby eliminating costly delays in administrative time required to settle itemized claims.

(2) Bureau of the Budget, Department of Defense, Department of the Interior, and the Bureau of Public Roads favored reducing from $1,000 to $500 the fixed relocation payment to a displaced farm operator provided in section 3(d).[29] Budget declared, "The report of the House committee notes that the average payment for displaced farms made by the Corps of Engineers to move the farmer and provide for his relocation expenses is $475."[30] The committee fails to see the logic in making this "average" payment of $475 the maximum allowed under this fixed relocation approach. Such a payment would force many small farm operators whose expenses are greater than $475 to take the time-consuming, itemized option. The committee believes that the $1,000 payment should cover as large a segment of the small farm operators as possible. Moreover, the $1,000 payment would absolve the Federal agency of any further financial assistance and provide the farm operator with a small additional payment to cover the inconvenience of moving, plus additional miscellaneous expenses.

(3) Bureau of the Budget, Department of Defense, Department of the Interior, and General Services Administration suggested deleting section 3(c)(3), which provides an additional $300 payment to a displaced owner of a residence to be taken as part of the Federal or federally assisted project.[31] It was pointed out that this provision discriminates against a displaced tenant who purchases a home. The committee recognized the wisdom of this suggestion and amended the subsection to extend this $300 payment to

[27] "Uniform Compensation for Relocation," op. cit., pp. 29, 89, and 219.

[28] Ibid., p. 147.

[29] Ibid., pp. 29, 36, 89, and 221.

[30] Ibid., p. 29.

[31] Ibid., pp. 29, 36, 89, 168, and 272.

any owner or tenant purchasing a home within 1 year of his actual displacement.

(4) Bureau of the Budget and the Urban Renewal Administration favored reducing the rent supplement provision in section 3(e) from $1,000 over a period of 24 months to $500 over a period of 12 months.[32] The 12-month, $500 maximum approach, the Bureau contended, encouraged communities to make a "maximum effort to provide housing under the regular housing programs."[33] The committee rejected this contention, noting that the original relocation adjustment proposal, contained in President Johnson's message on the Housing and Community Development Act of 1964, included the 24-month period.[34] The Select Subcommittee on Real Property Acquisition also recommended the 24-month, $1,000 ceiling.[35] Finally, testimony of redevelopment officials and others on balance favored the high-option approach.

(5) The Bureau of the Budget, Department of Health, Education, and Welfare, Department of the Interior, and the Bureau of Public Roads opposed section 8(d) as introduced.[36] This section, which is based on present urban renewal regulations, provides that a State or local government using Federal funds for property acquisition or improvement may receive the full cost of providing relocation payments up to $25,000 for any displaced person. The Bureau contended that this should be considered a project expense and that reimbursement should be made on the same formula basis under which the project is funded. In the committee's opinion, adoption of this proposal would defeat the basic purpose of S. 1681, i.e., uniformity of payment and assistance among all Federal or federally assisted programs. Acceptance of this recommendation, moreover, would mean that many States would have to pass enabling legislation to permit reimbursement under the project formula. Testimony presented before the committee by the Bureau of Public Roads disclosed that only 32 States now authorize any relocation payments under these programs, and that of these 32, only 20 offer relocation payments on the same scale as the federally assisted program.[37]

(6) The committee also considered proposals by Congressman WIDNALL and Mr. James Drought, of the Boston Redevelopment Authority, to eliminate the $25,000 ceiling for full Federal payment of relocation costs. Concerning this recommendation, Mr. William L. Slayton, Urban Renewal Commissioner, commented that in 99 percent of URA cases involving displaced businesses, moving expenses did not exceed $25,000.[38] Subsequent to the S. 1681 hearings, HHFA, by administrative order, lifted the $25,000 ceiling with the proviso that the responsible local authority may treat any expense in excess of this amount as a project cost, and reimbursement to the affected business would be made on the basis of the project formula.[39] The committee agreed that providing total Federal assistance above $25,000 might encourage urban renewal and other project proposals "which begin to look toward moving expenses as an end in themselves."[40] The decision to adhere to section 8(d) of S. 1681, as introduced, was based in part on the fact that its language is in full accord with present Department of Housing and Urban Development practice.

[32] Ibid., pp. 29, 273.
[33] Ibid., p. 29.
[34] "Study of Compensation, etc.," op. cit., pp. 141, 142.
[35] Ibid., p. 141.
[36] "Uniform Compensation for Relocation," op. cit., pp. 30, 42, 90, 91, and 224.
[37] Ibid., p. 227.
[38] Ibid., p. 275.
[39] Federal Register, Aug. 12, 1965, p. 10027.
[40] "Uniform Compensation for Relocation," op. cit., p. 275.

ESTIMATED COST OF S. 1681

Over the next 4 to 8 years, it is estimated that Federal and federally assisted programs will displace annually more than 111,000 families and individuals, nearly 18,000 businesses and nonprofit organizations, and 3,700 farm operations. The following table provides a breakdown of forecasts by departments and agencies:

Average displacement per year by direct Federal and federally assisted programs causing substantial dislocation estimated for next 4 to 8 years

Departments and agencies	Families and individuals	Businesses and nonprofit organizations	Farm operations
Direct Federal:			
Defense	3,240	260	1,890
General Services Administration	540	310	10
Interior	580	50	360
International Boundary and Water Commission	240	30	10
Post Office Department	150	20	-------
Tennessee Valley Authority	120	20	30
Federally assisted:			
Bureau of Public Roads	36,770	3,880	1,350
HHFA Public Housing	3,170	170	-------
Urban Renewal Administration	66,250	13,130	-------
Summary:			
Direct Federal	4,900	700	2,300
Federally assisted	106,200	17,200	1,400
All programs	111,100	17,900	3,700

Source: Hearings, "Uniform Compensation for Relocation," p. 65.

Based on these figures, it is estimated that the total annual cost of S. 1681 will approximate $136.6 million. This is nearly $63.8 million more than the relocation payments authorized under present laws—as the following table indicates:

Estimated future annual costs of relocation payments under S. 1681 to all Federal and federally aided programs (in thousands)[1]

Departments and agencies	Estimated future costs under present laws	Estimated future costs under S. 1681
Urban Renewal Administration	$63,234	$77,316
Public Housing Administration	1,033	1,801
Bureau of Public Roads	6,477	51,897
Army Engineers	1,903	4,073
Navy	2	7
Interior	188	271
Departments and agencies now without relocation provisions	----------	1,297
All programs	72,837	136,629

[1] These figures are extrapolated from data contained in the following sources: Advisory Commission on Intergovernmental Relations, from data in "Study of Compensation for Persons Affected by Real Property Acquisition in Federal and Federally Aided Programs," 1964, pp. 12–19; and "Uniform Compensation for Relocation," hearings, Subcommittee on Intergovernmental Relations, U.S. Senate, 89th Cong., 1st sess., 1965, p. 80.

It is to be noted that the largest item in this increase relates to the Federal highway program, which at present provides maximum payments of only $200 for relocation expenses for families and individuals, and $3,000 for the relocation of businesses and farm operations.

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

The PRESIDING OFFICER. Without objection, the amendments are considered and agreed to en bloc.

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

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

JUNE PRICE INCREASE NO BASIS FOR TAX INCREASE

Mr. PROXMIRE. Mr. President, the Consumer Price Index rose 0.3 percent in June, according to figures released yesterday by the Department of Labor.

This unadorned fact is going to be misinterpreted, misused and, above all, misunderstood. It undoubtedly is going to be used by some as an indication that our economy is still overheated, with prices being sent into an upward spiral by excessive consumer demand.

Well, one cannot use the Consumer Price Index in quite that way. It simply does not give that kind of information. Before the CPI can be used as a tool to analyse the economy, it must be understood how the index is constructed, what its limitations are. In other words, there must be known what it does not reveal.

The Statistics Subcommittee of the Joint Economic Committee recently held the first comprehensive hearings in years on the prices indices prepared by the Federal Government: the Consumer Price Index and the Wholesale Price Index.

As chairman of that subcommittee, I would like to say, Mr. President, that those hearings provided an enormous amount of useful information about the nature of the indices and how they need to be improved. The hearings also made very plain some of the limitations of the indices as tools for economic analysis.

When the Consumer Price Index for each month is announced, it is duly reported in the press. As people across the Nation read those stories, they think—and how could they do otherwise—that the increase in the index means that they are paying more for exactly the same products.

In some cases, of course, they are. In a host of others, they are not.

For example, the greatest increase in the CPI during the past year occurred in April, a 0.5 percent increase. But testimony at the hearings from officials who prepare the index disclosed that three-fourths of this increase was the direct result of Government actions, not excessive demand.

One-fourth of the increase was due to the reimposition of the Federal excise taxes on automobiles and telephones at their former levels. One-fourth of the increase was due to higher State and local taxes. And one-fourth was due to higher interest rates, primarily on mortgages, which were in turn due to a tight monetary policy designed to hold down inflation.

Now, presumably the consumer got something for his money in each of these areas. The Consumer Price Index indicated prices had risen. But the point I wish to make, Mr. President, is that the consumer was getting something additional as he was paying the higher price.

This certainly is not inflation as it is usually defined.

Was this the case again in June? No, in most part it was not. A small portion of the 0.3 percent increase last month was due to higher interest rates, the result of our continuing tight money policies. But the increase was the result of another phenomenon almost wholly unrelated to the general level of economic activity in the country.

Since 1951 the month of June has seen the economy in just about every possible state: boom and recession, going upward and going downward. Yet with startling regularity, every June the Consumer Price Index has gone up. And it has gone up an average of 0.3 percent.

In other words, the increase in the CPI last month was exactly the same as the average for June during the previous 15 years.

Mr. President, this tells us little or nothing about the state of the economy. It tells us instead that seasonal factors dictate that every June certain food prices are going to go up. And they are going to go up whether the economy is in boom or recession.

Prof. Richard Ruggles, of Yale University, one of the foremost statistical economists in the country, sums up some of the limitations of the CPI that I have been describing. During the hearings before my subcommittee, he testified:

> Unfortunately, the misinterpretation and consequent misuse of aggregate price indexes as a direct reflection of the level of excess demand in the economy has resulted in unwise economic policy. Since some of the components of the price index (services in particular) continue to rise on a secular basis, there has been a widespread impression that the economic system is always pressing upon capacity, and that every effort must be made to slow it down, to hold it in check. Such a view has led to a slower rate of growth, and higher unemployment, than would be desirable, and substantial underutilization of capacity. The economy has fallen far short of its true potential, and we live in terror of a bogey which may not really exist.

"A bogey which may not really exist." Mr. President, that is what we are facing. The bogey to which Profesor Ruggles was referring is not inflation in general but an inflation that is the result of an overheated economy. An inflation of the sort that could be halted by further tax increases designed to slow down even further the Nation's level of economic activity.

As I have said in other statements earlier this week, the economy is already slowing down. During the second quarter of this year, the gross national product increased at a far slower rate than in the previous two quarters. In fact it grew at only an annual rate of 2.4 percent in real terms.

The Index of Industrial Production showed the same sort of decline. During the second quarter it fell to a monthly rate of increase of only one-half of 1 percent—a rate only one-third that of the previous quarter.

I suggest, Mr. President, that the economy is slowing down and that the increase in the Consumer Price Index announced yesterday presents no evidence to the contrary.

It may well be that prices will continue to move upward for a while as the result, not of an overheated economy, but because of institutional influences. Big business and big labor can cause prices, and wages which in turn affect prices, to move upward even when demand is not excessive. These are the factors that may contribute to inflation.

The best measures of inflation we have are the consumer and wholesale price indexes. By what I have said here this morning I do not mean to imply they are of no value. On the contrary, they are of immense value. My caution is this: in using them, make certain that their limitations and components are fully understood. Make certain, in other words, that what they do not tell is as fully understood as what it is they do tell.

Mr. President, economically speaking the immediate future is somewhat uncertain. Any further downturn could be very serious indeed.

Something must soon be done—but done carefully—to ease our tight money situation and provide some relief for our housing industry.

We must make every effort to appeal to labor and business to resist contributing to a structural inflation that would only complicate matters.

But we must not make the mistake of misunderstanding whatever inflation may occur. We must not make the mistake of slowing down our economy too much—by a tax increase or otherwise—in terror of bogey which may not really exist.

This morning newspaper's business section headlined a spectacular "Personal Income Rises Sharply in June to $576.4 Billion Peak." Now, anyone reading that headline would quickly conclude that it was another significant indication that the economy is running away, soaring off in a boom that is going to end in a bust.

What the headline does not tell, but the story does, is that this June figure—if put in the perspective of the total figures for the quarter, represents a stabilizing, even a slowing down in growth rate. The increase was less, for instance, than in February and March. What is more, the rise was from a May level of $573 billion and, therefore, represented a one-half of 1 percent or a roughly 7 percent annual rate of increase, a significant but hardly excessive growth in income.

Mr. President, there was one other more ominous development—this is the increase in business loans in June, in the face of record high interest rates and in spite of a usual drop in loans at this time of year.

This suggests to this Senator that high interest rates are not acting as an effective way of restraining credit expansion; and that borrowers have heard so much about threatened credit tightness in the future that they may very well have moved to secure loans while the loans are available.

Certainly the slowdown in virtually every index of production and demand which I described in some detail a couple of days ago in the Senate, does not suggest that the additional borrowing is to meet growing demand.

Mr. President, I ask unanimous consent to have printed in the RECORD a news release of the Department of Labor under date of Thursday, July 21, 1966.

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

CONSUMER PRICE INDEX FOR JUNE 1966

The Consumer Price Index rose by 0.3 percent in June, the United States Department of Labor's Bureau of Labor Statistics announced today. The increase was caused mostly by higher food prices, medical care costs, and mortgage interest rates. At 112.9 (1957–59=100) the index stood 2.5 percent above a year ago.

PRICE CHANGES, MAY–JUNE 1966

Food prices customarily go up in June, so that the 0.4 increase was in line with seasonal expectations. The principal increases were for fresh fruit, pork, dairy products and bread. Apples, oranges, grapefruit, and watermelons all bore higher price tags. Seasonally reduced hog slaughter brought price increases for fresh pork cuts, but beef prices averaged slightly lower. Prices of evaporated milk, butter, and white bread increased by about 1 percent over the month. Margarine prices held steady.

Egg prices dropped almost 10 percent, considerably more than the usual decline in June, with increased production and lower demand for both domestic and export use. Canned fruit and juice prices moved down by more than 1 percent, in contrast with the increases for fresh fruits.

Charges were raised for many types of consumer services. Doctors' and dentists' fees and health insurance charges rose 0.7 percent, while hospital charges increased 0.6 percent. Home repairs, laundry and dry cleaning, and barber and beauty shop services also moved higher.

A 2 percent advance in mortgage interest rates in June reflected a continuing scarcity of funds for new mortgage lending and the upward climb of interest rates generally.

Used car prices went up, as they usually do in June, and new cars showed the usual slight price reduction. Gasoline prices rose seasonally. Taxi fare increases in several cities accounted for a 0.6 percent rise in the index for public transportation.

PRICE TRENDS, JUNE 1965–JUNE 1966

One half of the increase in the Consumer Price Index over the past year has been caused by higher charges for consumer services (up 3.7 percent). Charges for hospital services, mortgage interest, automobile insurance, home repairs, housekeeping services, and barber and beauty shop services have advanced 5 percent or more.

Food prices in June were 3.5 percent higher than a year ago, with restaurant meals up 4.8 percent and food in grocery stores up 3.2 percent. Meat prices averaged 8 percent higher over the year, mostly because of a 14 percent increase for pork. Egg prices climbed 6 percent.

Fresh vegetables, on the other hand, were 16 percent cheaper than a year ago.

Apparel prices averaged 2.3 percent higher than in June 1965, with footwear up by 6½ percent. Tobacco products also showed an increase of nearly 6 percent, due in part to higher State and local taxes. Used car prices dropped 3½ percent over the year.

COST-OF-LIVING ADJUSTMENTS

About 84,000 workers will receive cost-of-living wage increases based on the national

Consumer Price Index for June. Approximately 50,000, mostly aircraft workers, will get 2 cents an hour, about 9,000 will receive 3 cents, and some 21,000 (mostly interstate bus workers) will receive 1 cent, as a result of the rise in the index since March. An additional 3,650 workers will receive 1 cent an hour as a result of the index rise since December 1965.

TABLE 1.—*Consumer Price Index—U.S. city average for urban wage earners and clerical workers—Major group, subgroup, and special group indexes, June 1966 and percent changes from selected dates*

Group	Indexes (1957-59=100)					Percent change to June 1966 from—				
	June 1966		May 1966		June 1965 unadjusted	May 1966		March 1966		June 1965 unadjusted
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted		Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	
All items	112.9		112.6		110.1	0.3		0.8		2.5
Food	113.9	114.0	113.5	114.0	110.1	.4	0	0	−0.2	3.5
Food at home	112.3	112.4	112.0	112.6	108.8	.3	−.2	−.3	−.4	3.2
Cereals and bakery products	114.7		114.3		111.0	.3		1.0		3.3
Meats, poultry, and fish	114.2	115.9	113.9	116.0	106.4	.3	−.1	−2.3	−1.5	7.3
Dairy products	109.6	110.7	109.3	110.2	104.0	.3	.5	1.4	2.5	5.4
Fruits and vegetables	121.7	115.8	119.2	115.3	125.9	2.1	.4	3.7	−1.4	−3.3
Other foods at home	101.3	102.9	102.8	104.0	100.5	−1.5	−1.1	−2.3	−1.4	.8
Food away from home	122.8		122.2		117.2	.5		1.3		4.8
Housing	111.1		110.7		108.2	.4		1.4		2.7
Shelter [1]	114.1		113.5		110.3	.5		1.6		3.4
Rent	110.2		110.2		108.8	0		.3		1.3
Homeownership [2]	115.8		[3] 115.0		111.0	.7		2.0		4.3
Fuel and utilities [4]	108.0	108.4	108.2	108.5	106.9	−.2	−.1	1.3	2.0	1.0
Fuel oil and coal [5]	107.0	109.2	108.0	109.5	103.4	−.9	−.3	−1.7	2.2	3.5
Gas and electricity	108.1		108.9		107.8	−.1		−.1		.3
Household furnishings and operation	104.8		104.6		103.1	.2		.8		1.6
Apparel and upkeep [6]	109.4	109.5	109.3	109.4	106.9	.1	.1	1.1	.9	2.3
Men's and boys'	110.1	110.2	109.9	109.9	107.1	.2	.3	1.0	.7	2.8
Women's and girls'	104.7	105.0	105.0	105.4	103.5	−.3	−.4	.8	.6	1.2
Footwear	119.8	119.9	119.0	119.0	112.3	.7	.8	2.5	2.5	6.7
Transportation	112.2	112.3	112.0	112.0	111.2	.2	.3	.7	.4	.9
Private	110.7	110.8	110.5	110.5	109.7	.2	.3	.7	.3	.9
Public	122.8		122.1		121.3	.6		.6		1.2
Health and recreation	118.7		118.4		115.7	.3		.9		2.6
Medical care	127.0		126.3		122.2	.6		1.4		3.9
Personal care	112.2		112.0		111.0	.2		1.1		1.1
Reading and recreation	117.0		116.8		115.7	.2		.3		1.1
Other goods and services [7]	114.9		114.7		111.0	.2		1.0		3.5
SPECIAL GROUPS										
All items less shelter	112.6		112.4		110.0	.2		.6		2.4
All items less food	112.8		112.5		110.3	.3		1.1		2.3
Commodities [8]	109.0	108.9	108.8	109.0	106.9	.2	−.1	.6	.3	2.0
Nondurables	111.5	111.5	111.3	111.6	108.6	.2	−.1	.4	.1	2.7
Durables [8 9]	102.6	102.6	102.5	102.5	102.6	.1	.1	.6	.5	0
Services [10]	122.0		121.5		117.6	.4		1.6		3.7
Commodities less food [8]	106.4	106.5	106.3	106.4	105.1	.1	.1	.8	.8	1.2
Nondurables less food	109.5	109.6	109.3	109.4	107.3	.2	.2	.8	.7	2.1
Apparel commodities	108.3	108.4	108.3	108.4	106.0	0	0	1.1	.9	2.2
Apparel commodities less footwear	106.0	106.2	106.1	106.3	104.7	−.1	−.1	.8	.6	1.2
Nondurables less food and apparel	110.1		110.0		108.1	.1		.6		1.9
New cars	96.8	97.4	97.0	97.4	97.4	−.2	0	−.3	.5	−.6
Used cars	118.2	116.8	117.5	117.6	122.7	.6	−.7	2.4	−.7	−3.7
Household durables [11]	96.7		96.7		97.3	0		.5		−.6
Housefurnishings	98.6	98.4	98.5	98.4	98.2	.1	0	.6	.6	.4
Services less rent [10]	124.8		124.1		119.7	.6		1.9		4.3
Household services less rent	121.7		120.9		116.8	.7		2.7		4.2
Transportation services	123.2		123.0		118.6	.2		.5		3.9
Medical care services	133.0		132.1		127.0	.7		1.7		4.7
Other services [12]	126.4		125.9		121.7	.4		1.1		3.9
All items index on other bases:										
1947-49=100	138.5		138.2		135.1					
1939=100	233.1		232.5		227.4					
Purchasing power of the consumer dollar:										
1957-59=$1	$0.886		$0.888		$0.908	−.2		−.8		−2.4
1947-49=$1	.722		.724		.740					
1939=$1	.429		.430		.440					

[1] Also includes hotel and motel rates not shown separately.
[2] Includes home purchase, mortgage interest, taxes, insurance, and maintenance and repairs.
[3] Corrected index.
[4] Also includes telephone, water, and sewerage service not shown separately.
[5] Called "Solid and petroleum fuels" prior to 1964.
[6] Also includes infants' wear, sewing materials, jewelry, and apparel upkeep services not shown separately.
[7] Includes tobacco, alcoholic beverages, and funeral, legal, and bank service charges.
[8] Includes home purchase costs which were classified under services prior to 1964.
[9] Also includes auto parts, toys, and recreational goods not shown separately.
[10] Excludes home purchase costs which were classified under this heading prior to 1964.
[11] Called "Durables less cars" prior to 1964.
[12] Includes the services components of apparel, personal care, reading and recreation, and other goods and services.

TABLE 2.—*Consumer price index—The United States and selected areas for urban wage earners and clerical workers, all items—Most recent index and percent changes from selected dates*

Area [1]	Pricing schedule [2]	Indexes			Percent change from—	
		1957-59=100	1947-49=100	Other bases	March 1966	June 1965
		June 1966				
U.S. city average	M	112.9	138.5		0.8	2.5
Chicago	M	110.6	139.5		.6	2.5
Detroit	M	111.0	136.9		1.5	3.7
Los Angeles-Long Beach	M	114.5	142.8		.7	1.4
New York	M	115.3	138.9		.4	2.8
Philadelphia	M	113.4	139.3		.6	2.4

See footnotes at end of article.

TABLE 2.—*Consumer price index—The United States and selected areas for urban wage earners and clerical workers, all items—Most recent index and percent changes from selected dates*—Continued

Area [1]	Pricing schedule [2]	Indexes: 1957-59=100	Indexes: 1947-49=100	Indexes: Other bases	Percent change from—	
		April 1966			January 1966	April 1965
Boston	1	116.8	144.7		2.5	3.5
Houston	1	110.9	136.6		.8	2.8
Minneapolis-St. Paul	1	111.8	138.3		1.2	2.7
Pittsburgh	1	113.0	139.2		1.8	2.9
		May 1966			February 1966	May 1965
Buffalo (November 1963=100)	2			106.6	0.8	3.5
Cleveland	2	109.7	136.2		1.5	2.7
Dallas (November 1963=100)	2			104.6	1.2	3.5
Milwaukee	2	110.1	138.8		.5	1.8
San Diego (February 1965=100)	2			101.6	.4	1.1
Seattle	2	113.7	142.9		1.0	2.6
Washington	2	112.8	135.8		.8	3.0
		June 1966			March 1966	June 1965
Atlanta	3	111.1	137.5		0.7	3.0
Baltimore	3	113.4	140.7		.8	3.1
Cincinnati	3	110.2	134.1		1.0	2.5
Honolulu (December 1963=100)	3			104.6	.2	2.9
Kansas City	3	116.5	144.1		1.0	2.3
St. Louis	3	113.6	141.0		1.3	3.1
San Francisco-Oakland	3	115.2	146.2		.3	1.9

[1] Area coverage includes the urban portion of the corresponding standard metropolitan statistical area (SMSA) except for New York and Chicago where the more extensive standard consolidated areas are used. Area definitions are those established for the 1960 census and do not include revisions made since 1960.

[2] Foods, fuels, and several other items priced every month in all cities; most other goods and services priced as indicated:
M—Every month.
1—January, April, July, and October.
2—February, May, August, and November.
3—March, June, September, and December.

TABLE 3.—*Consumer Price Index—The United States and selected areas [1] for urban wage earners and clerical workers, major groups—Percent change from May 1966 to June 1966*

Group	U.S. city average	Chicago	Detroit	Los Angeles-Long Beach	New York	Philadelphia
All items	0.3	0.4	0.5	0.3	0.1	0.3
Food	.4	.6	.4	−.5	.1	.4
Housing	.4	.3	1.3	.7	.2	.1
Apparel and upkeep	.1	.3	0	0	−.5	.1
Transportation	.2	.4	.1	.8	.3	.4
Health and recreation	.3	.2	.2	−.4	.6	.3
Medical care	.6	.2	.7	.3	1.5	.5
Personal care	.2	.3	.4	−1.8	−.2	−.3
Reading and recreation	.2	.3	.2	−.5	.4	.6
Other goods and services	.2	0	−.3	−.5	.2	(3)

[1] See footnote 1, table 2.

[3] Not available.

TABLE 4.—*Consumer Price Index—U.S. city average for urban wage earners and clerical workers major group indexes, selected dates*

[1957-59=100]

Date	All items	Food	Housing	Apparel and upkeep	Transportation	Health and recreation: Total	Health and recreation: Medical care	Health and recreation: Personal care	Health and recreation: Reading and recreation	Health and recreation: Other goods and services
1966:										
June	112.9	113.9	111.1	109.4	112.2	118.7	127.0	112.2	117.0	114.9
May	112.6	113.5	110.7	109.3	112.0	118.4	126.3	112.0	116.8	114.7
April	112.5	114.0	110.3	108.7	112.0	118.1	125.8	111.6	116.8	114.3
March	112.0	113.9	109.6	108.2	111.4	117.6	125.3	111.0	116.6	113.8
February	111.6	113.1	109.4	107.6	111.1	117.1	124.5	110.8	115.9	113.6
January	111.0	111.4	109.2	107.3	111.2	116.9	124.2	110.4	115.7	113.4
1965:										
December	111.0	110.6	109.4	108.1	111.6	116.6	123.7	110.0	115.4	113.4
November	110.6	109.7	109.2	108.1	111.5	116.4	123.4	109.6	115.4	113.3
October	110.4	109.7	109.0	107.8	111.2	116.2	123.0	109.2	115.2	113.3
September	110.2	109.7	108.6	107.2	111.0	115.8	122.8	109.2	114.8	112.7
August	110.0	110.1	108.2	106.4	111.0	115.6	122.8	109.0	114.3	112.6
July	110.2	110.9	108.3	106.1	111.5	115.3	122.7	108.7	114.6	111.5
June	110.1	110.1	108.2	106.9	111.2	115.7	122.2	111.0	115.7	111.0
Annual average:										
1965	109.9	108.8	108.5	106.8	111.1	115.6	122.3	109.9	115.2	111.4
1964	108.1	106.4	107.2	105.7	109.3	113.6	119.4	109.2	114.1	108.8
1963	106.7	105.1	106.0	104.8	107.8	111.4	117.0	107.9	111.5	107.1
1962	105.4	103.6	104.8	103.6	107.2	109.4	114.2	106.5	109.6	105.3
1961	104.2	102.6	103.9	103.0	105.0	107.3	111.3	104.6	107.2	104.6
1960	103.1	101.4	103.1	102.2	103.8	105.4	108.1	104.1	104.9	103.8
1955	93.3	94.0	94.1	95.9	89.7	91.4	88.6	90.0	92.1	94.3

TABLE 5.—*Consumer Price Index—United States and selected areas,[1] for urban wage earners and clerical workers, commodity groups, June 1966 indexes and percent changes from March 1966*

Group	U.S. city average	Atlanta	Baltimore	Chicago	Cincinnati	Detroit	Honolulu (December 1963=100)	Kansas City	Los Angeles-Long Beach	New York	Philadelphia	St. Louis	San Francisco-Oakland
	Indexes (1957-59=100 unless otherwise specified)												
All items	112.9	111.1	113.4	110.6	110.2	111.0	104.6	116.5	114.5	115.3	113.4	113.6	115.2
Food	113.9	112.4	115.9	114.3	111.6	112.0	106.6	116.9	112.4	114.5	112.9	117.2	113.6
Food at home	112.3	111.8	112.9	114.0	110.0	110.6	106.9	116.2	109.0	111.4	111.2	115.2	110.5
Cereals and bakery products	114.7	108.8	119.0	115.0	111.1	108.1	103.2	118.0	119.3	115.8	110.4	113.5	112.2
Meats, poultry, and fish	114.2	115.2	114.3	114.7	115.6	115.4	111.2	117.8	105.0	113.0	110.3	119.4	112.8
Dairy products	109.6	106.7	110.0	117.6	107.9	110.7	101.1	118.0	111.1	103.1	114.6	117.2	109.5
Fruits and vegetables	121.7	120.4	125.3	121.2	118.6	115.6	112.3	123.8	121.7	122.5	122.0	122.1	118.8
Other foods at home	101.3	106.3	99.5	103.1	96.5	98.9	101.0	104.8	94.4	101.0	99.9	103.8	97.9
Food away from home	122.8	114.7	128.1	116.5	121.2	120.5	105.7	119.7	125.3	128.7	122.9	123.3	127.2
Housing	111.1	110.4	111.3	108.1	105.1	105.1	106.2	110.3	117.1	115.2	111.3	108.2	118.7
Shelter	114.1	110.1	113.6	109.5	104.5	105.9	109.3	110.9	123.4	118.7	113.9	109.0	124.6
Rent	110.2	106.5	109.9	----------	103.7	98.1	104.6	105.2	----------	118.9	----------	106.5	125.2
Homeownership	115.8	111.1	115.2	111.1	104.9	107.9	112.6	113.3	127.4	117.8	114.9	109.3	124.2
Fuel and utilities	108.0	110.7	107.0	105.8	104.3	102.8	99.2	114.3	103.8	107.1	106.4	108.0	103.7
Fuel oil and coal	107.0	----------	109.5	105.0	98.9	100.2	----------	----------	----------	110.9	111.2	106.1	----------
Gas and electricity	108.1	110.7	101.9	106.4	106.7	105.1	99.9	116.4	110.9	108.1	101.9	110.3	107.6
Household furnishings and operation	104.8	108.0	109.5	105.9	103.9	101.4	101.4	103.8	104.7	110.0	105.4	106.9	107.1
Apparel and upkeep	109.4	109.8	111.4	105.7	110.5	110.1	104.2	113.3	109.4	111.8	114.3	110.9	113.2
Men's and boys'	110.1	110.4	110.2	105.8	112.7	107.2	99.5	115.1	113.2	113.2	109.3	110.4	110.0
Women's and girls'	104.7	101.0	108.4	100.0	102.6	109.7	109.7	108.2	105.6	104.9	110.5	107.8	109.9
Footwear	119.8	121.3	130.4	117.5	124.7	120.4	103.2	122.2	117.0	122.0	121.8	123.4	117.7
Transportation	112.2	110.4	113.6	109.6	112.5	110.9	98.2	119.3	119.1	109.8	118.8	115.5	111.5
Private	110.7	107.9	111.1	109.8	110.8	109.0	99.5	117.2	115.0	112.3	114.7	113.9	112.8
Public	122.8	124.5	123.5	109.2	124.7	119.4	92.3	125.9	139.9	102.0	137.3	120.7	102.2
Health and recreation	118.7	116.1	116.0	113.9	117.0	120.9	105.2	126.6	111.8	123.9	117.3	120.3	118.0
Medical care	127.0	123.7	138.1	133.2	131.8	134.8	107.3	134.3	123.0	130.0	131.0	126.2	130.4
Personal care	112.2	115.4	111.6	112.1	106.8	112.8	102.3	116.0	106.3	109.8	108.7	117.3	120.8
Reading and recreation	117.0	115.2	110.0	101.5	116.1	116.3	100.9	128.7	103.5	126.3	112.7	122.0	109.1
Other goods and services	114.9	110.7	107.1	107.6	108.3	113.7	110.5	120.2	108.6	122.2	112.4	114.0	111.9
	Percent changes March 1966 to June 1966												
All items	0.8	0.7	0.8	0.6	1.0	1.5	0.2	1.0	0.7	0.4	0.6	1.3	0.3
Food	0	0	.3	−.7	.6	.6	−.1	.2	−.9	−.5	.1	.4	−.9
Food at home	−.3	−.5	.4	−1.1	.3	.4	−.3	−.3	−1.4	−1.0	−.2	.2	−1.3
Cereals and bakery products	1.0	1.1	−.7	.7	1.9	1.5	0	1.2	2.1	.8	.8	.5	1.0
Meats, poultry, and fish	−2.3	−2.5	−1.0	−4.5	−1.1	−2.9	.1	−2.5	−2.9	−2.0	−.7	−1.8	−2.3
Dairy products	1.4	1.0	3.1	1.3	2.7	3.6	1.3	.4	.1	−.6	.5	3.4	.3
Fruits and vegetables	3.7	4.4	7.1	6.4	1.9	6.8	−2.3	5.4	−.7	1.9	2.9	3.9	−.3
Other foods at home	−2.3	−2.6	−3.6	−3.4	−1.3	−1.8	−.2	−2.2	−2.8	−3.0	−3.2	−1.7	−2.4
Food away from home	1.3	2.0	.5	1.1	1.8	2.0	.7	1.5	.6	1.1	1.7	1.5	.3
Housing	1.4	1.1	1.0	1.4	1.6	2.9	.3	1.2	1.6	.8	.9	1.2	.9
Shelter	1.6	1.3	1.2	1.5	2.1	3.9	0	1.3	1.8	.7	.7	1.4	.8
Rent	.3	.8	.3	----------	.5	[2].4	−.3	.2	----------	[2].1	----------	.2	.1
Homeownership	2.0	1.5	1.6	2.0	2.8	4.6	.2	1.6	2.4	.9	.9	1.7	1.1
Fuel and utilities	1.3	1.7	1.6	2.5	1.2	1.9	2.2	2.0	2.1	1.5	1.2	1.4	2.3
Fuel oil and coal	−1.7	----------	0	−.6	−8.3	−.4	----------	----------	----------	−2.6	−1.2	.2	----------
Gas and electricity	−.1	0	.4	1.3	0	.7	0	.3	−.1	−.2	0	−.1	0
Household furnishings and operation	.8	0	0	.4	.5	.7	.3	.4	.5	.5	1.1	.7	.7
Apparel and upkeep	1.1	1.3	.7	.5	1.4	.6	1.1	1.8	1.0	.4	.7	1.5	.4
Men's and boys'	1.0	4.0	.6	.1	1.4	1.2	−.3	.8	1.3	.3	.4	.5	.4
Women's and girls'	.8	−1.2	0	.1	1.5	−1.3	2.6	2.9	.8	−.6	.3	1.6	.5
Footwear	2.5	.4	2.9	2.3	2.8	2.5	.9	2.3	1.5	2.8	2.7	2.5	1.8
Transportation	.7	.2	.5	.8	1.2	.5	.6	1.8	1.1	.6	.8	2.7	−1.0
Private	.7	.1	.5	.9	1.2	.3	.4	1.8	1.1	.7	1.0	2.6	−1.0
Public	.6	0	0	0	.5	4.0	2.0	.2	0	.3	.3	2.4	0
Health and recreation	.9	1.2	1.0	.9	.5	.9	.1	.9	0	1.3	.4	2.0	1.0
Medical care	1.4	1.6	1.8	.7	1.2	1.1	.9	.9	.8	2.6	1.0	2.4	1.9
Personal care	1.1	1.4	−.1	−.2	−.1	.2	−1.4	1.7	−1.9	.9	.4	6.2	.8
Reading and recreation	.3	.7	.4	.9	−.4	1.3	−.5	.6	−.3	.4	.2	.2	.3
Other goods and services	1.0	1.0	1.4	(3)	.8	(3)	.5	.6	(3)	(3)	.2	1.2	.7

[1] See footnote 1, table 2.
[2] Change from April 1966.
[3] Not available.

TABLE 6.—*Consumer Price Index—United States and selected areas for urban wage earners and clerical workers, food and its subgroups, June 1966 indexes and percent changes from May 1966*

Area [1]	Total food	Food at home						Food away from home
		Total	Cereals and bakery products	Meats, poultry, and fish	Dairy products	Fruits and vegetables	Other foods at home	
	Indexes (1957-59=100 unless otherwise specified)							
U.S. city average	113.9	112.3	114.7	114.2	109.6	121.7	101.3	122.8
Atlanta	112.4	111.8	108.8	115.2	106.7	120.4	106.3	114.7
Baltimore	115.9	112.9	119.0	114.3	110.0	125.3	99.5	128.1
Boston	115.7	112.7	116.0	116.3	103.8	126.0	100.4	128.7
Buffalo (November 1963=100)	108.5	108.3	100.4	112.1	104.5	117.8	103.3	109.8
Chicago	114.3	114.0	115.0	114.7	117.6	121.2	103.1	116.5
Cincinnati	111.6	110.0	111.1	115.6	107.9	118.6	96.5	121.2
Cleveland	111.1	109.7	111.0	114.7	104.2	121.0	97.3	119.0
Dallas (November 1963=100)	109.4	109.9	107.1	116.8	109.2	111.4	102.3	107.7
Detroit	112.0	110.6	108.1	115.4	110.7	115.6	98.9	120.5
Honolulu (December 1963=100)	106.6	106.9	103.2	111.2	101.1	112.3	101.0	105.7
Houston	114.4	112.6	119.6	110.8	108.9	125.2	102.6	122.8
Kansas City	116.9	116.2	118.0	117.8	118.0	123.8	104.8	119.7

See footnote at end of table.

TABLE 6.—*Consumer Price Index—United States and selected areas for urban wage earners and clerical workers, food and its subgroups, June 1966 indexes and percent changes from May 1966*—Continued

Area [1]	Total food	Food at home						Food away from home
		Total	Cereals and bakery products	Meats, poultry, and fish	Dairy products	Fruits and vegetables	Other foods at home	
	Indexes (1957-59=100 unless otherwise specified)							
Los Angeles-Long Beach	112.4	109.0	119.3	105.0	111.1	121.7	94.4	125.3
Minneapolis-St. Paul	111.6	110.8	107.9	113.0	116.5	116.8	101.6	114.2
New York	114.5	111.4	115.8	113.0	103.1	122.5	101.0	128.7
Philadelphia	112.9	111.2	110.4	110.3	114.6	122.0	99.9	122.9
Pittsburgh	111.4	110.7	113.5	116.7	101.1	122.1	99.4	115.7
St. Louis	117.2	115.2	113.5	119.4	117.2	122.1	103.8	123.3
San Francisco-Oakland	113.6	110.5	112.2	112.8	109.5	118.8	97.9	127.2
Seattle	114.3	112.0	106.2	116.7	117.8	119.1	99.7	124.8
Washington	114.1	111.8	108.9	112.5	112.4	120.6	103.2	124.8
	Percent changes May 1966 to June 1966							
U.S. city average	0.4	0.3	0.3	0.3	0.3	2.1	−1.5	0.5
Atlanta	.4	.4	1.1	.7	.9	1.8	−1.9	.4
Baltimore	.5	.6	−.7	1.3	.3	4.2	−2.3	.2
Boston	.3	.3	.8	−.2	.4	3.4	−2.1	.6
Buffalo (November 1963=100)	.5	.6	.1	.3	2.8	.3	−.5	.4
Chicago	.6	.7	1.6	1.[illegible]	.5	2.8	−2.0	.3
Cincinnati	.8	.7	−.5	1.7	1.4	1.4	−1.1	1.2
Cleveland	1.0	1.2	.7	.5	.5	5.0	−.1	0
Dallas (November 1963=100)	0	.1	.1	.2	.2	.5	−.6	0
Detroit	.4	.5	.7	.4	1.1	2.4	−1.3	.2
Honolulu (December 1963=100)	.4	.5	−.1	−.7	.6	2.8	.7	0
Houston	.3	.4	.6	.5	−.4	3.0	−1.2	.1
Kansas City	.8	.8	.9	1.2	−.3	3.9	−1.6	.9
Los Angeles-Long Beach	−.5	−.8	.2	−.8	−.4	−.5	−1.9	.2
Minneapolis-St. Paul	−.1	−.2	.3	.3	−1.6	2.1	−1.6	.2
New York	.1	−.1	.1	−.1	−.7	2.3	−1.9	.8
Philadelphia	.4	.4	.5	.1	.3	2.8	−1.4	.7
Pittsburgh	−.1	−.2	.5	−.5	.5	2.3	−2.5	.8
St. Louis	.2	.1	.1	.3	.3	1.0	−1.0	.7
San Francisco-Oakland	−.3	−.5	.1	−.7	.3	.6	−1.4	.2
Seattle	−.1	−.2	−1.5	1.0	.8	0	−2.1	.2
Washington	.4	.4	−.9	1.0	.4	3.5	−1.9	.6

[1] See footnote 1, table 2.

TABLE 7.—*Consumer Price Index—U.S. city average for urban wage earners and clerical workers, food items June, 1966 indexes and percent changes from selected dates (1957-59=100 unless otherwise specified)*

Item or group	Index, June 1966		Percent change to June 1966 from—		
	Unadjusted	Seasonally adjusted	May 1966		June 1965 unadjusted
			Unadjusted	Seasonally adjusted	
Total food	113.9	114.0	0.4		3.5
Food away from home	122.8		.5		4.8
Restaurant meals	123.1		.5		5.0
Snacks [1]	105.9		.3		3.4
Food at home	112.3	112.4	.3	−0.2	3.2
Cereals and bakery products	114.7		.3		3.3
Flour	110.4		−.1		.2
Cracker meal [1]	115.7		.2		6.0
Corn flakes	122.3		1.7		2.9
Rice	107.0		0		.8
Bread, white	119.9		.8		4.9
Bread, whole wheat [1]	107.9		−.4		4.5
Cookies	97.8		−1.4		−1.2
Layer cake [1]	102.1		.8		4.2
Cinnamon rolls [1]	105.4		.8		5.2
Meats, poultry, and fish	114.2	115.9	.3	−.1	7.3
Meats	116.6	118.7	.3	0	8.0
Beef and veal	112.8	115.2	−.4	.4	2.9
Steak, round	108.5	110.6	.2	1.1	−.9
Steak, sirloin [2]	106.2		.9		−1.5
Steak, porterhouse [1]	110.7		.6		−.4
Rump roast [1]	104.9		0		.4
Rib roast	118.5	120.5	−1.3	−1.2	.9
Chuck roast	104.5	109.9	−3.8	−.6	.7
Hamburger	116.0	116.8	−1.2	−1.9	8.3
Beef liver [1]	108.8		−.6		6.9
Veal cutlets	127.9	127.9	.7	.7	7.8
Pork	123.9	126.2	1.9	.8	13.8
Chops	124.0	126.5	6.3	3.4	7.1
Loin roast [2]	131.9		3.6		9.0
Pork sausage [1]	134.3		−1.6		17.8
Ham, whole [1]	113.1	114.9	−1.1	−2.2	10.8
Picnics [1]	125.7		−1.0		23.1
Bacon	132.2	134.8	1.3	.6	18.9
Other meats	119.0	119.0	−.4	−.6	11.2
Lamb chops [1]	119.6		.4		4.1
Frankfurters	119.3	119.5	0	−.5	9.4
Ham, canned [1]	120.5		−2.5		19.0
Bologna sausage [1]	117.6		.6		12.3
Salami sausage [1]	113.3		−1.0		10.5
Liverwurst [1]	117.8		.2		12.8

See footnotes at end of table.

TABLE 7.—*Consumer Price Index—U.S. city average for urban wage earners and clerical workers, food items June 1966 indexes and percent changes from selected dates (1957–59=100 unless otherwise specified)*—Continued

Item or group	Index, June 1966		Percent change to June 1966 from—		
			May 1966		June 1965 unadjusted
	Unadjusted	Seasonally adjusted	Unadjusted	Seasonally adjusted	
Total food—Continued					
Food at home—Continued					
Meats, poultry, and fish—Continued					
Poultry	96.3		0.4		3.0
Frying chicken	97.1	96.3	.1	−2.4	2.9
Chicken breasts [1]	105.5		1.3		4.6
Turkey [1]	107.4		.7		3.0
Fish	118.0	118.1	−.2	0	6.9
Shrimp, frozen [1]	101.6		.1		7.5
Fish, fresh or frozen	122.3	122.8	−.8	−.2	5.6
Tuna fish, canned	115.1		.4		13.2
Sardines, canned [1]	106.6		−.1		2.0
Dairy products	109.6	110.7	.3	.5	5.4
Milk, fresh, grocery	106.8	108.9	−.2	.4	5.8
Milk, fresh, delivered	110.6		.3		5.1
Milk, fresh, skim [1]	103.1		−.4		5.0
Milk, evaporated	109.6		1.2		3.8
Ice cream	94.9		.3		0
Cheese, American process	128.9	129.0	.2	.3	10.6
Butter	109.2	109.9	1.1	1.4	6.3
Fruits and vegetables	121.7	115.8	2.1	0.4	−3.3
Fresh fruits and vegetables	131.1	121.4	3.8	1.1	−7.4
Apples	155.2	128.2	10.6	−.5	13.9
Bananas	101.7	100.9	1.8	.9	6.0
Oranges	119.2	121.5	4.4	4.6	1.4
Orange juice, fresh [1]	84.4		.5		−7.0
Grapefruit	159.2	148.9	12.8	.5	1.5
Grapes*	(*)	(*)	(*)	(*)	(*)
Strawberries*	139.0	157.8	5.1	14.7	10.7
Watermelon*	125.4	102.9	(3)	(3)	5.9
Potatoes	152.0	131.8	5.1	−5.4	−29.5
Onions	148.7	136.4	6.4	1.3	2.3
Asparagus* [1]	103.7		−5.7		9.4
Cabbage	141.9	129.6	−12.3	−11.9	−17.4
Carrots	128.7	123.3	10.9	1.8	13.2
Celery	116.3	115.8	15.4	17.6	9.7
Cucumbers [1]	123.5		−.8		9.1
Lettuce	109.7	108.8	−4.3	−6.4	−35.1
Peppers, green [1]	153.0		−2.7		−6.7
Spinach [1]	99.1		.9		−3.2
Tomatoes	113.3	107.7	−10.2	−.3	−7.3
Processed fruits and vegetables	110.1		−.5		4.1
Fruit cocktail, canned	100.4		−1.7		5.5
Pears, canned [1]	104.4		−1.9		9.5
Grapefruit-pineapple juice, canned [1]	97.3		.2		−2.0
Orange juice concentrate, frozen	93.8	95.9	−.5	.2	−3.1
Lemonade concentrate, frozen [2]	89.4		−1.9		−1.3
Beets, canned [1]	103.5		1.3		4.7
Peas, green, canned	115.7		.5		.2
Tomatoes, canned	112.7		.4		8.3
Dried beans	124.6		−1.0		16.3
Broccoli, frozen [1]	96.1		−.2		0
Other food at home	101.3	102.9	−1.5	−1.1	.8
Eggs	89.1	100.9	−9.8	−7.6	6.2
Fats and oils:					
Margarine	103.6		0		1.0
Salad dressing, Italian [1]	101.2		.5		1.4
Salad or cooking oil [1]	120.7		.1		10.4
Sugar and sweets	110.6		−.4		−2.9
Sugar	109.9		−.2		1.1
Grape jelly	116.3		−.1		.7
Chocolate bar	92.7		−.2		−12.5
Sirup, chocolate flavored [1]	99.1		−1.0		0
Nonalcoholic beverages	100.8		.6		.6
Coffee, can and bag	94.1		.3		−.7
Coffee, instant [4]	99.5		.8		.8
Tea	101.0		.2		−.2
Cola drink	129.8		.6		3.6
Carbonated fruit drink [1]	104.5		1.2		2.3
Prepared and partially prepared foods [1]	99.6		−.1		−1.5
Bean soup, canned [1]	97.5		−.6		−.6
Chicken soup, canned [1]	98.2		−.2		−1.4
Spaghetti, canned [1]	104.8		−.2		4.6
Mashed potatoes, instant [1]	102.1		.5		−6.6
Potatoes, french fried, frozen [2]	85.8		−.1		−8.8
Baby foods, canned	105.0		.1		−2.6
Sweet pickle relish [1]	103.8		−.7		3.3
Pretzels [1]	99.9		0		.9

[1] December 1963=100.
[2] April 1960=100.
[3] Not available.
[4] July 1961=100.
*Priced only in season.

UNCERTAINTY WILL PLAGUE SCHOOL MILK PROGRAM UNLESS EXTENSION LEGISLATION PASSED

Mr. PROXMIRE. Mr. President, the school milk program is due to expire on June 30, 1967. Recently legislation was passed in the Senate extending the program for an additional 4 years. Unfortunately, this legislation has run into a jurisdictional hassle in the House of Representatives. Because it is part and parcel of a larger bill covering the school lunch program as well, the milk program extension proposal is before both the House Education and Labor Committee and the House Agriculture Committee. The Education and Labor Committee apparently has jurisdiction over the lunch program while the Agriculture Committee has jurisdiction over the milk program.

I understand that many House Members are not terribly impressed with the need for acting on the milk program because it does not expire until next year. This means that a new Congress could initiate and pass legislation extending the program in 1967.

However, this reasoning overlooks two important facts. First, at the beginning of a new Congress there are a multiplicity of housekeeping problems which make it very difficult to get down to the business of considering legislation seriously in committee, let alone passing it, in the first month or two of the new Congress. It is very doubtful that a school milk bill introduced early in 1967 could pass both Houses and be signed into law by June 30.

Second, the uncertainty already caused by the administration's earlier proposal to slash the program by 80 percent would be compounded if Congress refused to take action to extend the program this year. The result would be a sharp drop-off in program participation at the expense of the schoolchildren participating in the program.

Consequently, I hope that the House will reach an early resolution of its jurisdictional dispute and act with dispatch to pass the school milk program extension. I am sure that the 67 Senators who cosponsored my bill extending the milk program share my sentiments.

HOW TO HELP OUR FELLOW MEN?

Mr. TALMADGE. Mr. President, I ask unanimous consent to have printed in the RECORD a UPI article which was published in the Albany, Ga., Herald on July 20, 1966, entitled "How To Help Fellow Men?"

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

HOW TO HELP FELLOW MEN?

NEW YORK (UPI).—Not all New Yorkers remain oblivious to the plight of a fellow citizen in distress.

When Vall Molorni, 41, slipped on a banana peel at a subway station Tuesday it was only a matter of minutes before two men rushed to his aid.

As he was lying on the ground in a daze, the first man grabbed Molorni's wristwatch and fled. The second man attempted to steal his wallet, but was frightened away by passers by.

Finally, help did arrive, and Molorni was hospitalized for treatment of injuries received in the fall.

DISARMAMENT

Mr. PASTORE. Mr. President, I ask unanimous consent that I may proceed for 10 minutes in the morning hour.

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

Mr. PASTORE. Mr. President, headlines are written to attract attention. They are intended to jolt us. And sometimes they confuse us. We do not read the remainder of the article—nor do we analyze it for its real meaning.

Many of us in the Senate are concerned with international disarmament and have sought to support our Government in meaningful steps toward disarmament and peace.

We were jolted by some headlines of the past week. One read, "Study Finds Danger in Disarmament Plan." Another ran, "Disarmament Plan of United States Unfeasible, Study Panel Says." Still a third proclaimed, "Disarmament Plan of United States Criticized by Panel It Financed."

It turns out that the study referred to was completed some 2 years ago. It was a study instigated, instituted, and paid for by an Agency created by the Congress of the United States—the U.S. Arms Control and Disarmament Agency.

I am informed by the Agency that the purpose of the study was to obtain an analysis of the basic problems in maintaining international peace and security that could arise under a treaty on general and complete disarmament.

Such a study should be made by an outside group of scholars who had no prior commitment to U.S. disarmament proposals.

Such an outside group was selected in the Washington Center of Foreign Policy Research of the Johns Hopkins School of Advanced International Studies.

Their 2-year-old observations were recently published by the Washington Center of Foreign Policy Research under the title, "The United States in a Disarmed World."

The current press accounts derive from this publication.

My concern arises from the fear that the headlines and the articles might be misinterpreted. They might be regarded as casting doubt on the wisdom of the repeatedly stated U.S. foreign policy objective.

Such an interpretation would be tragic and inaccurate.

One press account, however, puts the issue in better perspective. It was in the Washington Sunday Star of July 17, in the form of an editorial entitled "Disarmament: The Dream and the Reality."

I ask unanimous consent that this editorial, and the three news items to which I have previously referred, be printed in the RECORD as a part of my remarks.

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

(See exhibit 1.)

Mr. PASTORE. Mr. President, Congress stated in the Arms Control and Disarmament Act that:

> An ultimate goal of the United States is a world which is free from the scourge of war and the dangers and burdens of armaments; in which the use of force has been subordinated to the rule of law; and in which international adjustments to a changing world are achieved peacefully.

Support by the Senate for the long-term goal of general and complete disarmament has been expressed by various resolutions and particularly by our action giving overwhelming consent to the ratification of the limited nuclear test ban treaty in 1963. The preamble to that treaty again proclaimed our aim of "agreement on general and complete disarmament under strict international control."

The Eisenhower administration proclaimed that goal in 1960 and advanced a proposal for general and complete disarmament. Subsequent treaty draft outlines were advanced by the United States in 1961 and again in 1962. These drafts were designed to serve as a framework for discussion of the problems of general disarmament. According to the Disarmament Agency, these drafts have been extremely useful in exposing the complexity of the problems involved. They were not intended to represent a fixed and immutable position, but to serve as a basis for negotiations and further study that could lead to a solution of some of the problems inherent in achieving agreement.

Such an agreement is obviously far in the future and current U.S. efforts are principally geared toward preventing the further spread of nuclear weapons. Both the American and Soviet draft treaties on general and complete disarmament have served to delineate the difficulties in achieving this long-term goal. Moreover, our draft has served as a good jumping off place for the negotiation of collateral measures at Geneva. Many of these collateral measures, such as the test ban and the hot line, have been drawn from the stage 1 proposals in the draft outline.

At this point, I would like to note that some of the press accounts on the Johns Hopkins study stated that the Arms Control and Disarmament Agency declined to comment on it. I have been assured that this was not the case and that an Agency official discussed the matter at some length with the author of that particular story. As for myself, when I queried the Agency, I found no reluctance whatever on the part of Agency officials to discuss it.

The U.S. outline of basic provisions of a disarmament treaty submitted in 1962 gives the United States a veto over whether it would move from a first stage of 30-percent reductions in all major armaments to later stages. These later stages were quite general, no time period even being specified for the last.

The draft was formulated in this way because the Agency was fully aware of the profound changes which would have to occur in the political environment before anything like it could be carried out.

After the initial sessions of the Geneva Disarmament Conference in 1962, the Agency felt that it would be valuable for the United States to seek an analysis from independent and experienced scholars in order to explore the fundamental issues in linking disarmament and international peacekeeping. Despite the fact that, over a long period of time, disarmament had been linked to arrangements for maintaining the peace, the Agency believed that it would be desirable to have an assessment of the 1962 draft by a group of qualified and experienced scholars not immersed in the day-to-day execution and advocacy of policy.

Indeed, I feel that, under its congressional mandate, the Agency has a duty to engage in this type of research. Section 31 of the Arms Control and Disarmament Act authorized and directed the Agency to study, among other things, "the national security and foreign policy implications of arms control and disarmament proposals upon national security and foreign policy" and "methods for the maintenance of peace and security during different stages of arms control and disarmament." This study, un-

dertaken pursuant to that authority, was, like all Agency sponsored research, designed to explore how our security can best be promoted in the arms control and reduction field.

Whether one agrees with the observations of the Johns Hopkins panelists or not, I would like to make one thing abundantly clear. As far as I am concerned, given the awesome instruments of destruction in today's world, the ultimate goal of general and complete disarmament must be diligently pursued and the problems inherent in achieving this future goal must ultimately be solved. For if they are not, the consequences defy the wildest imagination. As President Johnson stated in his message to the current session of the 18-Nation Disarmament Conference:

The avoidance of war and particularly nuclear war is the central, common concern of all mankind.

My country is dedicated to this end. The effort to control, and reduce—and ultimately eliminate—modern engines of nuclear destruction is fundamental to our policy.

There are differences among the members of the Conference on Vietnam, but these differences make our common interest in preventing nuclear spread and curbing the nuclear arms race all the more important to pursue. Even while our own Nation is engaged in necessary resistance to aggression in southeast Asia, it must continue to pursue every avenue for stable peace, both in Vietnam and throughout the world. The great general effort has no more important set of goals than those of disarmament.

Mr. President, I submit that, despite the difficulties and disappointments involved in the long road ahead, we must remain objective but steadfast in our quest for general and complete disarmament in a peaceful world.

Either the world moves sincerely toward arms control and disarmament—or the world detours to its utter destruction.

EXHIBIT 1

[From the Washington (D.C.) Sunday Star, July 17, 1966]

DISARMAMENT: THE DREAM AND THE REALITY

A book just published by the Johns Hopkins Press has stirred up considerable interest here as a critique of United States disarmament policy. It also has attracted attention as yet another reminder of how far our befuddled and harried world still is from the fulfillment of Isaiah's celebrated prophecy, "They shall beat their swords into ploughshares, and their spears into pruning-hooks; nation shall not lift up sword against nation, neither shall they learn war any more."

The book consists of a study, in the form of separate essays, completed two years ago by a panel of seven distinguished Americans associated with the Johns Hopkins University's Washington Center of Foreign Policy Research. The essays, though written independently of each other after some 20 joint meetings over a period of a year, show a remarkable unanimity of views. They are basically pessimistic as regards the proposals that our government has been advocating for so long a time at sessions of the 17-nation Geneva Conference.

These proposals, an "Outline of Basic Provisions of a Treaty of General and Complete Disarmament in a Peaceful World," were submitted to Geneva in 1962 with a flourish of propagandistic trumpets and a special message from President Kennedy. They call for a revolutionary three-stage divestment of military power by every country in the world. Stages I and II would be carried out over a period of about six years. Establishing elaborate inspection and policing machinery, the signatories would (1) suspend the production of nuclear weapons, (2) cut down the number of delivery systems for intercontinental ballistic missiles, and (3) greatly reduce the number of men in their armed forces.

Finally, in the third stage, which presumably would require several additional years for completion, all countries would be stripped of their nuclear and other strategic weapons. Military forces retained would be sufficient only to guarantee domestic order. With every nation thus rendered incapable of external warfare, the task of maintaining international peace and security would be turned over to a United Nations army so powerful that nobody—not Americans, not Russians, not Chinese—would dare to challenge it.

Since its presentation at Geneva four years ago, this plan has been the subject of well over 250 meetings and millions of words of discussion, much of it bitter. But no progress has been made toward disarmament. One of the great sticking points, of course, has been the unyielding Soviet opposition to the kind of verification system without which Stages I and II could gravely endanger the United States and the free world at large. As for Stage III, the Johns Hopkins panelists made clear their belief that it can have no application to anything resembling the world today. An international peace force may prove an eventual possibility but, in the words of former Undersecretary of State Livingston Merchant, "the dawn of that day is far distant."

It is far distant for important reasons. There is, in the first place, the fact that a proud and powerful nation will not be easily persuaded to give up its own military strength and submit itself to the sort of vaguely conceived international power that the American disarmament plan contemplates. And then, should it? Aside from whether such a decision is politically possible for a country like ours, could it rely on a world police force to protect its legitimate interests and the peace of the world? Is not a world police force likely to be stymied by the "bad guys" in time of crisis? Are not peaceable states, those with no designs on their neighbors, likely to find therefore that they are the one whose hand has been weakened when the great day comes?

Complete disarmament, therefore, may never become a reality. But depite the unrealism that has befogged Geneva, there is still reason to strive for piecemeal advances in the disarmament field. One such advance has been the limited test-ban treaty; another is the "hot-line" agreement on communications between Moscow and Washington. A third possibility, however remote, is the current effort at Geneva to work out a treaty that would ban the proliferation of nuclear weapons among nations not now armed with them. Some day, we may even get somewhere with phases I and II of the American plan.

The Geneva conference should keep on trying for agreement, bit by bit, on what President Kennedy called "the foremost item on the agenda of humanity." The agenda, in all probability, never will be completed. But if mankind is ever to breathe easy again—or even keep breathing at all—there must be progress toward Isaiah's vision.

[From the Washington (D.C.) Post July 11, 1966]

STUDY FINDS DANGER IN DISARMAMENT PLAN

(By Lewis Gulick)

A non-Government research panel said yesterday that the U.S. plan for eventual global disarmament is unworkable and possibly dangerous.

An underlying theme in the 129-page study is that the scrapping of national armed forces in favor of a powerful U.N. Peace Force, as envisioned in the final stage of the U.S. blueprint, does not provide adequate alternative machinery to protect national interests in a troubled world.

The two-year study of the U.S. plan for general and complete disarmament was carried out by a seven-man panel of experts at Johns Hopkins University's Washington Center of Foreign Policy Research under an $87,308 contract with the Arms Control and Disarmament Agency.

Among the panelists were Livingston T. Merchant, former Under Secretary of State and still a State Department-Disarmament Agency consultant, former State Department policy planner Charles Burton Marshall and Prof. Arnold Wolfers, director of the Research Center and consultant to the State and Army departments.

AGENCY DECLINES COMMENT

A spokesman for the Disarmament Agency declined to comment on the study, which consists of essays by each of the seven panelists.

Other officials of the agency said criticism is part of the job of research specialists, and added that the U.S. disarmament plan is open to revision before such time in the distant future as nations really get to the point of agreeing to abolish their armies.

The U.S. proposal was presented to the continuing 17-nation disarmament parley at Geneva in 1962 partly as a counter to the Soviet Union's widely publicized proposition for universal disarmament.

Under the U.S. plan, balanced arms reduction would proceed by stages. By the final phase, Stage Three, means for just and peaceful settlement of all international disputes would be worked out and the U.N. Force would be too strong to be challenged by national forces.

Among the comments of the panelists in the study, as made public by the Foreign Research Center:

Wolfers—An international peace force controlled by the U.N. as presently constituted "would offer little comfort to the United States" in coping with anti-Western subversive forces and might even side with them.

TEMPTATION TO STRIKE

Robert E. Osgood—General disarmament would create "a temptation to strike first" by nations which figure they could hit even a potentially powerful state before it had a chance to rearm.

Paul Y. Hammond—Soviet-American competition for influence abroad would continue in a disarmed world, perhaps including a willingness to operate in the "gray area" between what is clearly allowed and what is banned under a disarmament agreement.

Laurence W. Martin—Recent disarmament plans have not required political solution of major existing disputes as a prerequisite. "It is unlikely, then, that disarmament can be accompanied by an effective ban on violence and a wholly defensive system of peaceful settlement."

Robert Tucker—"If new rules of international law, especially against subversion and indirect aggression, would have to be agreed on before the process of partial disarmament can substantially proceed, the prospects for achieving such disarmament would be severely impeded."

Marshall—"Military forces are an essential part of the internal security arrangements of a state. With military power vested in a U.N. force, national governments would lose a power to assure their survival."

Merchant—"If the process of disarming in stages promoted a climate in which existing

sources of tension and conflict would be eased, then eventually the world might approach a consensus on fundamental principles and values such as would ultimately enable the establishment of the 'irresistible' peace force suggested. However, the dawn of that day is far distant."

[From the Washington (D.C.) Evening Star, July 11, 1966]

DISARMAMENT PLAN OF U.S. UNFEASIBLE, STUDY PANEL SAYS

The U.S. Arms Control and Disarmament Agency has declined to comment on the opinion of a research panel that the U.S. plan for eventual global disarmament is not feasible.

The agency made public last night a 129-page study by the panel that also contends the U.S. disarmament plan possibly is dangerous because it does not provide adequate alternative machinery to protect national interests.

The U.S. plan calls for eventually replacing national armed forces with a powerful U.N. peace force. It was presented to the continuing 17-nation disarmament parley at Geneva in 1962.

The two-year study of the U.S. plan was conducted by a seven-man panel at Johns Hopkins University's Washington Center of Foreign Policy Research under an $87,308 contract with the Arms Control and Disarmament Agency.

PANELISTS LISTED

Among the panelists were Livingston T. Merchant, former undersecretary of state and still a State Department disarmament agency consultant; former State Department policy planner Charles Burton Marshall and Prof. Arnold Wolfers, director of the research center and consultant to the State Department and the Army.

The U.S. proposal was presented at Geneva partly to counter the Soviet Union's widely publicized proposal for universal disarmament.

Under the U.S. plan, balanced arms reduction would proceed by stages. By the final phase, stage three, the means for just and peaceful settlement of all international disputes would be worked out and the U.N. force would be too strong to be challenged by national forces.

Among the comments of the panelists in the study:

Wolfers—An international peace force controlled by the United Nations as presently constituted "would offer little comfort to the United States" in coping with anti-Western subversive forces and might even side with them.

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[From the New York Times, July 11, 1966]

DISARMAMENT PLAN OF U.S. IS CRITICIZED BY PANEL IT FINANCED

(By John W. Finney)

WASHINGTON, July 10.—The Johnson Administration's proposal for general and complete disarmament has been criticized as unworkable and contrary to United States foreign policy interests by a research study performed for the Arms Control and Disarmament Agency.

The Government-financed study found that the disarmed world contemplated in the plan, instead of promoting peace, actually could have a destabilizing effect on world politics. The objection was also raised that American foreign policy interests could be jeopardized by reliance on an international peace force.

The criticism was contained in a report written after a two-year study by seven associates of the Washington Center of Foreign Policy Research, which is affiliated with the Johns Hopkins University's School of Advanced International Studies. The results of the $87,308 project were made public today in a book, "The United States in a Disarmed World," published by the Johns Hopkins Press.

POLITICAL IRONY IN REPORT

There was political irony in the results of the research project. Last year Senator J. W. FULBRIGHT, chairman of the Foreign Relations Committee, said it was an example of the self-serving and unproductive type of research being conducted by the Disarmament Agency. After defending the research, the agency now finds its disarmament plan severely criticized at its own expense.

Perhaps to ease the impact of the criticism, the introduction of the book says the findings do not represent the official position of the Disarmament Agency and therefore are "not a repudiation" of present policy. But it does suggest that the report "provides a basis for re-examination of that policy."

The research contract called for a review of the disarmament plan presented by the United States to the United Nations in 1962. This plan, which still stands as United States policy, calls for progressive, balanced disarmament leading eventually to a stage where nations would have only enough forces to maintain internal order. At the same time, a United Nations peace force would be built up until it had sufficient strength so that no nation could challenge it.

The study concentrated its criticism on the final stage contemplated in the plan particularly on the dangers of relying on an international peace force. The study emphasized the risks and difficulties involved in upsetting the traditional military patterns in favor of international peace-keeping.

The book takes the form of separate reports by seven analysts, the first three dealing with the American interests that would require protection during the disarmament process, and the four others evaluating the practicability and effectiveness of peace-keeping after disarmament is achieved.

Dr. Arnold Wolfers, former director of the Center of Foreign Policy Research, found that "a drastically disarmed United States might find its interests jeopardized unless it enjoyed the protection of an international military force."

"But if such a force were controlled by the United Nations," he noted, "it would offer little comfort to the United States and might indeed render the safety of many vulnerable American interests more precarious."

Dr. Robert E. Osgood, director of the Washington Center of Foreign Policy Research, and "complete disarmament would be destabilizing simply because it would legally restrict the capacity of governments to adjust their most crucial element of power to meet shifts in political interest and foreign policy."

Paul Y. Hammond of the Rand Corporation wrote that, since "great powers will want friends the more their ability of exerting external pressures on others declines, political warfare as the major form of indirect aggression will gain in significance." He added that in this area the Soviet Union "enjoys the advantage of being freer to take initiatives."

Laurence W. Martin, professor of international politics at the College of Wales, declared "It is unlikely that disarmament can be accompanied by an effective ban on violence" and "would have to coexist with injustice and covert struggle."

Robert Tucker, professor of political science at the Johns Hopkins University, said that without the restraints imposed by national military force "law in the new international environment would have to be given a role exceeding in importance that which it has been given in national life."

"This would also mean giving a role of unprecedented importance to those individuals who apply and enforce it," he added.

Charles Burton Marshall, research associate at the Washington Center of Foreign Policy Research, noted that "military forces are an essential part of the internal security arrangements of a state" so that "any project for general and complete disarmament has deep implications for the existence of states and for the character of authority within them."

THE AIRLINES STRIKE—JOINT RESOLUTION

Mr. MORSE. Mr. President, I have discussed the unanimous-consent request I am about to make with the majority leader, and have his approval. I hope I may have the approval of the Senate. The request is to speak for such time as I need in presenting and explaining to the Senate a measure in the form of a joint resolution which I am about to send to the desk, as a solution for the national emergency that has been created by the airline strike. Therefore, I ask for such time as I may need to explain the joint resolution. I shall be as brief as possible, but I do not want to be limited as to a particular number of minutes.

The PRESIDING OFFICER. Is there objection?

Mr. JAVITS. Mr. President, for how many minutes did the Senator from Oregon ask?

Mr. MORSE. I asked to speak without a time limitation.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The Senator from Oregon is recognized.

Mr. MORSE. Mr. President, I seek to bring up the measure and explain it at this time because I think it is important that it be considered at the earliest possible moment. I think it is of the utmost importance to the national welfare that this strike be brought to an end at the earliest possible hour, consonant with protecting the rights of the parties concerned. I hope my measure will receive the prompt consideration which it needs.

Mr. President, if anyone had ever told me, prior to this emergency, that the senior Senator from Oregon, out of a sense of public duty and responsibility, would have introduced the measure I am about to introduce, I would have said I did not think such a time would come. But it has come.

Each one of us, dedicated to the protection of the rights of labor and the rights of management, would like to see labor and management exercise their precious rights of volunteerism upon which our economic system is based, and which we have recognized. When the public interest is involved and is threatened, then, in my opinion, there is no choice left to the people, through their representatives, than to proceed in this way.

As I have already said in three statements I have made on this subject, the airline strike presents a strike which is vested with the public interest. Because it is vested with the public interest, Con-

gress has already, through the Railway Labor Act, exercised a legislative prerogative in connection with it. Because it is vested with the public interest, the Government of the United States regulates rates. Because it is vested with the public interest, the United States has expended millions of dollars in the development of the industry, as I pointed out the other day, through airports and other forms of safety measures.

The expenditure of taxpayers' funds has provided facilities that have provided work for the workers. Because of this public interest, those workers have been recipients of more economic advantages than they would otherwise have had. As a result, they are not underpaid workers. Their pay is substantially above the average, as far as income of American workers generally is concerned.

Mr. President, I could not begin to select the words that really describe my feelings of pain in offering a measure such as this, because I think it is so unnecessary for the workers in this industry to have placed the Congress in the position they have placed it. But they will have to assume the responsibility for that.

It is because this strike is not a strike only against the airlines, but against the public interest and public welfare, and in a very real sense because of the vital interests and rights of the Federal Government and obligations of the Federal Government to see to it that air transportation in this country continues uninterrupted from the standpoint of our national security—and in my judgment they have nobody to blame but themselves—that I believe it is necessary for Congress to pass legislation of the type I now introduce.

May I say I am not married to the form of this legislation. I am openminded to any amendments that may have to be made to this legislation; but, Mr. President, I am perfectly willing to stand on this legislation from the first word to the last word until it can be shown on the record that the legislation needs to be modified in any particular.

Let me say that this is legislation designed to meet special emergency, an emergency that has been created by the airline strike; but I want it also to be understood, as I introduce this legislation, that the senior Senator from Oregon has advocated, since 1947, a modification of the emergency dispute section of the Taft-Hartley Act. I have for many years advocated a modification of the procedures for the handling of disputes which develop into national emergency disputes. That is my record.

Some of my older colleagues in the Senate will recall that in 1947, when I was one of those who led the fight against adoption of the Taft-Hartley law, and voted against it, one of my reasons for opposing it was the emergency dispute provision of the bill. My recollection now is, and I am only depending on memory, but I am sure the record will bear me out, that Senator Taft, in his colloquy with me at the time, and also in discussions with me on the Labor Committee, recognized that it might be necessary to modify the emergency dispute section, but he believed the instances would be far and few between in which the emergency dispute provisions would have to be applied, and he thought it would be workable. But the Senator from Oregon also made it clear at that time that he thought the emergency dispute section of the Taft-Hartley law should be modified.

I did not feel that we should follow that program of postponement. I thought we ought to pass a bill at that time that had an emergency dispute section in it that was more preferable.

The introduction of this joint resolution today, to meet this specific case, in no way lessens my intention to support general legislation in this field that will be on the books, available in the future for any crisis that arises in connection with emergency disputes.

Therefore, I say to the Senator from Florida [Mr. HOLLAND], the Senator from Ohio [Mr. LAUSCHE], and the Senator from New York [Mr. JAVITS] that the proposals they have made are proposals that I too, think should be among those to be considered by the Committee on Labor and Public Welfare for general legislation on this subject. As they know, I have from year to year introduced my own bill for general legislation in this field. I am working on some modifications of it now, as far as general legislation is concerned, and will, in due course of time, introduce it also.

But today I offer this joint resolution as, I think, a desirable framework of legislation with which I believe Congress now has the clear duty to proceed. Let us face it; this matter is at the doorstep of Congress. The American people are looking to us to take the necessary legislative action to protect the vested interests of the public in air transportation.

The joint resolution itself—which I shall read—really constitutes my speech, Mr. President. I have agreed to read it on the floor of the Senate, and then submit it, urging immediate action by the appropriate committee, in the hope that the committee can send it back to the Senate at the earliest possible hour.

Mr. PASTORE. Mr. President, will the Senator yield before he begins reading?

Mr. MORSE. Yes, I yield to the Senator from Rhode Island.

Mr. PASTORE. The Senator tells us that the average pay of the machinists in the airline industry is above average.

Mr. MORSE. That is correct.

Mr. PASTORE. Could he tell us in dollars what it amounts to, and also in dollars what is being sought, so that the record may be placed in proper perspective?

Mr. MORSE. The average hourly rate for airline employees is $3.25 per hour. That is for all of them, including the ramp men, the people working in the pastry department and the commissary, the cleaners, the mechanics, and all the so-called ground maintenance employees covered by the agreement. The average hourly wage for all manufacturing industries is $2.70 per hour. The union in this dispute is asking for an increase for mechanics from $3.52 per hour to $4.05 per hour. The Emergency Board, which I chaired, recommended an increase for mechanics to $4 per hour. The union has rejected that recommendation.

Mr. John Bruff, to whom I am greatly indebted for his assistance as legal counsel for the Committee on Labor and Public Welfare, who has worked closely with me on this case, obtained these figures from the record of our hearings. The figures were supplied by the Bureau of Labor Statistics.

I have promised to yield to the Senator from Ohio.

Mr. LAUSCHE. I contemplated asking the Senator from Oregon to state specifically what his bill was intended to do.

Mr. MORSE. I shall read it.

Mr. LAUSCHE. The Senator is now coming to the point which will answer my question.

Mr. MORSE. Mr. President, my legislation takes the form of a joint resolution. As the Senate knows, a joint resolution, if passed, goes to the White House for the signature of the President.

My joint resolution is as follows:

S.J. RES. 180

Joint resolution to provide for the settlement of the labor dispute currently existing between certain air carriers and certain of their employees

Resolved by the Senate and House of Prepresentatives of the United States of America in Congress assembled, That (a) the Congress does hereby find and declare that a labor dispute between Eastern Airlines, Inc., National Airlines, Inc., Northwest Airlines, Inc., Trans World Airlines, Inc., and United Air Lines, Inc. and certain of their employees represented by the International Association of Machinists and Aerospace Workers, a labor organization, threatens essential transportation services of the Nation; that it is essential to the national interest, including the national health, safety and defense, that essential transportation services be maintained; that all procedures for resolving such dispute provided for in the Railway Labor Act have been exhausted and have not resulted in settlement of the dispute, including a report and recommendations of the Emergency Board No. 166, a proffer of arbitration and mediation with the parties by the National Mediation Board; further, that the efforts of the President and Secretary of Labor to settle this dispute have been unsuccessful; and that it is desirable to achieve a settlement of this dispute in a manner which preserves the free collective bargaining method.

(b) The Congress therefore finds and declares that emergency measures are essential to the settlement of this dispute and to the security and continuity of transportation services by such carriers.

PRESIDENTIAL DETERMINATION OF EMERGENCY

SEC. 2. If the President determines, after consultation with appropriate departments and agencies of the Government, that the labor dispute referred to in the first section of this joint resolution, if permitted to continue, imperils or threatens to imperil the public health and safety of the United States, or of any substantial part thereof, or impairs or threatens to impair the national defense, he shall order the Attorney General to petition the United States District Court for the District of Columbia for the relief authorized under section 3.

INJUNCTIONS AND APPOINTMENT OF RECEIVER

SEC. 3. (a) The United States District Court for the District of Columbia shall, upon petition brought by the Attorney General pursuant to this joint resolution, have jurisdiction to hear, consider and render judgment on the labor dispute referred to in the first section of this joint resolution in accordance with the provisions hereof.

(b) If, in a proceeding held on the basis of such a petition, such court determines, on the basis of the evidence presented to it in such proceeding, that such dispute, if allowed to continue, imperils or threatens to imperil the public health and safety of the United States, or of any substantial part thereof, or impairs or threatens to impair the national defense, such court shall issue an order enjoining the parties to such dispute from calling or continuing any strike or lockout during the effective period of such order (as provided in subsection (d)) and appointing a special receiver to take immediate possession, in the name of the United States, of the transportation facilities which are the subject of such dispute, and to retain possession thereof and to operate the same for the effective period of such order.

(c) In granting an injunction of relief under this section, the jurisdiction of such court sitting in equity shall not be limited by the Act entitled "An Act to amend the Judicial Code, to define and limit the jurisdiction of courts sitting in equity, and for other purposes", approved March 23, 1932 (29 U.S.C. 101–115).

(d) Any order granted pursuant to subsection (b) shall be dissolved (1) upon settlement of the dispute, (2) when such dispute no longer imperils or threatens to imperil the public health and safety of the United States, or of any substantial part thereof, or no longer impairs or threatens to impair the national defense, or (3) upon the expiration of the two-year period which commences on the date such order is issued.

OPERATION OF FACILITIES BY RECEIVER

SEC. 4. (a) Any receiver appointed to operate facilities pursuant to an order under section 3 shall operate such facilities by utilizing, to the fullest extent practicable, existing management personnel. During the period that such receiver is in charge of such facilities, the wages, hours, or other conditions of employment of personnel involved in the labor dispute giving rise to such order shall be the same as the wages, hours, or other such conditions existing immediately prior to the appointment of such receiver, except that such receiver may make such changes with respect thereto as are consistent with the recommendations of the Emergency Board heretofore appointed with respect to such dispute pursuant to section 10 of the Railway Labor Act and as may be authorized by the President.

(b) During the period during which facilities are under receivership pursuant to this joint resolution, the United States shall impound and hold all income received from the operation thereof in trust for the payment of general operating expenses incurred by the United States in the operation of such facilities. Any income remaining shall be covered into the Treasury of the United States as miscellaneous receipts. In determining just compensation to the owners of such facilities, due consideration shall be given to the fact that the United States took possession of such facilities when their operation had been interrupted by a stoppage of work or operations or that a stoppage of work or operations was imminent; and to the fact that the United States would have returned such facilities to their owners at any time when an agreement was reached settling the issues involved in such stoppage of work or operations: *Provided*, That any increase in wages or other compensation or any increase resulting from a change in the method of computing wages or other compensation which is agreed to retroactively for the period of government operation or any portion of that period shall be deemed costs or expenses for such period.

(c)(1) The President shall appoint a compensation board to determine the amount to be paid as just compensation under this section to the owner of any facilities of which possession is taken. For the purpose of any hearing or inquiry conducted by such board the provisions relating to the conduct of hearings or inquiries by the Special Airline Dispute Board as provided in section 5 are hereby made applicable to any such hearing or inquiry. The members of such compensation board shall be appointed and compensated in like manner as are the members of the Special Airline Dispute Board.

(2) Upon appointing such compensation board, the President shall make such provision as may be necessary for stenographic, clerical, and other assistance and such facilities, services, and supplies as may be necessary to enable the compensation board to perform its functions.

(3) The award of the compensation board shall be final and binding, unless within thirty days after the issuance of such award, a party moves to have such award set aside or modified in the United States Court of Claims in accordance with the rules of such Court.

(d) The fact that facilities are under receivership under this joint resolution shall in no wise operate to make inapplicable to such facilities any State or Federal law concerning health, safety, security, or employment standards, and the receiver operating such facilities shall comply with such laws as if such facilities were privately operated.

SPECIAL AIRLINE DISPUTE BOARD

SEC. 5(a). Upon issuance of a court order granting the relief prescribed in section 3(b), the President shall, at the earliest possible date, appoint a Special Airline Dispute Board to be composed of such number of persons as the President may deem desirable: *Provided, however*, That no member appointed shall be pecuniarily or otherwise interested in any organization of employees or any carrier. Notwithstanding any other provision of law, the National Mediation Board is authorized and directed: (1) to compensate the members of the Board at a rate not in excess of $100 for each day together with necessary travel and subsistence expenses, and (2) to provide such services and facilities as may be necessary and appropriate in carrying out the purposes of this joint resolution.

(b) Such Board shall have power to conduct investigations and take testimony at any place within or without the United States. For the purpose of any hearing conducted by such Board, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) of the Federal Trade Commission Act of September 16, 1914, as amended (15 U.S.C. 49 and 50), are hereby made applicable to the powers and duties of such Board.

(c) Upon the appointment of the Board, such Board shall promptly hold a public hearing of the parties with reference to the dispute and shall make and publish a report in writing with respect to the dispute which shall state the findings, conclusions, and decision of the Board on each of the issues involved. Such report shall be made within sixty days after appointment of the Board, except that the President, on good cause shown, may extend such period. Such report shall be filed with the President and with the National Mediation Board and shall be made available to the parties and all other interested persons.

SEC. 6. Upon issuance of a court order granting the relief prescribed in section 3(b), the parties to the dispute shall continue or immediately resume collective bargaining with respect to all issues raised in the notices of August 9, 1965 exchanged by said parties and shall exert reasonable efforts to resolve such dispute by agreement. The Secretary of Labor and the National Mediation Board are hereby directed to give all reasonable assistance to the parties and to engage in mediatory action directed to promoting such agreement.

REPORT TO CONGRESS

SEC. 7. At the earliest practicable date after the termination of any receivership ordered pursuant to this joint resolution, the President shall submit to the Congress a full and complete report of the dispute giving rise to the ordering of such receivership, the management and operation of the facilities under receivership, and all pertinent data concerning the relationship between the parties to the dispute and between such parties and the receiver during and at the end of such receivership, together with any recommendations he may desire to submit to the Congress with respect to such dispute or with respect to labor disputes in general.

Before I answer any questions, Mr. President, I want to say that in no small measure we relied heavily upon the experience that I had during World War II as a public member of the National War Labor Board. In a considerable number of the cases, we followed the procedure of this bill during the war under the no-strike, no-lockout agreement. It did become necessary, unfortunately, for the Board to recommend to the President of the United States that it was necessary to raise the American flag over a given industry for a so-called token seizure or receivership by the Federal Government.

I want to say that in each and every one of those cases I happened to be the enforcement and compliance officer of the Board, as well as a public member of the Board, and it was necessary to receive the approval of the President prior to the enforcement of any decision of the Board. It was my responsibility to explain to the President the reasons for the requirement of the Government intervention.

Let the RECORD show that President Roosevelt on not one single occasion approved of a Government intervention by way of a token seizure until he was completely convinced that that action was essential from the standpoint of the national interest.

I am also pleased to report that there was not a single instance in which the Board made such a recommendation that the President of the United States, after a consideration of the facts that the Board presented to him in support of their decision, did not comply with the decision and order the Government intervention.

Mr. President, I do not know of any existing evidence that the companies or the union concerned suffered any injustice whatsoever as the result of the Government's action. The record is perfectly clear that it did not take the parties very long after the Government inter-

vention to proceed to come to a voluntary agreement between themselves.

Let me make it clear that, under the War Labor Board procedure, it was not necessary to go to court. The recognized war powers of the President were sufficient for the President to act as Commander in Chief in time of war and authorize the taking of that action on two main grounds: One, that the no-strike, no-lockout agreement entered into by the parties in each case, and their pledge to the United States, which organized labor and American industry through the industry representatives had made, vested in the President the authority to see to it that his no-strike, no-lockout agreement was maintained.

The President recognized, as did the Board, that the first time any union or any company was permitted to violate the no-strike, no-lockout agreement by defying a decision of the Board, then the no-strike, no-lockout agreement provision was dead. Furthermore, it was not necessary to go to the courts because, as I said, the President, exercising his war powers, obviously had the authority as Commander in Chief to raise the American flag over any plant that sought, in effect, to interfere with the war effort, whether it was on the part of management or union.

The two situations are not parallel in every respect, but they certainly are analogous. In this instance, an additional precaution has been mentioned concerning the court procedure. That has been provided for in my proposed legislation.

I close my comment by saying that I am satisfied that the national interest called for some such action on the part of the Congress of the United States. We cannot continue to occupy these seats, Mr. President, and permit this strike that does such great damage to the national interest to continue. We have a duty to work out legislation that, under all the circumstances, is as fair to the disputants as we can be fair under these circumstances. But this measure places the public interest first. It is certainly the paramount interest in an industry regulated by the Government, because it is vested with the public interest.

Mr. President, may I say, properly using the words when I make the statement, that it makes me sad to find that we have come to a situation in America in which such legislation should be introduced. But that is my responsibility, as I see my responsibility. I am satisfied that such legislation, similar in form to that which I have introduced, should be passed. If it is passed, I have no doubt that soon following its application, the parties will proceed to do what they should have done in the first place: Exercising their precious right of volunteerism under that great economic freedom of collective bargaining which is theirs—and which makes them free employers and free workers, when all is said and done—they will sit down around the bargaining table and enter into a fair agreement. But it will not be a fair agreement if it is an agreement by which economic force. or the threat of economic force, brings to an end inflationary control in this country.

The public has a vital interest, also, in seeing that we do not blow the lid off the money value of this country, in a time of national crisis, by letting any segment of the economy, be it labor or industry, follow a course of action that amounts, in effect, to exploiting the economic welfare of the American people.

That is a basic issue with the senior Senator from Oregon, and that is why I close with this plea on my lips: We cannot tarry any longer. We must pass legislation. I offer the joint resolution as a framework of legislation, with whatever modifications Congress in its wisdom believes should be adopted, to form a basis with which to start.

I will take a question from the Senator from Ohio.

Mr. LAUSCHE. The Senator from Oregon understands that about 2 weeks ago I introduced a bill calling for compulsory arbitration after all the present provisions of the Federal law had been complied with in trying to reach an adjustment, and that the Senator from New York [Mr. JAVITS] also filed a bill which, seemingly, in substance, is identical to the one just discussed. However, I wish to ask a few questions about the pending measure.

Mr. MORSE. I shall be glad to take them.

Mr. LAUSCHE. I have not had a chance to study it, but my recollection, on the basis of what I have heard, is that the joint resolution contains a provision that the judge before whom the matter is pending shall ipso facto dissolve the receivership when the issues are resolved by the parties.

Mr. MORSE. That is in essence the provision.

Mr. LAUSCHE. Secondly, he shall dissolve the receivership if and when it appears that the national interest is no longer challenged and affected.

Mr. MORSE. That is in it.

Mr. LAUSCHE. Thirdly, the receivership shall automatically be dissolved at the end of 2 years.

Mr. MORSE. That is in it.

Mr. LAUSCHE. Does that mean that at the end of 2 years, whether or not the issues have been resolved, the receivership would come to an end?

Mr. MORSE. Yes, that is what it means, but I am not at all concerned about that; because as we would approach that period of time, Congress would be sitting, in order to take whatever other action would be necessary in the event that that unbelievable emergency should develop.

Mr. LAUSCHE. That is what I believed the Senator had in mind.

Mr. MORSE. I also say that it is important that the carriers, as well as the union, know that this is not a legislative device for national ownership of the airlines of this country. In this country there are some people who are not defenders of the private enterprise system, as are the Senator from Ohio and the Senator from Oregon; and although we may be poles apart in some points of political philosophy, I believe the Senator from Ohio knows that we both are together on the fact that political freedom cannot be maintained in this country if there is a nationalization of American industry.

Mr. LAUSCHE. I agree thoroughly.

Now I come to a second subject which I would like to explore. The receiver appointed by the judge shall have the power to make wage adjustments in accordance with and within the recommendations made by the President's Emergency Board, of which the Senator from Oregon [Mr. MORSE] was the Chairman.

Mr. MORSE. The Senator is correct. I believe that is equitable and fair. I had pondered this for a long time. I believe the provision is equitable and fair, because the carriers have already agreed to go along with those recommendations. They consider them acceptable. They would have had the lesser amount if they were writing the report, and the union would have had a larger amount if they were writing the report. However, in their collective bargining, the carriers have agreed to make some further adjustments.

In my opinion, we should stop with the report of the Emergency Board; because further negotiations between the parties should still be made available, and I do not believe it would be fair or right for Congress to say we would incorporate in the wage structure any bargaining offers that the carriers had made to date because a settlement had not been reached.

Therefore, I believe that the table should be cleared of any tentative suggestions on either side, and that a stop should be made with the recommendations of the Emergency Board; and then, after the resolution becomes applicable, the parties should start their negotiations all over.

Mr. LAUSCHE. The right of the receiver to make adjustments within the recommendations of the Emergency Board would be discretionary?

Mr. MORSE. The Senator is correct.

Mr. LAUSCHE. Now I put this question: The Emergency Board recommended adjustments totaling $76 million?

Mr. MORSE. The Senator is correct.

Mr. LAUSCHE. The companies subsequently said they would go to $78 million?

Mr. MORSE. The Senator is correct.

Mr. LAUSCHE. What was the total amount that was asked by the unions?

Mr. MORSE. Although I cannot state an exact figure, if you include the cost of union demands on work rule changes the original demand could be as much as $130 million.

Mr. LAUSCHE. If the receiver, in his discretion, were to put into effect the $76 million adjustment, the gap is left between $76 million and $130 million, which would be $54 million. In other words, they would get the $76 million, and then the argument would be about the additional $54 million. My question is this: Does that not demonstrate a danger in

this provision that the receiver may, in his discretion, put into effect the adjustment?

Mr. MORSE. No, I think not. In the realities of labor cases, I do not believe that that danger exists, because the President has to concur. The proposed measure contains the Presidential check.

Mr. LAUSCHE. Turning to another subject: Am I correct in my recollection that the proposed measure provides that retroactivity may be adopted?

Mr. MORSE. The Senator is correct.

Mr. LAUSCHE. If retroactivity would be allowable under the joint resolution, would not that constitute an inducement for the labor unions to continue the dispute, to keep the company in operation, out of the hands of the owners, knowing that in the end they could obtain a retroactive order making the increase payable for 1 year back, or whatever it might be?

Mr. MORSE. They would not be guaranteed retroactivity.

Mr. LAUSCHE. I understand that.

Mr. MORSE. It may be ancillary, but the Senator has raised the point. Let me say this about retroactivity in this case. The Emergency Board is not in any way limited to a time period. The union sought retroactivity.

I point out that almost invariably when parties to a dispute follow legislative procedure—in other words they can strike at any time and they do not strike at any time. We are going to let the procedure work. They get retroactivity in the final settlement. That is very common. But the time factor is important. There are a great many factors involved in this case.

The Board unanimously decided it would recommend retroactivity back to January 1, 1966, but that it would provide for a contract duration of 42 months instead of 36 months. The Board could have denied retroactivity—I mean theoretically could have denied retroactivity—but could not have justified a denial on the basis of the case made by the parties.

The most surprising people in the case would have been the carriers if the Board had not recommended retroactivity. If the Senator would read the transcript of the case it would strike him as perfectly clear that although they made an argument against retroactivity they recognized they were making a losing argument because they did not have a good case against it.

Mr. LAUSCHE. The Senator will understand that I am trying to uncover what may be some weaknesses; at least they appear to be weaknesses in my mind for the time being.

I think that the measure provides that a Board shall be created. How many members would be on that Board?

Mr. MORSE. It is up to the President.

Mr. LAUSCHE. And that Board——

Mr. MORSE. It shall have no connection with industry or labor.

Mr. LAUSCHE. And that Board must make its findings or recommendations——

Mr. MORSE. May I make the record as perfect as I can.

The members of the Board shall have no connection with the industry involved or the union involved.

Mr. LAUSCHE. And the Board makes its investigations, takes testimony, and at the end of 60 days must make a recommendation?

Mr. MORSE. That is correct; make a report to the President and the National Mediation Board which includes a recommendation.

Mr. LAUSCHE. The recommendation, however, is not what would be called a binding effective disposition.

Mr. MORSE. The Senator is correct.

Mr. LAUSCHE. After the recommendation is made, the parties then resume their negotiation and attempt to build a settlement upon the recommendation.

Mr. MORSE. Not only that, but negotiating all the time, from the time the Board is appointed, it would be my hope to get the case settled so the Board would never have to file a report.

Mr. LAUSCHE. I thank the Senator for answering the questions as he did.

I appreciate the fact that there is a sort of coordinated activity here to evolve some program to present this challenge to the Nation's authorities, and this would have an impact on them.

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

Mr. MORSE. I yield.

Mr. JAVITS. I shall not question the Senator in detail about his measure because I am the ranking member of the Subcommittee on Labor, and I will have an opportunity to work out the details of the joint resolution.

I am pleased and honored that the Senator adopted the receivership technique—which I think is essential in this situation and a rather new procedure which is embodied in my bill, S. 2797, and which I had hoped to introduce into the labor field in connection with strikes in regulated industries.

I am extremely pleased that in adopting this technique in the measure it has been given this most weighty consideration by probably the most experienced labor man in the Senate.

The Senator signals the fact that there is here a great default. It will be remembered that in the firemen's and enginemen's dispute, the President recommended that we act. To get action here and get the priority which this deserves, there is needed some recommendation of the President. I think the recommendation is due. I am rather sad and I deplore the fact that it is not here and that the President seemingly is still stumbling around with this matter on the theory that he is still thinking over the kind of remedy that there should be.

The Senator from Oregon is one Senator, without the machinery of the Department of Labor, but working on a couple of bills introduced from his own experience, who has come up with a measure which would provide an adequate pattern—and I shall not go into detail now—for dealing with this dispute.

I use this time to express the hope that what the Senator has done will stimulate the President to take more of a hand in the dispute and settle it himself, as he has done before, although I deprecate the need for Presidential intervention and the absence of more adequate legislation on the books.

The strike is on, and the long procedure of committee hearings, markups, and statements will put this matter far beyond the time when the parties will settle it, to the great disadvantage of the country. This matter needs urgent and immediate action.

I feel honored and privileged by what the Senator has done. I think that the model which the Senator gives—and it is based largely on my bill S. 2797—is the right thing. I hope that it provides the necessary stimulus so that at long last this dispute may be settled and that the President will step in and settle it, or tell Congress that he wants legislation.

Mr. MORSE. I agree with the Senator on so many things—not only on labor, but also on education—I am sure that he will appreciate the fact that I have the duty to take exception to his views when we are not in agreement. I have never hesitated to do that either.

I take exception to the view of the Senator that the President has not carried out his responsibility in regard to this case. I am not in a position to say to the Senator from New York on the floor of the Senate—to discuss some of the things I know about the leadership that the President has given in this case. But I have no criticism of the President's course of action in this case. He has carried out his responsibilities under the act and worked closely with the Emergency Board.

I am sure that—and I have to be so careful in carrying out my responsibilities, which are privileged in this matter—I am not going to say what I started to say.

I want the Senator from New York [Mr. JAVITS] to know that I think the President has been of great help in connection with this case. When we pass legislation and the President signs it, with all of the authority given to the President in this case, I think he will have completely complied with his responsibilities. I know that he can follow another course of action. But after all, the President has the responsibility of exercising his wisdom as to how best to get this case settled, and in my judgment, this is the best way to do it. That is a matter of judgment. I do not think the President is making a mistake in judgment.

I have great respect for the view of the Senator from New York [Mr. JAVITS], but I think it is rather significant that the Senator from Oregon would be standing on the floor of the Senate today and completely underwriting the policy that the President followed, because in my relations with the President, as with the Senator from New York, when I find myself in disagreement, I never hesitate to express that disagreement.

In this case, the history of this case will show after it is all settled and infor-

mation then becomes known as to the fine leadership of the President in this case, that he was right and those who thought he should follow a different procedure were wrong.

That is the only thing I am going to say, except that I plead with the Senator from New York with respect to his view as to what should have been done and was not done.

We have this problem and we should go ahead as Senators to get legislation—whether it is this legislation or modified legislation—passed immediately. As far as I am concerned I say to my distinguished majority leader that I think this must have the most urgent emergency ratings.

If we can get immediate action, we should get that immediate action even if we have to meet again in session tomorrow.

Mr. JAVITS. Will the Senator from Oregon yield to me further?

Mr. MORSE. I yield.

Mr. JAVITS. I am not criticizing the President.

Mr. MORSE. I understand that.

Mr. JAVITS. If I have given that implication, I apologize. I have no desire to be critical of the President. Lord knows, he is carrying the weight of Atlas on his shoulders. I am only saying that this dispute, in the judgment of the principal expert in the Senate, is ready for legislation. That is what the Senator has signaled here today. I think that the way to get legislation, if the issue is ready for it, is for the President to ask for it, as he did in the firemen's and enginemen's dispute.

The Senator may exhort the majority leader, and he may exhort the committee. At most, that goes only for the Senate. There is still the House of Representatives. But when the President says that this dispute is ready for congressional action, that is the signal, then, that Congress has got to act. And it will—as it did before—in a short period of days.

I hope that the President will do it. I want him to do it. I will cheer and applaud him if he does. I am not criticizing him at all. If I gave that impression, I am terribly sorry.

Mr. MORSE. If what I said gave that false impression in the view of the Senator from New York, then I am sorry, too. I am not saying the Senator is criticizing the President. I only sought to make clear that the Senator thought this procedure should be followed in order to get legislation introduced and reinforced. But at least, as I interpret his remarks at the press conference the other day, the President left no room for doubt that he thought this case was one which should be settled immediately. He certainly was not indicating that he would not welcome a course of action which in the wisdom of Congress it should follow.

Mr. JAVITS. Let me express the hope that the President will throw his prestige behind the fact that Congress should now act, that the dispute is ready for congressional action. That is the normal pattern in a matter of this kind. It was followed before and I believe it should be followed now. I thank my colleague, the Senator from Oregon. I will cooperate to the full. I am glad to sit tomorrow, or any other day or night, in committee or out of committee, or on the floor of the Senate, in order to get the job done.

Mr. MORSE. I thank the Senator from New York.

Mr. PASTORE. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. PASTORE. I want to preface my questioning with a short statement, merely to reiterate for the RECORD that I believe the Senator from Oregon speaks today as a friend of labor. He has that reputation. He has always acted in that spirit. I remember principally, because I was Senator in charge of the previous resolution in connection with the railroad strike, which has been mentioned on the floor of the Senate.

I should like to recapitulate, merely for purposes of clarification, to try to discover whether the Senator from Oregon agrees with me.

In essence, the measure would in no way do violence to the whole philosophy of collective bargaining?

Mr. MORSE. I think it would strengthen it.

Mr. PASTORE. In no way would the measure suggest nor institute any compulsory arbitration?

Mr. MORSE. Not at all.

Mr. PASTORE. At best, all that the measure intends to do, where the public interest is determined to be paramount in a nationwide strike, would be to act as an instrument to prevent a strike or to get an industry refunctioning where a strike has been declared?

Mr. MORSE. That would be the sole purpose of the legislation.

Mr. PASTORE. At best, all the measure would provide would be for a cooling off period of 2 years?

Mr. MORSE. The Senator is correct.

Mr. HOLLAND. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. HOLLAND. I compliment the Senator from Oregon on coming forward with a solution which is certainly worthy of consideration. I hope that he will have better luck than I have had over a period of years in getting the appropriate Senate committee to consider my resolutions. I think that while we are talking about the delay on the part of the executive branch, we might as well admit that the legislative branch has also delayed over a period of years, because we had notice in 1959, when we had a serious strike of pilots and later of engineers, as I recall, that here was a field in which a strike would operate to seriously inconvenience the public, to seriously affect the public interest and the public welfare—even the national defense. Since that time, our committee has had various bills before it, but has never been willing to hold a hearing. I hope that the distinguished Senator will have better luck from the committee than I have had in connection with my repeated attempts since 1959 to get a hearing, during which time I have asked repeatedly for a hearing but up to this time I have never been successful.

Does the Senator agree with me that a hearing is long past due on the part of the Committee on Labor and Public Welfare?

Mr. MORSE. Yes, I do. Let me say that after we dispose of this emergency, involving this emergency legislation, I think that we should also proceed to conduct hearings on general legislation governing emergency disputes.

Mr. HOLLAND. I thank the Senator. I want next to comment on the situation insofar as the executive branch is concerned. I have already said that I think the legislative branch is seriously behind in dealing with this important question and that we should accept the responsibility which is ours and let the blame fall where it may. It certainly is our joint responsibility in Congress for not having dealt effectively with this problem long, long ago.

Mr. MORSE. I completely agree with the Senator from Florida.

Mr. HOLLAND. I thank the Senator.

Now, next, I come to the question of the exchange between the President and certain members of the press in the President's press conference of day before yesterday.

Mr. Ted Knap, of Scripps-Howard, asked the President this question, which I would ask the Senator from Oregon to allow me to read into the RECORD:

> Mr. President, recalling your State of the Union promise to seek legislation to deal with strikes that threaten irreparable damage to the national interest, do you still plan to ask for such legislation, and might this include compulsory arbitration in something like the airline strike?

That was the question of Mr. Knap as reported in the press, and I have no doubt that it was correctly reported.

The answer of the President, as reported in the press, was in the following words:

> We have had Administration people working on possible proposals to submit to the Congress that could be used in cases of emergencies that vitally affect the public interest.
>
> I must frankly say to you that up to this point we have been unsuccesfsul in getting legislation that the Secretary of Labor and the other Members of my Cabinet felt acceptable, and that we felt would have any chance of passage in the Congress.
>
> We are still searching for an answer. We would like to find a solution that could be embraced by the Administration, management, labor, and the Congress. But up to this point we have been quite unsuccessful.

That does not look like fast progress is being made, even by the executive, does it?

Mr. MORSE. I answer that question by saying that I think the best way we can help the President now is just to go ahead and start some hearings on the legislation which has been introduced, and then the Senator knows what the policy of the executive branch will be. It will send up its reports on the various pieces of legislation and, I am sure, will recommend whatever steps it thinks would be wise in order to conform to what the administration thinks will be a fair bill.

I do not think that the President's statement is any indication at all that he is not deeply concerned about this problem. He is working on it. There is another part of that press conference where another question was asked the President in regard to the airlines dispute itself, which I think indicates also the very clear implication that I think we should move ahead to get this dispute settled. But, I repeat, I do not think that we should try to put words in the President's mouth as to what we think he might have said in order to coincide with our views as to what we think the President should say. But I am not hedging on it. I am simply saying that I think the President has been frank about this situation and we owe it to him to enact some legislation and give him an opportunity to sign it.

Mr. HOLLAND. I have already said that the legislative branch has a direct responsibility. Whether the President grants that he has such responsibility or leaves it up to us is a different question.

Since the Senator has mentioned the other question which was asked of the President, I wonder whether the Senator would allow me to read into the RECORD the other question and the answer which the President made?

Mr. MORSE. I wish the Senator would.

Mr. HOLLAND. The other question was asked, according to the press reports, by Garnett Horner, of the Washington Evening Star, in these words:

Mr. President, do you contemplate any further action in the airline strike?

Again I am quoting from the press, and I assume that this is correctly quoting the President.

The President replied:

Yes. Secretary Wirtz has made a statement, a rather strong statement, within the hour in connection with that controversy. The President has followed the law. We have taken every legal step that we could. We appointed and convened a very fair and judicious board of distinguished Americans who heard testimony that runs into the hundreds of pages, who made proper recommendations and drew appropriate conclusions, and submitted them to the President.

My advisers examined those recommendations, and I, as President of this country, urged both labor and management to follow the Board's recommendations.

The Board recommended that the airlines pay approximately an additional $76 million in increased wages and benefits.

After some consideration, the management agreed to the Board's recommendations, but the union representatives refused.

We have no legal remedies left to us in the Government. We have done all we can do under the law. We are continuing to persuade management and labor people to continue their discussions. We are hopeful that they will continue those discussions and work around the clock, because the people of this country deserve to be served.

While we have no law that can force these men to go back to work, I think the patience of the American people is being tried. Although the Government has done everything it can to keep the mail moving, to serve the needs of defense, the time has come when a settlement is indicated. We would hope that the parties would continue to bargain until a decision is reached.

Was that the other question and answer to which the Senator has just referred?

Mr. MORSE. Yes. If the Senator will take into account the circumstances, I think the implication is quite clear that the parties understood that the President was insisting that there be an early settlement, and it was really something that the President felt he could not allow to continue indefinitely.

Mr. HOLLAND. I agree with the Senator. I think that is a fair interpretation of the statement.

I should like to ask next what in the opinion of the distinguished Senator from Oregon is the time factor involved, assuming the Senate was able to pass tomorrow—which it is not, but assuming it was able to pass—the piece of legislation offered by the Senator from Oregon as the most appropriate one that the subcommittee thought should be passed on the subject. What would be the time factor that would exist before the airlines could be brought back into operation?

Mr. MORSE. I shall answer specifically the question, but before I give my estimate of the time, let me say to the Senator from Florida I think the introduction of the proposed legislation and the record that has been made by our colloquy this morning will leave no room for doubt in the minds of the leaders of the carriers and the union that legislation will be passed to end the strike. I am hopeful the record made here this morning will be conducive to an early end of the strike, making it unnecessary to pass the legislation in the first part of next week.

I want to say most respectfully to the leaders of the carriers and the unions that wisdom and good judgment on their part, in my opinion, call for a return to work and a giving of assurances that they will work out their differences by negotiations which would make it unnecessary for the passage of the legislation. But there must be no letup by the Congress. I want to emphasize that.

I want to say to the majority leader and the minority leader that I think every effort should be made to proceed with prompt hearings on the issue and on the various bills that have been introduced. I think the Committee on Labor and Public Welfare is under an obligation to bring to the floor of the Senate, at the earliest possible hour—and I do not think it would be too long—proposed legislation as to the strike. I think certainly legislation ought to be passed and the case made to the Congress for implementation within the period of the next week.

Mr. HOLLAND. I thank the Senator from Oregon for his estimate of the time that would be involved. I assume that the Senator would not care to make an estimate of the time that would be involved in considering the proposed legislation.

Mr. MORSE. I would have to yield to the Senator from Florida for that answer, because I should think he would have had more experience with the subject than the Senator from Oregon. However, I just cannot imagine Congress failing to pass the proposed legislation by late next Tuesday or early Wednesday morning.

Mr. HOLLAND. I certainly hope the Senator's estimate is correct. I must say, however, that I am not as encouraged as he is as to the early passage of legislation.

Mr. MORSE. The eyes of millions of Americans will now be focused on Congress, to see whether Congress will live up to its responsibilities to those Americans. Congress has no other choice. I do not believe there is any desire in Congress to make any other choice. Congress now knows, as the Senator from New York [Mr. JAVITS] stated a few moments ago, and as the Senator from Rhode Island [Mr. PASTORE] also pointed out, that the responsibility is clearly ours.

Mr. HOLLAND. My reason for stating that I am not encouraged to think that we shall have any such speedy action from the committee is based on a letter I received from the distinguished Senator from Texas [Mr. YARBOROUGH], the chairman of the subcommittee. I wrote to him a week or 10 days ago, requesting an early hearing on the whole subject, including a hearing on the bill I introduced, S. 210, which I have discussed at some length in the RECORD heretofore.

On Thursday, July 21, I received a reply from Senator YARBOROUGH, in which he said that executive meetings of the subcommittee had prevented him from forming any definite conclusions as to what schedule of hearings could be set during the remainder of the session. "The remainder of the session" are the words he used.

Senator YARBOROUGH went on to say that he is somewhat familiar with the problem involved in legislation of this type and the difficulty of attempting to write prudent legislation under the conditions of haste and urgency then present; however, he would be studying my bill, S. 210, and related proposals so that a definite schedule for subcommittee study of this subject could be set. I am hopeful, in view of the statements made by the President on July 20, during his press conference, that Senator YARBOROUGH will move more quickly than his letter indicated, because I thoroughly agree with the Senator from Oregon that this is an emergency matter, in which the speediest sort of action that is possible, without using undue haste, and using good judgment, is desired under the conditions now existing.

Mr. MORSE. I have no right to speak for the Senator from Texas [Mr. YARBOROUGH], but I serve under his leadership as chairman of the Subcommittee on Labor of the Committee on Labor and Public Welfare; and he and I serve together under the leadership of that incomparable Senator from Alabama [Mr. HILL]. In the absence of the Senator from Texas, I think I should say that it seems to me that, in all probability, he would say that his letter referred primarily to proposed legislation of a general nature for the amendment of the Taft-Hartley Act in regard to emergency dis-

putes in general, not to this specific emergency. But be that as it may, he is now confronted with special legislation to meet a special emergency. Also, I think he will realize that a point has now been reached in the dispute where everything else must be set aside, and that we must now move to give attention to the national interest that is involved in the dispute.

I fully expect the Senator from Texas to say, when he reads the remarks I am now making, that I have made an appropriate interpretation of his intention and his motives. I have no doubt that the chairman of the Subcommittee on Labor, on the basis of the record that has been made this morning, will proceed not only without delay, but with deliberate haste, to call meetings, if the subject is to be handled by the subcommittee, although I believe it should be handled by the full committee. I do not think we should waste the time it would take to have the joint resolution considered first by the subcommittee and then by the full committee; it should be handled by the full committee immediately.

Mr. HOLLAND. Mr. President, I certainly share the feeling that immediate action is necessary.

I should say for the RECORD, however, that I wrote to the distinguished chairman of the full committee, the Senator from Alabama [Mr. HILL] at the same time that I wrote to Senator YARBOROUGH, and I received from him a letter stating he had referred the matter to the Labor Subcommittee, and he was asking Senator YARBOROUGH to review the matter immediately to see what could be done in the situation.

Mr. MORSE. Again, I cannot speak for the full committee or its chairman, Senator HILL, but I think the situation is somewhat different from what it was at the time he received the letter from the Senator from Florida.

He, too, is now presented with specific legislation to meet a specific emergency; and I would that he were here to speak for himself. But I take the liberty of at least saying what I think he would say, and that is that the circumstances are now different, and with this emergency need facing the situation, it will be given immediate priority.

Mr. HOLLAND. I thank the Senator, and I sincerely hope that both the chairman of the full committee and the chairman of the subcommittee will feel the urgency of this situation as deeply as does my friend, the Senator from Oregon.

I wish to ask the Senator one further question. Does he not think the one thing which would bring this matter to an immediate head and focus, to insist upon and require immediate action, would be a message from the President either approving any legislation now offered, or suggesting legislation of his own, because of the seriousness of the national emergency?

Mr. MORSE. The Senator's question really places me in the position of speaking for the President, and I never do that.

I say to the Senator from Florida, let us wait and see what the President says about the proposed legislation.

Mr. HOLLAND. The last word that the Senator from Florida has on the President's attitude is the two quotations in his press conference of day before yesterday. They did not seem to me to offer any immediate action from the Executive.

Mr. MORSE. I thought they were very pregnant statements.

Mr. HOLLAND. Well, the Senator's idea of pregnancy may differ from that of the Senator from Florida. I thought, in view of the statement made in the state of the Union message in January, considering the time elapsed since then and the more than 2 weeks that have elapsed during this strike, that the statements were at most only a little bit pregnant, if at all.

I thank the Senator for yielding.

Mr. MORSE. That is the beginning.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The joint resolution will be received and appropriately referred.

The joint resolution (S.J. Res. 180) to provide for the settlement of the labor dispute currently existing between certain air carriers and certain of their employees, introduced by Mr. MORSE, was received, read twice by its title, and referred to the Committee on Labor and Public Welfare.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I understand that the Senator from New Mexico [Mr. ANDERSON] has a conference report to file, which is privileged. The Senator from New York [Mr. JAVITS] wishes to speak for 10 minutes.

Mr. President, I ask unanimous consent that at the conclusion of the disposition of the conference report and the 10 minutes which the Senator from New York will request, that morning business be concluded and the unfinished business be laid before the Senate. I further ask unanimous consent that the Senator from Virginia may also speak for 10 minutes.

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

Mr. MANSFIELD. But I think we had better serve notice that from now on, morning hours will have to be for the transaction of routine morning business, because we have much urgent pending legislation. There was a reason for the Senator from Oregon to make his speech today, because it dealt with a critical national emergency.

AUTHORIZATION OF APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION—CONFERENCE REPORT

Mr. ANDERSON. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14324) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes. I ask unanimous consent for the present consideration of the report.

The PRESIDING OFFICER. The report will be read for the information of the Senate.

The report was read, as follows:

CONFERENCE REPORT (REPT. No. 1748)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14324) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes, 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 there is hereby authorized to be appropriated to the National Aeronautics and Space Administration the sum of $5,000,419,000, as follows:

"(a) For 'Research and development,' $4,248,600,000, for the following programs:

"(1) Gemini, $40,600,000;

"(2) Apollo, $2,974,200,000;

"(3) Advanced missions, $8,000,000;

"(4) Physics and astronomy, $129,900,000;

"(5) Lunar and planetary exploration, $210,900,000;

"(6) Bioscience, $35,400,000;

"(7) Meterological satellites, $43,600,000;

"(8) Communication and applications technology satellites, $26,400,000;

"(9) Launch vehicle development, $33,700,000;

"(10) Launch vehicle procurement, $142,750,000;

"(11) Space vehicle systems, $36,000,000;

"(12) Electronics systems, $36,800,000;

"(13) Human factor systems, $17,000,000;

"(14) Basic research, $23,000,000;

"(15) Space power and electric propulsion systems, $44,500,000;

"(16) Nuclear rockets, $53,000,000;

"(17) Chemical propulsion, $41,000,000;

"(18) Aeronautics, $35,000,000;

"(19) Tracking and data acquisition, $270,850,000;

"(20) Sustaining university program, $41,000,000;

"(21) Technology utilization, $5,000,000.

"(b) For 'Construction of facilities,' including land acquisitions, $95,919,000, as follows:

"(1) Electronics Research Center, Cambridge, Massachusetts, $7,500,000;

"(2) Goddard Space Flight Center, Greenbelt, Maryland, $710,000;

"(3) Jet Propulsion Laboratory, Pasadena, California, $350,000;

"(4) John F. Kennedy Space Center, NASA, Kennedy Space Center, Florida, $37,876,000;

"(5) Langley Research Center, Hampton, Virginia, $6,100,000;

"(6) Lewis Research Center, Cleveland and Sandusky, Ohio, $16,000,000;

"(7) Manned Spacecraft Center, Houston, Texas, $12,800,000;

"(8) Michoud Assembly Facility, New Orleans and Slidell, Louisiana, $700,000;

"(9) Mississippi Test Facility, Mississippi, $1,700,000;

"(10) Wallops Station, Wallops Island, Virginia, $205,000;

"(11) Various locations, $6,478,000;

"(12) Facility planning and design not otherwise provided for, $5,500,000.

"(c) For 'Administrative operations,' $655,900,000.

"(d) Appropriations for 'Research and development' may be used (1) for any items

of a capital nature (other than acquisition of land) which may be required for the performance of research and development contracts and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for 'Research and development' pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

"(e) When so specified in an appropriation Act, (1) any amount appropriated for 'Research and development' or for 'Construction of facilities' may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the Administrative operations' appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

"(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

"(g) No part of the funds appropriated pursuant to subsection 1(c) for maintenance, repairs, alterations, and minor construction shall be used for the construction of any new facility the estimated cost of which, including collateral equipment, exceeds $100,000.

"(h) When so specified in an appropriation Act, any appropriation authorized under this Act to the National Aeronautics and Space Administration may initially be used, during the fiscal year 1967, to finance work or activities for which funds have been provided in any other appropriation available to the Administration and appropriate adjustments between such appropriations shall subsequently be made in accordance with generally accepted accounting principles.

"SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), and (11), of subsection 1(b) may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed a total of $90,419,000.

"SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (12) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

"SEC. 4. Notwithstanding any other provision of this Act—

"(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Astronautics or the Senate Committee on Aeronautical and Space Sciences,

"(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

"(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee,

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

"SEC. 5. It is the sense of Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

"SEC. 6. This Act may be cited as the 'National Aeronautics and Space Administration Authorization Act, 1967.'"

And the Senate agree to the same.

GEORGE P. MILLER,
OLIN E. TEAGUE,
JOSEPH KARTH,
KEN HECHLER,
EMILIO Q. DADDARIO,
JOSEPH W. MARTIN, Jr.,
JAMES G. FULTON,
CHARLES A. MOSHER,
Managers on the Part of the House.

CLINTON P. ANDERSON,
STUART SYMINGTON,
JOHN C. STENNIS,
MARGARET CHASE SMITH,
LEN B. JORDAN,
Managers on the Part of the Senate.

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. ANDERSON. Mr. President, the total authorization request for fiscal year 1967 was $5,012 million. The House in acting on H.R. 14324 authorized a total of $4,986,864,150. In acting on the Senate amendment to H.R. 14324 the Senate agreed to a total authorization of $5,008 million. In conference the two Houses recommended a total authorization of $5,000,419,000. This final figure is $11,581,000 less than the administration's original request, $13,554,850 more than was originally approved by the House and $7,581,000 less than approved by the Senate.

In arriving at this total amount the conferees recommended a total of $4,248,600,000 for research and development. This amount represents $2 million more than was requested for research and development by NASA, $365,000 more than was approved by the House, and the exact amount that was approved by the Senate.

The amount recommended for construction of facilities is $95,919,000 which is $5,581,000 less than was requested by NASA for construction of facilities, $1,500,000 more than was approved by the House and $4,581,000 less than that approved by the Senate.

The conferees recommended a total of $655,900,000 for administrative operations. This amount is $8 million less than the NASA request for administrative operations, $11,689,850 more than approved by the House, and $3 million less than approved by the Senate.

Mr. President, I believe that some explanation should be made with respect to the action taken by the conferees during the conference.

PARLIAMENTARY SITUATION

The freedom of action of the conferees was restricted by a House parliamentary ruling that the House conferees, notwithstanding the fact that the Senate substituted the entire bill, were bound in their negotiations by the dollar amounts appearing in the House and Senate versions of H.R. 14324. This limitation applied not only to the total amount in the bill, but also to the three principal authorization categories and further, to the line item amounts.

This constraint created special difficulties with respect to the research and development account where a net differ-

ence of only $365,000 existed between the House and Senate, but where because the House had added substantial amounts to some programs and made large reductions in others, the real difference was over $100 million.

This constraint was present to a lesser degree in the construction of facilities category and did not influence the negotiations in resolving differences in administrative operations.

RESEARCH AND DEVELOPMENT

The House receded from its position that NASA should cancel the proposed Mariner-Venus mission scheduled for launch in June 1967 and also receded from its position that a probe be added to each of the 1969 Mariner-Mars missions. The conferees agreed that the time remaining does not now permit the addition of such a probe to the 1969 Mars mission and that work on the 1967 Mariner-Venus project is well underway and is a mission fully supported by the Space Science Board of the National Academy of Sciences.

Basic to the House action to terminate work on the 1967 Venus mission was the belief that NASA had no follow-on plans for the scientific exploration of the planet Venus. The Senate believes that because of renewed scientific interest and conflicting scientific option about Venus that the 1967 flight is basic to determining whether or not Venus should be included for additional investigation in the planetary exploration program. The conferees agreed that a clearer definition of NASA's plans for the exploration of Venus could be provided. Accordingly, NASA is requested to submit a report of its plans for future Venus exploration by September 1, 1966.

The Voyager project, held in the definition stage during fiscal year 1967 because of overall Federal budgetary constraints, is a proposed unmanned mission to the planet Mars in 1973. It would consist of an orbiting spacecraft and a survivable capsule which would be ejected to return data from the Martian surface. This spacecraft would be the largest and most complex ever undertaken by NASA in its unmanned programs. To accelerate the identification and resolution of the many technical problems the House added $22 million to this project. The Senate conferees recognize the complexities of this undertaking and that additional funds could be used to refine project definition, to do preliminary work on the landing capsule, and to resolve some of the principal technical problems. Therefore, inasmuch as this project is still in the definition phase your conferees agreed to add $13.0 million on the basis that it would provide additional information on which to base decisions relative to the full scale program development in fiscal year 1968. This action, of course, does not imply approval of the latter phases of the Voyager project. Because of the parliamentary restrictions previously referred to the addition of money to the Voyager project necessitated an offsetting adjustment; this was effected in the launch vehicle procurement program and in the tracking and data acquisition program.

The conferees agreed that the House cut of $3 million in supporting research and technology in the physics and astronomy program should be restored. However, the Senate conferees agreed to sustain the $1.5 million House cut in the orbiting astronomical observatory flight project. In so doing, however, it is not our intent to place restrictions on NASA which would prohibit approaches designed to obtain the maximum return on the total project investment.

NASA requested funds to continue the work on the SNAP–8 space nuclear power system and the 260-inch solid motor project, both of which are advanced research and technology projects. The NASA request, agreed to by the Senate, represented a minimum funding level to explore the technology looking forward to the time several years hence when larger onboard spacecraft power requirements and launch vehicle booster requirements might dictate a necessity for a greater capability than the Nation now has in development. The House added $2.4 million to the SNAP–8 project and $7.5 million to the 260-inch solid motor project to expedite the development of the technology. The Senate believed that the NASA program represented a reasonable level of activity for these projects. However, in the spirit of compromise your conferees agreed to add $2 million to the SNAP–8 and $4 million to the 260-inch solid motor project. Here again compensating reductions had to be made to accommodate the parliamentary situation and accordingly adjustments were made in the launch vehicle procurement program and the tracking and data acquisition program.

In other actions in the research and development category, the House conferees receded from its $2 million reduction in the bioscience program and the Senate conferees agreed to add $200,000 to the technology utilization program.

CONSTRUCTION OF FACILITIES

The conferees agreed to an authorization of $7,500,000 for the Electronics Research Center. This is $2,500,000 more than approved by the House, $2,500,000 less than approved by the Senate, and $2,500,000 less than requested by NASA. The $2,500,000 reduction was not assessed against any specific building requested for the center and, therefore, will be taken at NASA's discretion.

The House receded to the $1 million cut by the Senate on the Lunar Sample Receiving Laboratory at the Manned Spacecraft Center, and the Senate receded to the $1.5 million reduction by the House in the request for facility planning and design funds.

NASA also requested an addition to the hazardous operations laboratory at the Marshall Space Flight Center authorized for construction in fiscal year 1964. Since the basic facility became fully operational only last fall the Senate conferees agreed with the House that the proposed addition could be deferred at this time.

ADMINISTRATIVE OPERATIONS

The conferees agreed on a total amount of $655,900,000 for administrative operations which is $3 million less than approved by the Senate, and $11,689,850 more than approved by the House. The conferees also agreed that there were no restrictions placed on this category and that the cut should be absorbed at NASA's discretion.

LEGISLATIVE CHANGE

NASA proposed an amendment to the National Aeronautics and Space Act of 1958 to provide a statutory exemption from the 6-percent limitation imposed upon architect-engineer costs and fees by title 10, United States Code, section 2306(d).

H.R. 14324, as passed by the House, authorized the Administrator of NASA, in certain cases, to exempt the agency from this limitation until June 30, 1967. Also the House Committee in reporting the bill recommended a comprehensive analysis, by the General Accounting Office, on a Government-wide basis of interpretations and applications of architect-engineer contracting limitations with a report and recommendations for legislative action to be submitted by January 1, 1967.

The Senate struck the provision from the bill and your committee in its report recommended a similar study by the Bureau of the Budget.

The House and Senate conferees recognized the need for uniformity and consistent application of architect-engineer contracting practices by Federal agencies and further, the conferees were in agreement that a Government-wide study should be undertaken to determine the extent to which uniform practices were being applied. Since the Comptroller General had initiated such a study in April 1966, at the request of the House, the conferees agreed that it should be continued by the GAO in lieu of a separate study by the Bureau of the Budget as proposed by the Senate. In view of this and the fact that the GAO study is scheduled for completion by January 1, 1967, the conferees agreed that any legislative action deemed necessary should await the results of this study. Consequently, H.R. 14324 as agreed to by the conferees does not include a provision for exempting the National Aeronautics and Space Administration from title 10, United States Code 2306(d). I ask unanimous consent the language setting forth the agreement of the conferees be placed in the RECORD at this point.

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

The Conferees noted that the Comptroller General had on April 20, 1966, at the request of the Committee on Science and Astronautics of the House, initiated a government-wide study of the interpretations and applications of the six percent limitation imposed by various statutes on architect-engineer contracts. The Conferees agree that the study, as proposed by the House, should be continued to completion by the GAO in lieu of a separate study by the Bureau of the Budget as proposed by the Senate.

In view of this, the Conferees agree that any legislative action deemed necessary for NASA in this regard should await the results of this study scheduled for completion by January 1, 1967, and until such date with

respect to this limitation, the Comptroller General should not take exception to or disallow as unlawful, costs incurred, by NASA for research, development or engineering activities required for the establishment of design criteria or development of design concepts involving the use of nuclear energy or other advanced and unusual technology provided that in contracting for such activities NASA is consistent with practices and procedures established by the Department of Defense for similar work.

Mr. ANDERSON. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing a summary of the authorization action on H.R. 14324, setting forth the amounts requested for the various activities, the amounts approved by each House, and the amounts finally agreed to by the conferees.

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

Action of conference committee on NASA authorization request for fiscal year 1967 (H.R. 14324)

	Budget request	House approved	Senate approved	July 19, 1966, conference committee approved
Research and development:				
Gemini	$40, 600, 000	$40, 600, 000	$40, 600, 000	$40, 600, 000
Apollo	2, 974, 200, 000	2, 974, 200, 000	2, 974, 200, 000	2, 974, 200, 000
Advanced missions	8, 000, 000	8, 000, 000	8, 000, 000	8, 000, 000
Physics and astronomy	131, 400, 000	126, 900, 000	131, 400, 000	129, 900, 000
Lunar and planetary exploration	197, 900, 000	227, 900, 000	197, 900, 000	210, 900, 000
Bioscience	35, 400, 000	33, 400, 000	35, 400, 000	35, 400, 000
Meteorological satellites	43, 600, 000	43, 600, 000	43, 600, 000	43, 600, 000
Communications and applications technology satellites	26, 400, 000	26, 400, 000	26, 400, 000	26, 400, 000
Launch vehicle development	33, 700, 000	33, 700, 000	33, 700, 000	33, 700, 000
Launch vehicle procurement	152, 000, 000	132, 000, 000	152, 000, 000	142, 750, 000
Space vehicle systems	36, 000, 000	36, 000, 000	36, 000, 000	36, 000, 000
Electronics systems	36, 800, 000	36, 800, 000	36, 800, 000	36, 800, 000
Human factor systems	17, 000, 000	17, 000, 000	17, 000, 000	17, 000, 000
Basic research	23, 000, 000	23, 000, 000	23, 000, 000	23, 000, 000
Spacepower and electric propulsion systems	42, 500, 000	44, 900, 000	42, 500, 000	44, 500, 000
Nuclear rockets	53, 000, 000	53, 000, 000	53, 000, 000	53, 000, 000
Chemical propulsion	37, 000, 000	44, 500, 000	37, 000, 000	41, 000, 000
Aeronautics	33, 000, 000	35, 000, 000	35, 000, 000	35, 000, 000
Tracking and data acquisition	279, 300, 000	265, 335, 000	279, 300, 000	270, 850, 000
Sustaining university program	41, 000, 000	41, 000, 000	41, 000, 000	41, 000, 000
Technology utilization	4, 800, 000	5, 000, 000	4, 800, 000	5, 000, 000
Total	4, 246, 600, 000	4, 248, 235, 000	4, 248, 600, 000	4, 248, 600, 000
Construction of facilities:				
Electronics Research Center	10, 000, 000	5, 000, 000	10, 000, 000	7, 500, 000
Goddard Space Flight Center	710, 000	710, 000	710, 000	710, 000
Jet Propulsion Laboratory	350, 000	350, 000	350, 000	350, 000
John F. Kennedy Space Center	37, 876, 000	37, 876, 000	37, 876, 000	37, 876, 000
Langley Research Center	6, 100, 000	6, 100, 000	6, 100, 000	6, 100, 000
Lewis Research Center	16, 000, 000	16, 000, 000	16, 000, 000	16, 000, 000
Manned Spacecraft Center	13, 800, 000	13, 800, 000	12, 800, 000	12, 800, 000
Marshall Space Flight Center	581, 000	deleted	581, 000	0
Michoud Assembly Facility	700, 000	700, 000	700, 000	700, 000
Mississippi Test Facility	1, 700, 000	1, 700, 000	1, 700, 000	1, 700, 000
Wallops Station	205, 000	205, 000	205, 000	205, 000
Various locations	6, 478, 000	6, 478, 000	6, 478, 000	6, 478, 000
Facility planning and design	7, 000, 000	5, 500, 000	7, 000, 000	5, 500, 000
Total	101, 500, 000	94, 419, 000	100, 500, 000	95, 919, 000
Administrative operations:				
Personnel compensation and benefits			397, 444, 000	
Other expenses			261, 456, 000	
Total	663, 900, 000	644, 210, 150	658, 900, 000	655, 900, 000
Grand total	5, 012, 000, 000	4, 986, 864, 150	5, 008, 000, 000	5, 000, 419, 000

	Research and development	Construction of facilities	Administrative operations	Total
Total	$4, 248, 600, 000	$95, 919, 000	$655, 900, 000	$5, 000, 419, 000
Difference from NASA request	+2, 000, 000	−5, 581, 000	−8, 000, 000	−11, 581, 000
Difference from Senate approved	0	−4, 581, 000	−3, 000, 000	−7, 581, 000
Difference from House approved	+365, 000	+1, 500, 000	+11, 689, 850	+13, 554, 850

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

Mr. ANDERSON. I yield.

Mr. HOLLAND. Do I correctly understand that in dealing with this bill in conference, the conferees saw fit to make a substantial increase in the authorization for research and development of solid propellants for the 260-inch missile?

Mr. ANDERSON. Yes. The Bureau of the Budget recommended $3.5 million. The conferees provided $7.5 million, which satisfies all those involved.

Mr. HOLLAND. I thank the Senator.

Mrs. SMITH. Mr. President, will the Senator yield?

Mr. ANDERSON. I am happy to yield to the Senator from Maine.

Mrs. SMITH. Mr. President, I believe the conferees have negotiated a most acceptable bill in conference with the House. The differences in most cases were those of substantive program direction rather than of a monetary nature which made our conference most difficult.

I compliment the Senator from New Mexico for his most able management of the conference, and I believe that the bill now before the Senate represents the minimum necessary to maintain a balanced national space program as well as to support the major goal of landing a man on the moon in this decade.

I believe that the program for fiscal year 1967 as reflected in this bill warrants the support of the Senate so that the Nation may continue to demonstrate its scientific and technological capability as it did so successfully in the flight of Gemini X which was completed yesterday.

Mr. ANDERSON. Mr. President, I would be derelict in my duty if I did not take this opportunity to extend my thanks and appreciation to the Senator from Maine [Mrs. SMITH] and the Senator from Idaho [Mr. JORDAN] for their efforts as conferees on the part of the Senate. I appreciate very much their fine service.

Mr. President, I move that the conference report be agreed to.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from New Mexico.

The motion was agreed to.

U.S. LONG- AND SHORT-TERM ACTION NEEDED AGAINST GHETTOS

Mr. JAVITS. Mr. President, I shall address my remarks to an emergency which is as great or perhaps greater than the airline strike. That is the disorders which have required the calling out of the National Guard with respect to the conflict between the races and the riots in so-called Negro ghettos in Chicago, Cleveland, and Brooklyn, N.Y.

On more than a half-dozen occasions in recent years—two of them within the past week—Americans have observed the spectacle of uniformed and armed soldiers patrolling the streets in our own country to restore peace in areas of racial and economic tension.

We have heard many pleas from many different sources for an end to violence, and I, of course, concur. Rocks and bullets, arson and murder create problems, deepen despair; they solve nothing.

But I am dismayed that such incidents of racial violence have apparently not led us to look ahead; they have not led the administration to the realization that despite brave words and the laudable war on poverty, we must be doing something wrong or, at the very least, not doing enough that is right. I am dismayed, too, that we are shortsighted enough to talk about a "long, hot summer" when what we are really facing is a "long, hot decade."

It may be that the problems caused by big city ghettos will overshadow everything else in our national life in the decade to come as well. Unless we take the necessary short- and long-term action now, this may well be true. The ghettos themselves are spreading and could envelop whole cities in the near future. Statistics indicate that Negroes will make up one-third of the population in almost all of our 30 largest cities within the next generation and that Negroes will outnumber whites in 8 out of our 10 largest cities in the same period.

Do we want these cities to face chronic violent outbursts of frustration as half of their people feel cheated and dis-

criminated against in housing, education, job training, or what is more important than anything else, human dignity?

Mr. President, I have some recommendations to make to my fellow Americans which I shall make today. In my judgment, the history of recent racial disturbances and the future of our cities should lead all Americans—Negro and white, conservative and liberal, business and labor, and government at all levels—to the realization that action must be taken by all of us now.

Looking to the long-range solution of problems causing these outbreaks of violence, I feel that the Nation must launch a "Marshall plan for deprived Americans," a plan that I and others have been advocating. This proposal could cost the Federal Government $35 billion—5 percent of 1 year's gross national product—over a 10-year period; with an estimated 90 percent of matching funds from other sources. Like the war on poverty, much of this is already being spent by public and private agencies but a coordinated Marshall plan type attack on the problem can lift these efforts out of the rut of inadequacy in which they still flounder. We provided as much for our war-torn allies 20 years ago, and we must certainly do as much for our own citizens left unprepared by centuries of discrimination and apathy to meet the challenges of the modern world.

In addition to working to solve long range problems, however, there are certain steps that Congress and the executive branch should take immediately, steps that would be beneficial to the restoration of peace in troubled communities.

Mr. President, I have five points to mention on this matter.

First. Congress should make its promises into realities as quickly as the merits require, not as slowly as the procedures permit. For example, the bill to extend the antipoverty program through June, 1967 is just now being considered by the House and is only at the subcommittee level in the Senate Labor and Public Welfare Committee. Until that bill, and the subsequent supplemental appropriations bill, are enacted, no new antipoverty programs can be launched and existing ones can only be continued at their present levels under a continuing resolution. Why was this necessary? Congress could have taken these actions during the first 6 months of the year instead of creating these delays, especially delays in such crucial aspects of the antipoverty program as the summer programs. The same sort of timing has infected other programs primarily aimed at the disadvantaged, such as the elementary and secondary education bill and the higher education bill. Congress is very much to blame if, after all the brave words about enacting pioneering antipoverty legislation, it waits too long to follow through with appropriations.

Second. The administration—and the Congress—should stop watching the budget as if the antipoverty programs were endlessly negotiable. The Nation cannot wait for carefully thought out long-term research. It needs action quickly, and in sufficient amount to make a dent in a snowballing situation. The executive branch should not seek, as it has, to obstruct the Congress in increasing the antipoverty budget from $1.75 to $1.9 billion. It should not do it in education, or housing, or hospitals. If a tax increase is needed, as I believe it will be, to finance these increases, we should vote a tax increase, not trim these budgets as if the problem they are designed to meet can wait—it will not.

Third. The Congress should enact a strengthened antidiscrimination in housing provision, which is pending in title IV of the omnibus civil rights bill. A crucial feature of the ghetto environment is the inability of Negroes to find housing outside the ghetto, particularly in the suburbs, even when they can afford to pay for it.

Fourth. The Congress should enact a strengthened equal employment opportunity law. Without open access to jobs, Negroes will never be able to become full participants in our economy. Under the existing law—title VII of the Civil Rights Act of 1964—the Equal Employment Opportunity Commission is swamped with complaints and can do very little about them. The Commission must have enforcement powers like all the other Federal regulatory agencies.

The bill now at the desk would grant such power. If the bill is not called up soon, I shall offer it as an amendment to the civil rights bill when the civil rights bill is called up here. It must be acted on.

Fifth. The Congress should enact home rule for the District of Columbia. At issue here is self-determination and the dignity of the individual, which is more precious to the Negro than even might or money.

These suggestions are not a panacea but they are capable of effecting significant improvement. They can be most effective in a climate where Negroes have rejected violence, and where whites offer compassion, control, and contribution.

In the first "long, hot summer" of 1964, we had riots in New York's Harlem and Rochester and in Newark, N.J. Last year, Watts exploded, and this year Chicago and Cleveland. As one who has been active in the civil rights movement, I was among the first to speak out 2 years ago, deploring the violence and urging an end to looting and destruction. Today, I reiterate with all the force at my command, the view that such action can only harm the civil rights movement and impede its acceptance.

In the past 2 years, civil rights legislation has been signed, sealed, and delivered before the dog days of summer; rioting had its impact, but it did not stop the passage of vitally needed legislation. This year, we cannot be as sure. We are in the midst of enacting a new law—with a vital fair-housing section—and we cannot know what effect lawlessness could have on its passage. This pragmatic reality—if no other—should be in the minds of civil rights leaders and supporters seeking to restore and preserve order this summer.

Before 1964, it may indeed have been true that the Negro did not have access to the prescribed forms for the redress of his very real grievances. To make his just complaints known he resorted to civil disobedience and demonstrations. But in 1964, we took a giant step toward getting this conflict off the streets and into the courts and voting booths. The Nation gave the Negro at least some real opportunity to exercise the power of the litigant, the power of the voter, the power of an organized minority exerting legitimate political pressure. Violence may be the power of the inarticulate, but the American Negro now has a voice which is heard in the Congress, in the White House, in the statehouses, and in the highest courts of the land. This kind of power is his best weapon for equal opportunity and he should use it; violence may only destroy it.

We have heard a great deal about black power lately; indeed news reports indicate that it was a phrase used during the riots in Cleveland earlier this week. It is a phrase that has been opposed by some Negro leaders and has caused dissent and uneasiness in the American community generally. I consider this phrase to be essentially a rallying cry for the leaders of CORE and SNCC. But the fact is that its use has sent a wave of deep concern through American communities with important Negro populations because it is thought—rightfully or wrongfully—to be departure from the policy of nonviolence, which had given the civil rights movement such dignity, to a forceful use of power whether lawful or not.

I hope very much that the use of the phrase "black power" will be rejected because of the alarm which it created—probably unnecessarily—and the concern which it engendered in the communities which alone can give relief to the injustices which black power was meant to redress.

Our Nation can afford what the national security and the national interest demands and it certainly demands action on a much more accelerated and broader basis with the needed resources than we are now giving in the civil rights struggle. When we put ourselves in the position of doing what needs to be done then we are in a much better position to demand as of right that civil disobedience has no place in the civil rights movement. The legal position is now impregnable but our moral position will be much improved by what I have suggested.

At a time of great international responsibility for the United States, the security of the homefront and its tranquillity becomes as important as any part of the struggle for freedom and justice in the world. I have been strongly in opposition to those who would oppose our effort in Vietnam on the ground that it distracts us from the civil rights effort at home, but I am also very strongly for the idea that while we pursue what the Nation's interest demands in Vietnam we should at the same time pursue what the Nation's interest demands in the United States and count ourselves fortunate that we are able to do it, as indeed we are.

In exhorting the Negro to mature participation in our society, the concomitant responsibilities of whites must also be stated. I see these as three: compassion, control, and contribution.

First. Compassion: The lament which Members of Congress hear most frequently from their constituents runs something like this: "My grandfather came to this country 75 years ago as a poor man. He worked long and hard, and nobody gave him anything for nothing. He faced discrimination and economic hardship, but he overcame them and sent his sons to college. Why can't the Negroes do that? Why are they special? Why should we be taxed to help them?"

It is a legitimate question, and one which should be considered and answered honestly. In my judgment, the American Negro is different from any immigrant group, and he is different because the white man has made him so. For 250 years, Negroes in this country were slaves, unable to live as families. Strong family ties—so important in other immigrant groups—are not present as often for support, encouragement, and stability, and may not evolve adequately for generations. We must understand this situation and work with it instead of piously deploring a condition which was brought about by our own ancestors.

For 350 years, the Negro has been outside the mainstream of our society—not for an initial generation as were other groups, but for centuries. He has suffered poor schooling, unequal justice and social exclusion unknown to any of our ancestors. Its effects have been accumulating and like an unloved individual who eventually reaches a breaking point, the whole Negro society could explode with frustration and rejection. We must recognize this emotion and act to remove the barriers to understanding instead of creating new ones in anger and fear.

An Eastern European diplomat recently commented to me:

> We have slums in our country, too, but yours seem so much worse because the contrast with the affluence of the rest of your country is so much greater.

Our ancestors may have been poor, but there were not many Americans who were very rich. Immigrants may have envied the industrial barons of the late 19th century, but they were not constantly told that they should be living in the same manner. But, a Negro in Watts, or Chicago or Harlem cannot escape the all-pervasive communications and advertising media of our time which are constantly telling him that he needs a second car, an air conditioner, and a swimming pool when he does not even have a bicycle and an open fire hydrant. In July of 1898, when the temperature reached 100 degrees, rich and poor were uncomfortable. Today, only the slum-dweller takes to the streets at night in search of a cool breeze. In 1898, only the sons of rich men went to college. Today, a college degree is no longer a luxury, but almost a necessity. In 1898, the immigrant lived primarily in his own society where his aspirations and achievements were measured against those of his contemporaries. Today, because every citizen is in continuous communication with all parts of our society, expectations have risen. We must acknowledge this change and capitalize on it, instead of refusing to admit that circumstances have altered our times.

Finally, the Negro is different today, because we ourselves are different. The Nation has never been more productive or more powerful. Never have our resources and our talents been so great. Never have we had the time, the interest, and the ability available today to turn our efforts toward social justice. There is not one of us, I believe, who would not agree that if America had been this rich and able in 1898, we should have done more to help the immigrant groups. A sign advising that "Irish need not apply" was just as reprehensible in 1898 as the label "Whites only" is today. It is regrettable that our resources were not directed at social ills a century ago, and it is praiseworthy that so many overcame these obstacles without the assistance of the Government. But because some people survive smallpox does not mean that the vaccine should not be given to all as soon as it is available. We must welcome this opportunity and offer assistance instead of hoarding our help now that we can afford it.

Second. Control: The race problem in this country began in 1619 when the first slaves were put ashore at Jamestown. It has been building for 350 years, and it will not be solved in a day. It is my guess that we are not in for a "long, hot summer," but rather for a long hot decade. Within the next 10 years, 8 out of 10 of our largest cities will be more than half Negro, and it is in these population centers that trouble is most likely to occur. There may indeed be violence, and there will be conflict over school districting, housing, employment, and unemployment. But if the white community reacts with violence, the foundations of our society will be shaken. Understanding, determination and a tremendous amount of self-control will be needed. We know the damage which can be done by lawless sheriffs and judges who themselves believe in white supremacy. We have seen that it is corruption and callous insensitivity in the white community which can aggravate an already explosive situation. Whites must impose upon themselves the highest standards of lawful conduct if we are to expect the same from Negroes.

Third. Contribution: Compassion and control on the part of the white community will enable the Negro to make some progress on his own. But the absence of conflict is not enough. We must be ready to make positive contributions.

This is why I have urged the inauguration of the "Marshall plan for deprived Americans," and why I will continue to urge the Congress and the executive branch to act on measures which can provide immediate assistance to people forced to live in the ghettos of this country.

In short, all Americans must express their indignation over recent racial violence and make every attempt to head off future outbreaks that could endanger the success of the civil rights struggle. But all Americans must match this indignation with action designed to alleviate conditions spawned by centuries of inadequate education, housing, employment opportunities and the day-to-day indignities of racial discrimination.

STUDY OF HIGH-SPEED GROUND TRANSPORTATION TO DULLES INTERNATIONAL AIRPORT

The PRESIDING OFFICER. Under the previous order, the Senator from Virginia [Mr. BYRD] is recognized for 10 minutes.

Mr. BYRD of Virginia. Mr. President, first, I should like to thank the distinguished Senator from New Hampshire [Mr. COTTON] for his patience this morning.

The Senate late Wednesday passed, with voice vote, Senate bill S. 3523, to authorize the Federal Aviation Agency to undertake a comprehensive study of high-speed ground transportation to Dulles International Airport.

The action by the Senate is recorded on pages 16524–16526 of the CONGRESSIONAL RECORD of July 20, 1966.

The bill was introduced by the Senator from New Hampshire [Mr. COTTON], and I wish to compliment him for initiating this much needed study.

It will be a study involving not only Dulles Airport, but also the Washington National Airport. Both are located in Virginia. Dulles is situated in two great counties of our State—Loudoun and Fairfax. Most of the ground transportation and kindred facilities serving them also lie in the State I have the honor to represent.

I favor the bill, and I voted for it. Due to the late hour in which the bill was brought up, I postponed until today a few friendly statements I should like to make and a few friendly questions I would like to ask for the record and legislative history.

I note from the report by the Senate Commerce Committee, as made by the Senator from New Hampshire that—

> The Committee believes the study should not necesarily be limited to systems exclusively for use of those going to and from the airports.
>
> The desirability of intermediate stops, in both directions, should be fully reviewed.

I am sure the Senator from New Hampshire is familiar with the lack of use which has been made to date of the FAA road to Dulles. It is for exclusive use of airport traffic, and the airport traffic to date has been very light.

I am sure he is also familiar with the tremendous development which has occurred in Northern Virginia in recent years.

I should like to ask the splendid Senator from New Hampshire if the scope of the study is broad enough to have the FAA consider the use of this road for local traffic, so long as it does not impede the primary purpose of the road—and until air traffic at Dulles requires closing the road to all but airport traffic?

Mr. COTTON. Mr. President, I am happy to respond to the distinguished

Senator from Virginia. I cannot resist complimenting him for the keen interest he shows in taking care of his constituents in Virginia.

I believe it is unfortunate, in view of these pertinent questions, that I shall have to answer them very briefly because of the time limitation.

The Senator is correct that the bill, S. 3523 specifically provides enough latitude so that the use by local traffic of the FAA road to Dulles can well come within the scope of the investigation by the FAA.

It specifically provides, as the Senator has wisely noted, that the question of intermediate stops on the way to Dulles may be fully explored in the study to be made. It may be that the FAA will see fit to arrange for those stops if they do not restrict the usability of the road and the feasibility of surface transportation. I am sure that the FAA not only can, but will, give careful consideration to the needs of those living along the road.

However in view of the fact that the FAA road to Dulles was financed entirely with Federal funds, it may well be that some thought should be given by the FAA study group to a toll charge if access to the highway is made available to other than airport traffic.

Mr. BYRD of Virginia. I thank the Senator. I desired to establish that for the record.

I note from the bill and the committee report that in the course of the FAA study, the Administrator is directed "to consult, as he deems desirable, with other Federal, State, local, and District of Columbia agencies."

In view of the great public interest in this matter, I should like to ask the Senator from New Hampshire if the scope of this direction is broad enough to include consultation with local citizen organizations and interested private groups for the purpose of learning their views?

Mr. COTTON. I can again reassure the Senator from Virginia that the committee, made the bill broad enough so that, within the discretion of the FAA, they certainly can hear and consult with all interested parties.

There is not much congestion at National Airport today, but there could be in the future. It is necessary to eliminate this. I am sure that the FAA will have to use its judgment about the time allotted to the study, but certainly it can and will be happy to consult with and receive the suggestions of local organizations that do not have official status.

Mr. BYRD of Virginia. In that connection, did the committee put a time limit on the filing of the report?

Mr. COTTON. Yes. The FAA is supposed to report not later than July 31, 1967. Of course, that could possibly be extended. Due to the urgency of the matter, the need for complete safety at National and the need for Dulles, a $108 million installation, to be used fully, instead of being isolated, it is hoped that the study will be completed within that time.

Mr. BYRD of Virginia. I thank the Senator. I note with interest, also, the committee report statement that provision is made for the FAA Administrator to consult with the National Capital Transportation Agency, because of that Agency's responsibility for the new subway system for the District of Columbia, and that the committee believes any transportation system to Dulles and Friendship must tie into the new subway system.

Pending in the Senate Judiciary Committee is Senate bill 3488, and before the House Judiciary Committee is House Resolution 1163. These are companion bills establishing a compact between Virginia, Maryland, and the District of Columbia for establishment of a rapid mass transportation system in the whole District of Columbia metropolitan area.

Hearings were started on this legislation in the House Judiciary Committee Wednesday.

I should like to ask the Senator from New Hampshire if the scope of his bill is broad enough to include FAA consultation with the constituted local, State, and Federal authorities concerned with this Interstate System.

Mr. COTTON. Mr. President, I am confident that I can again reassure the distinguished Senator from Virginia that the fact that the bill provides for consultation with the present local authorities, carries with it their right and their duty to consult with the new authorities or boards that would in the meantime be created as successors to, or supplementary to, the present authorities.

I am sure that the FAA will give consideration to this legislative history.

Mr. BYRD of Virginia. I thank the Senator from New Hampshire.

I should like to say to the Senator from New Hampshire that I was pleased by the committee's statement:

> It is convinced that the Federal Aviation Agency is the best choice for the study, and that there is no question as to the competence of the FAA to undertake the study required by the bill.

I concur in that assertion and I compliment the very able and distinguished Administrator of the Federal Aviation Agency, Gen. W. F. McKee, whom I regard as one of the ablest men in public life in our Nation. I have not been able to get him to agree with many things that I would like him to agree to.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may proceed for 1 additional minute.

The PRESIDING OFFICER. The Senator is recognized for 1 additional minute.

Mr. BYRD of Virginia. I have not been able to get General McKee to agree with some of the proposals I have laid before him, but I do believe that he is one of the ablest men in Government and I have the highest regard for his integrity.

I thank the Senator from New Hampshire for the courtesies of his replies and comments. I wish to compliment him again for calling for this study. And I wish to assure him and the FAA of my deep interest, and fullest cooperation.

Mr. COTTON. Mr. President, the aim of S. 3523 is to point the way to an effective, long-term solution to the critical problems of congestion at Washington National Airport. It will do this by authorizing the Administrator of the Federal Aviation Agency to make a comprehensive study of ways to establish high-speed transportation systems from the District to Dulles and Friendship Airports.

The crowding at Washington National Airport has been temporarily, and most unfortunately, eased this week because of the intolerable strike by airline mechanics against five major airlines. But as soon as the strike ends the problems of congestion at Washington National will promptly reoccur, and reoccur in spite of the steps which the FAA and the airlines are taking to ease the situation.

Washington National Airport this year will handle well over 7 million passengers—enough to jam the terminal buildings to the rafters, and hopelessly overcrowd the parking facilities. At Dulles International Airport, on the other hand, despite the Federal investment of $108 million, passengers will rattle around, using only about 25 percent of its capacity. Baltimore's Friendship Airport, too, is being utilized at less than its present capacity.

This feast-and-famine situation is costly, wasteful, and foolish.

It arises because Washington National Airport is so close and convenient to the city, as compared with the other two airports.

The bill is aimed at bringing Dulles and Friendship closer to the city—not in actual miles, but in time and convenience through use of high-speed ground transportation systems.

The study authorized by the bill should be completed in a year, so that the Congress may then consider the recommendations submitted by the Administrator of the FAA.

If we can penetrate outer space and hope to reach the moon we ought to be able to solve the problem of getting to Dulles International Airport.

MARYLAND FIRST TO ADOPT TIRE SAFETY STANDARDS

Mr. BREWSTER. Mr. President, this past Fourth of July weekend I was grieved to see a record number of Americans slaughtered on our highways. In many instances, if not the majority, fatal accidents are due to driver error. However, in a substantial number of accidents, driver judgment plays no part. One such situation is tire blowouts.

To help remedy this particular cause of automobile fatalities, the federally established Vehicle Equipment Safety Commission developed a set of standards for tire safety. Recently, Maryland assumed the national lead in tire safety by becoming the first State to require the marking of all tires sold to the public that conform to these safety standards prescribed by the Commission.

John R. Jewell, our State's motor vehicles commissioner, was instrumental in obtaining the tire manufacturers' recognition of these standards. Commissioner Jewell deserves to be commended for demonstrating how the individual

States can play an active role in mitigating hidden dangers facing the conscientious driver.

Mr. President, I ask unanimous consent to print in the RECORD an editorial aired over WJZ-TV in Baltimore which describes these developments.

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

MARYLAND LEADS IN TIRE SAFETY

(Presented by Kenneth T. MacDonald, General Manager July 9, 1966, 4:55 p.m.; July 10, 1966, 6:25 p.m.)

Moving along on a high speed expressway, a driver may be alert, law-abiding, courteous and far from other cars, and still be the sudden victim of an accident. This happens as a result of the one mishap for which he has no defense—a tire blowout.

For many years the quality of most tires has gradually improved, and the public has become educated to the danger of worn tires. But higher average speeds have made the blowout—though rare—an ever-present possibility.

Despite this hazard, Maryland and most other States have had little or no effective regulation for the standards of tires. The tire buyer has been pretty much at the mercy of the seller—though the vast majority of these have tried to sell as safe a tire as possible in each price range.

The problem has been to create a tire that is as near blow-out proof as possible. This means a tire that practically wears out before it blows out. After many years of testing, the Vehicle Equipment Safety Commission, set up by act of Congress, finally established an accurate test for blow-out proof qualities in a tire. A year ago April the test was officially adopted, and from it minimum tire standards were established.

Maryland was the first state to adopt the Vehicle Equipment Safety Commission standards for tires. Tires that meet the requirements are marked "V-1," regardless of the manufacturer. For some months there was some reluctance of the manufacturers to accept the V-1 standards. Now, after negotiations with John R. Jewell, Commissioner of Motor Vehicles, the manufacturers have agreed to comply to the V-1 standards. New Jersey has also adopted the standards.

As a result of Maryland's efforts and the cooperation of the manufacturers, the V-1 anti-blowout standards are now in effect, and will probably be adopted nationally.

There is no substitute for safe driving, but we commend Mr. Jewell for his efforts that have decreased one more hazard on the highway.

NEW YORK COUNTY LAWYERS ASSOCIATION REPORT ON CIVIL RIGHTS ACT OF 1966

Mr. JAVITS. Mr. President, the Committee on Civil Rights of the New York County Lawyer's Association has prepared a report on S. 3296, the proposed Civil Rights Act of 1966. This thoughtful study, provides strong support for the bill with regard to both its aim and its constitutionality.

The committee report devotes considerable material to a discussion of the constitutionality of title IV of the bill, and suggests four other steps toward elimination of housing segregation:

First. An extension of the President's order on housing segregation to cover all public housing whenever constructed;

Second. An extension of the order to include all subsequent sales or rentals of VA and FHA financed housing;

Third. Action by the Federal Government to eliminate discrimination through supervision of federally insured mortgage institutions, and

Fourth. Strong open housing legislation in the District of Columbia.

Mr. President, I ask unanimous consent that the text of the report, together with a list of the members of the committee, be printed at this point in the RECORD.

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

NEW YORK COUNTY LAWYER'S ASSOCIATION, REPORT OF COMMITTEE ON CIVIL RIGHTS ON S. 3296 AND H.R. 14765 (CIVIL RIGHTS ACT OF 1966)

The proposed Civil Rights Act of 1966 (S. 3296 and H.R. 14765, 89th Cong., 2nd Sess.) [1] was sent to the Congress on April 28, 1966, with a message from the President of the United States and an accompanying letter from Attorney General Katzenbach. Numerous other bills relating to the general areas covered by S. 3296 and H.R. 14765 have been introduced in both Houses of Congress. The only action which has taken place with respect to these bills, is the completion of hearings before a subcommittee of the Judiciary Committee of the House of Representatives and the commencement of hearings before the Judiciary Committee of the Senate.

Scope of the report

After reviewing the Administration Bill and the communications accompanying it, it was the opinion of the Committee that it wished to limit its comments to the provisions of three general areas of the Bill which are particularly susceptible to legal analysis, and as to which the Committee felt it could make a further contribution on the law.

The areas discussed in this report are:

1. Titles I and II relating to the selection of juries in federal and state courts;

2. Title IV, relating to discrimination in the purchase, rental, lease, financing, use and occupancy of housing; and

3. Title V, relating to interference with constitutional right.

TITLES I AND II RELATING TO JURY SELECTION

Conclusion

The provisions of Titles I and II, relating to the non-discriminatory selection of juries in federal and state courts are within the constitutional power of Congress and their enactment will promote the fair administration of justice.

Discussion

Titles I and II of the Administration Bill are designed to assure to a defendant in a criminal case and to the litigants in a civil case a fair trial by jury. The broad aim of the provisions is to eliminate the widespread exclusion of racial minorities and the economically disadvantaged from jury duty.

These titles seek to improve the quality of justice, by standardizing qualifications for jury service on a nationwide basis and putting them in line with contemporary needs and realities. They set up specific procedures with respect to the selection of federal juries, and for the challenge of state jury selection procedures, and provide for the maintenance and availability of adequate records to furnish the requisite statistical data and to permit the courts to deal with the problems on the basis of adequate information and experience. Overall, these titles represent an organized approach on how and whom to select for jury service and sets up both the administrative and judicial machinery to achieve that result.

The transmittal letter from the Attorney General stated that present statutes are inadequate and that they offer uncertain guidance to the courts and judicial administrators. It stated that: "While this uncertain system appears not to have operated unconstitutionally, [and this premise is subject to question] in some districts Negro representation on juries has been substantially less than the proportion of the Negroes in the community and other classes have sometimes been inadequately represented on juries." The Committee agrees with Mr. Katzenbach's views.

The Judicial Code of 1948, as later amended, made a sharp departure from the earlier federal statute which had made state laws determinative of jury qualification in federal courts. Present section 1861, which now deals with jury qualifications, provides that any citizen over 21, not a criminal and in sound mind, can serve if he can read, write and understand English.

The proposed Title I does not change these essential requirements; it elaborates upon them. By declaring a policy and providing detailed directions, it prescribes who may serve (i.e., even the economically disadvantaged) and, what may in practice be just as important, it sets out who should not be kept off the jury rolls. It re-emphasizes that a jury panel should be composed of a genuine cross-section of the community, and provides for one or more jury commissioners in each district with detailed directions as to the way in which names of potential jurors are to be selected and processed. It proposes that the commission must use never less than 2,000 names and at least 1% of the total names on voter registration lists or from the other sources specified.

While the Administration Bill recognizes the problems of fair jury selection existing particularly in sections of the South, it gives insufficient recognition to decisions condemning efforts calculated at engrafting a caste system on the law, even where that system was for the purpose of securing minority group representation. For example, in *State* v. *Collins*, 242 La. 704, 138 So. 2d 546 (1962) Collins, a Negro, was indicted, convicted and sentenced to death for rape and attempted murder of a white woman. At the time of Collins' arrest, there were no Negroes on the Grand Jury then sitting. Consequently, Collins was held in jail for six months until he could be indicted by a new Grand Jury. The new Grand Jury of twelve was drawn by lot from a list of twenty persons, six of whom were Negroes intentionally selected because of their race to achieve "fairness." The twelve Grand Jurors ultimately selected included seven whites and five Negroes. Collins was convicted. His conviction was ultimately affirmed by the Supreme Court of Louisiana and certiorari was denied by the United States Supreme Court, 371 U.S. 843 (1962). A petition for habeas corpus was then brought and denied by the District Court 215 F. Supp. 805 (E.D. La. 1963). On appeal, the Fifth Circuit reversed, 329 F. 2d 100 (1964), cert. denied, 379 U.S. 901, holding that Collins had been denied the equal protection of the laws. The Fifth Circuit based its decision on two grounds: first, that a Negro stands equal before the law and is viewed by the law as a person, not as a Negro: thus Collins was denied equal protection when the Grand Jury was selected with reference to his race, Collins was entitled to have the charges against him considered by a jury in the selection of which

[1] For the purposes of this report, S. 3296 and H.R. 14765, as introduced, will be referred to as the "Administration Bill."

there has been neither inclusion nor exclusion because of race. The Supreme Court which had earlier denied certiorari to review the affirmance of Collins' conviction by the Louisiana Supreme Court, then denied certiorari to the Fifth Circuit, thus letting stand their reversal. See also, *Martin* v. *Texas*, 200 U.S. 316(1906); *Hill* v. *Texas*, 316 U.S. 400 (1942); *Avery* v. *Georgia*, 345 U.S. 559 (1953) on the issue of "non-selective" jury selection.

By providing procedures for judicial review of transgressions in state jury selection, and by giving the Attorney General the power to come in and petition the court to rectify prevailing conditions, the Administration Bill provides, in our opinion, a realistic remedy. One very useful aspect of the legislation is in the clinical approach which it adopts in reaching for a solution of the problem. It properly recognizes the need for more sophisticated sociological inquiry in this area, in which statistics have not always been helpful.

Historically, the jury was to be drawn from the locality in which the litigant lived or where the crime was committed, so that a party would have the benefit of his own good character and standing with his neighbors. The provisions of the Administration Bill relating to federal jury selection leave this concept intact. Furthermore there is no federal interference with state jury selection unless discrimination is proved. They do not attempt to take away the states' right to establish their own fair procedures is undiminished and state criminal juries are affected only if obvious abuses exist.

Although the federal courts have jurisdiction under the 14th Amendment to determine whether a defendant has been accorded due process, and to void his conviction if he has not, it is more desirable to assure a defendant the equal protection of the laws in the first instance, than to have on occasion to free a convicted felon as a deterrent to improper jury selection. This, Titles I and II seek to accomplish. While the implementation of these Titles may create an additional interim burden upon the federal courts, this condition should not long endure. Once the proper impact of these Titles has been established their administration should operate smoothly and result in further implementation of the rights sought to be protected.

TITLE IV RELATING TO HOUSING DISCRIMINATION

Conclusion

The Committee concludes that the provisions of the Administration Bill relating to housing are within the constitutional power of Congress to enact. This opinion of constitutionality is based upon established principles of constitutional law relating both to the Commerce Clause and to the Fourteenth Amendment. Further, it is the Committee's opinion that a substantial portion of the ends sought by the Administration Bill may be achieved without legislative action through the expansion of the existing Executive Order on housing discrimination. We believe that the Bill would be strengthened by the insertion of specific congressional findings as to the facts upon which the enactment of the Bill is based, including a finding based upon evidence presented at the hearings that there is a rational connection between the housing transactions regulated in the bill and interstate commerce.

Constitutional basis of housing discrimination legislation

The power of Congress to enact the proposed provisions of Title IV is based both upon the Commerce Clause (implemented through the "necessary and proper" clause of the Constitution) and the Fourteenth Amendment (enforced through the "appropriate legislation" clause of section 5 of that Amendment). Together, the congressional power based upon these provisions may reach all aspects of housing sought to be covered by the Administration Bill.

Whether, in an analysis of the reach of the constitutional power of Congress, the national housing market is considered as a whole or in separate segments, the proposed legislation is within that reach. If the housing market is considered as a whole, it is imbued with broad and multifarious impacts upon interstate commerce and is affected broadly by local, state and federal action. On a segmented basis, most identifiable segments of the housing market are ones as to which the power of Congress is beyond serious question. These include housing which is built with federal or local government assistance, or by the federal or local governments themselves and housing which is financed by or with the assistance of any government agency. In the case of federal participation, these activities are covered by the plenary power of Congress over federal expenditures and the constitutional duty of Congress to avoid discrimination in federal activities. In the case of local government participation, the duties of the States under the Fourteenth Amendment and the power of Congress to enforce the Fourteenth Amendment by "appropriate" legislation provide the constitutional anchor for federal legislation. Housing located in the many metropolitan areas which cross or abut on state lines, and newly constructed housing for which the materials must travel through interstate commerce have an obvious impact on interstate commerce. Similarly, new construction and sales of existing housing which are financed in the interstate financial markets are reached through the commerce power over the flow of credit. It has been suggested that there is a major gap in the power of Congress to reach that portion of the housing market consisting of rental (without new financing) of existing units in old housing in non-multi-state housing markets. However, the Congressional power under the Commerce Clause and the Fourteenth Amendment so pervades each of the other areas of the housing market that it must, of necessity, also reach this last single segment. The relatively small size of this last segment is indicated by data in the 1960 U.S. Census of Housing. At that time over 25% of housing units were less than 10 years and 3 months old—(representing movement of new housing materials and labor in commerce) and 70% of the population moved into its present housing units within those 10 years and 3 months (representing movement of persons within and between the States). In any case, on the basis of the principles of constitutional law discussed below, it is our opinion that this segment of the housing market is such an integral part of the total market for available housing that Congress may reach it in legislating as to housing as a whole.

The Congressional power over commerce relating to the financial affairs of the nation supports the constitutionality of the Administration Bill in two ways:

1. With respect to the Bill's specific prohibition discriminatory practices in the making of mortgage loans and other financing incident to the purchase of real estate.

2. With respect to the effect of discriminatory practices in the sale and rental of housing upon the volume of such sales and rentals and upon new construction of housing, affecting the demand for, and availability of, capital funds in interstate commerce. Mortgage lending today necessarily involves much interstate movement of credit as a result of the heavy volume of interstate lending done by finance institutions. This assertion is substantiated by a study undertaken by the Division of Research and Statistics of the Federal Reserve System in 1952. One of the findings stated:

"The data nevertheless suggests that an appreciable part of the funds for financing real estate in the Richmond, Atlanta, St. Louis, Kansas City, and Dallas Districts comes from the financial districts such as Boston and New York, and from Chicago and San Francisco. . . . The movement of funds from one part of the country to another has been encouraged by investors seeking outlets for large amounts of funds. . . . Both institutional and noninstitutional registrants participate in this movement of funds. Insurance companies and other institutional lenders hold large amounts of loans on real estate located at a distance and in many instances have them serviced by noninstitutional lenders close to the properties." Real Estate Loans of Registrants Under Regulation X, 38 Fed. Reserve Bull. 620, 627, 621 (1952).

Even where a mortgage is initially procured from a small local lender, it may be sold subsequently to a large out-of-state financing institution. Thus, the original lender affects interstate commerce. Numerous cases have held that a business need not be in interstate commerce to be subject to federal regulation—it is sufficient that the business affects interstate commerce.

"The source of the restraint may be intrastate, as the making of a contract or combination usually is; the application of the restraint may be intrastate, as it often is; but neither matters if the necessary effect is to stifle or restrain commerce among the states. If it is interstate commerce that feels the pinch, it does not matter how local the operation which applies the squeeze." *United States* v. *Women's Sportswear Mfrs. Ass'n.*, 336 U.S. 460, 464 (1949).

Money plays a crucial role in the general housing picture. Few builders have sufficient working capital to engage in construction without the benefit of mortgage loans and must depend on long-term mortgage financing from insurance companies, savings banks, commercial banks, savings and loan associations and federal programs of financing.

It is now beyond serious question that the flow of credit and lending is an interstate activity. This issue was settled in *United States* v. *South-Eastern Underwriters Ass'n.*, 322 U.S. 533 (1944), which determined that fire insurance companies dealt in interstate commerce for the purposes of application of the Sherman Act. Justice Black, writing for the Court, concluded:

"Perhaps no modern commercial enterprise directly affects so many persons in all walks of life as does the insurance business. Insurance touches the home, the family, and the occupation or the business of almost every person in the United States." (At page 540.)

In answer to the argument that individual financial transactions are intrastate only, the Court stated:

"True, many of the activities . . . which constituted this chain of events [the insurance contract, negotiations, payments, communications, etc.] might . . . be regarded as wholly local." But "[a]ll . . . constituted a single continuous chain of events, many of which were multistate in character . . . ." Ibid, at 537.

In *N.L.R.B.* v. *Northern Trust Co.*, 56 F. Supp. 335, 336 (N.D. Ill. 1944), the district court stated that the reasoning of the Supreme Court in *National Polish Alliance* v. *N.L.R.B.*, 322 U.S. 643 (1944) "brings the ordinary business of a bank, other perhaps than a very small local bank, within the meaning of the term interstate commerce." See also *N.L.R.B.* v. *Bank of America*, 130 F. 2d 624, 626, (9th Cir. 1942), describing the interstate nature of a bank's business. The Commerce Clause is also, in our opinion, able

to reach factors which affect the demand for, and flow of, housing materials and labor for new construction and for maintenance, in interstate commerce.

The recent decision of the Supreme Court in *Katzenbach* v. *McClung*, 379 U.S. 294 (1964) is in point on this issue. That case, upholding the constitutionality of the public accommodations provisions of the Civil Rights Act of 1964, dealt with a restaurant in Birmingham, Alabama which was not on an interstate highway and could be found to have primarily local business. The Court dealt with this point as follows:

"It goes without saying that, viewed in isolation, the volume of food purchased by Ollie's Barbecue from sources supplied from out of state was insignificant when compared with the total foodstuffs moving in commerce. But, as our late Brother Jackson said for the Court in *Wickard* v. *Filburn*, 317 U.S. 111 (1942): 'That appellee's own contribution to the demand for wheat may be trivial by itself is not enough to remove him from the scope of federal regulation where, as here, his contribution, taken together with that of many others similarly situated, is far from trivial.' At 127–128." (At pages 300–301)

"The power of Congress in this field is broad and sweeping; where it keeps within its sphere and violates no express constitutional limitation it has been the rule of this Court, going back almost to the founding days of the Republic, not to interfere." (At page 305)

The Supreme Court decision in *N.L.R.B.* v. *Denver Building & Construction Trades Council*, 341 U.S. 675 (1951), clearly illustrates that interference with the flow of building materials across state lines constitutes a burden on interstate commerce. The Court held that the commerce clause gave the NLRB jurisdiction over a dispute in the building trade because the disagreement might have prevented building materials from crossing state lines. See *United States* v. *Employing Plasters Ass'n. of Chicago*, 347 U.S. 186 (1954), in which a complaint alleging a conspiracy to suppress competition among Chicago plastering contractors affecting the flow of plastering material into Illinois was held to state a cause of action; also see *United States* v. *Employing Lathers Ass'n. of Chicago*, 347 U.S. 198 (1954).

The applicability of the Commerce Clause to housing is further supported by the generally broad interpretations given in various other areas. Courts have usually been ready to find interstate commerce in cases which otherwise satisfy statutory requirements. Thus, they have found that interstate commerce is burdened by the activities of janitors in a building where some of the offices did interstate work, *N.L.R.B.* v. *Tri-State Casualty Insurance Co.*, 188 F. 2d 50 (10th Cir. 1951) [Labor Management Relations Act of 1947], by the labor practices of a newspaper with an out-of-state circulation of ½ of 1%, *Mabee* v. *White Plains Publishing Co.*, 327 U.S. 178 (1946) [Fair Labor Standards Act of 1938], and by the price of milk which is produced and sold intrastate but which competes with milk shipped from outside the state, *United States* v. *Wrightwood Dairy Co.*, 315 U.S. 110 (1942) [Agricultural Marketing Agreement Act of 1937].

In the building trades area, the Court in *N.L.R.B.* v. *Austin Co.*, 165 F. 2d 592 (7th Cir. 1947), held that:

"In this case it is obvious that interstate could be affected by industrial strife in the Chicago office. Any interference due to an unfair labor practice in the transmission of the blueprints in interstate commerce necessarily would retard construction and would disrupt the flow of building materials traveling in interstate commerce. This would constitute sufficient cause to bring respondent within the Act, because 'Interstate communication of a business nature, whatever the means of such communication, is interstate commerce regulable by Congress under the Constitution.' *Associated Press* v. *N.L.R.B.*, 301 U.S. 103."

The reach of the Commerce Clause to regulate what may at first glance appear to be purely local transactions, but which are part of a national market, has been made clear by the Supreme Court in its interpretations of the Commerce Clause. See, *United States* v. *Darby*, 312 U.S. 100 (1941); *Wickard* v. *Filburn*, 317 U.S. 111 (1942) and cases cited therein. In the *Darby* case a unanimous Supreme Court held that Congress had ample authority to regulate the employment standards of workers whose jobs were performed entirely within the boundaries of a single state when some part of their work product (lumber) was shipped in interstate commerce. Similarly, in the *Wickard* case, the Supreme Court upheld marketing penalties imposed for failure to comply with established quotas, even in connection with wheat grown for consumption on the farm. It is clear that the power of Congress under the Commerce Clause is not limited by the size of any particular regulated activity or of an individual's participation therein; rather, Congress is to be guided by the impact which the aggregate of similar activity has upon commerce. Speaking to this point, the Court in the *Wickard* case stated:

"That appellee's own contribution to the demand for wheat may be trivial by itself is not enough to remove him from the scope of federal regulation where, as here, his contribution, taken together with that of many other similarly situated, is far from trivial." Ibid. at 127–128.

The Court also left no doubt as to the scope of Congressional power under the Commerce Clause when it remarked in the *Darby* case at page 115:

"The motive and purpose of a regulation of interstate commerce are matters for the legislative judgment upon the exercise of which the Constitution places no restriction and over which the courts are given no control."

The fact that the construction of a single house is involved likewise appears to afford no exemption from regulation by Congress if it chooses to invoke its full power under the Commerce Clause.

While the Commerce Clause is a principal bulwark to the constitutionality of Title IV, the Administration Bill contains no specific findings by Congress that discrimination in housing has any effect on interstate commerce.

The Committee urges that such findings be incorporated in the Bill and recommends their addition to Title IV.

Only recently, in *Heart of Atlanta Motel* v. *United States*, 379 U.S. 241, 258, 272, 279 (1964), the Court again indicated the usefulness to the courts of Congressional findings in establishing the necessary rational connection between the local activity to be regulated and interstate commerce. In analyzing the Civil Rights Act of 1964, the Court observed that "the Act as adopted carried no Congressional findings." 379 U.S. at 252. The Court then comments at length on testimony and evidence adduced at Congressional hearings prior to passage of the Civil Rights Act of 1964 showing that racial discrimination in motels did indeed affect interstate commerce adversely. 379 U.S. at 252–253.

A similar analysis of the Congressional hearings and a similar comment that no legislative findings were made by Congress when passing the Civil Rights Act of 1964 is contained in *Katzenbach* v. *McClung*, 379 U.S. 294, 295, 296 (1964). The Court made the following statement of the rule governing the power of Congress to exercise its regulatory authority under the Commerce Clause:

"The commerce power invoked here by the Congress is a specific and plenary one authorized by the Constitution itself. The only questions are: (1) whether Congress had a rational basis for finding that racial discrimination by motels affecting commerce, and (2) if it had such a basis, whether the means it selected to eliminate that evil are reasonable and appropriate." (Emphasis supplied) (*Heart of Atlantic Motel* v. *United States*, 379 U.S. 241, 258–59 (1964).)

Heart of Atlanta and *Katzenbach* makes it apparent that the courts would be aided in finding a "rational basis" for Congressional regulation of discrimination in housing under the Commerce Clause if detailed legislative findings were included as a part of Title IV, even though such findings by Congress "are not necessary." *Katzenbach* v. *McClung*, 379 U.S. 294, 299 (1964). There is ample precedent in statutes for such findings by Congress. See *e.g.* Securities Exchange Act of 1934, 15 U.S.C. § 786; Public Utility Holding Co. Act of 1935, 15 U.S.C. § 79a; Trust Indenture Act of 1939, 15 U.S.C. § 77bbb; Investment Advisers Act of 1940, 15 U.S.C. § 80b–1; Fair Labor Standards Act of 1938, 29 U.S.C. § 202; Labor Management Relations Act, 1947 (Taft-Hartley Act), 29 U.S.C. § 141, see also 29 U.S.C. § 151; Welfare and Pension Plan Disclosure Act, 29 U.S.C. § 301; Tobacco Inspection Act, 7 U.S.C. § 511a; Agricultural Adjustments Act, 7 U.S.C. § 601 and § 1311; Colored Oleomargarine Act, 21 U.S.C. § 347a. Such findings of fact have been of aid to the Court in establishing the requisite "rational basis" for Congressional regulation under the Commerce Clause in the past, See *e.g. N.L.R.B.* v. *Jones & Laughlin Steel Corp.*, 301 U.S. 1, 23, 37 (1937) upholding the National Labor Relations Act of 1935 under the Commerce Clause. Section 1 of that Act (29 U.S.C. § 151) as it then existed was cited and quoted in full by the court which stated that "it is primarily for Congress to consider [whether a burden to interstate commerce exists under the Commerce Clause] and decide the fact of the danger and meet it." Similarly, in *United States* v. *Darby*, 312 U.S. 100, 109 (1941) the Fair Labor Standards Act was upheld under the Commerce Clause with detailed reference to legislative findings contained in 29 U.S.C.A. § 202, as it then existed. See also *Block* v. *Hirsh*, 256 U.S. 135, 154 (1921); *Borden's Farm Prods. Co.* v. *Baldwin*, 293 U.S. 194, 209 (1934); *Communist Party* v. *Subversive Activities Control Board*, 367 U.S. 1, 94 (1961).

Past court decisions also make clear that where the Commerce Clause is not invoked specifically in a statute, as in sections of the Civil Rights Act of 1875 which were declared unconstitutional in the *Civil Rights Cases*, 109 U.S. 3 (1883), there is danger that the enactment may not be considered a statute regulating commerce.

Additional Fourteenth Amendment support

We do not wish to imply, by our detailed discussion of the Commerce Clause as an adequate constitutional support for proposed Title IV, that this clause is the sole constitutional basis available to the Congress for the coverage of much of the housing to be reached by the Administration Bill. There are equally persuasive cases under the Fifth and Fourteenth Amendments setting out the specific power of Congress to enforce the substantive guarantees of these amendments by appropriate legislation. To the extent that federal or local governmental action (either at the present time or in the sufficiently recent past to create presently existing effects) has caused the existence of conditions which Title IV seeks to remedy, the Equal Protection Clauses of the Fifth and Fourteenth Amendments apply to such acts and empower Congress to enact broad legislation to deal with them, so long

as such legislation can rationally be found to be "appropriate".

Without feeling it necessary to discuss the applicability of the Fifth and Fourteenth Amendments to these situations in greater detail, the Committee urges that such constitutional basis be given appropriate weight in both the findings and the enforcement provisions of Title IV. Such dual constitutional basis is neither unusual nor inappropriate. Much legislation is expressly founded upon more than one power of Congress and the Supreme Court has in the past relied upon multiple constitutional support in upholding the validity of various statutes, e.g., *Board of Trustees* v. *United States*, 289 U.S. 48 (1933); *Ashwander* v. *TVA*, 297 U.S. 288 (1936).

Coverage of public housing in title IV

The committee wishes to call the attention of the Congress to an important omission in the coverage of the proposed legislation, even in conjunction with the existing Executive Order. The Administration Bill does not appear to cover housing owned or operated by local or national government agencies which are not listed among the "persons" to whom the legislation is to apply. Even if the existing Executive Order is retained in power and effect, there is no coverage of public housing erected under contracts entered into prior to November 20, 1962, the cutoff date in the Executive Order. This is an irrational distinction which might well be unconstitutional. While such discrimination is already barred under the Fifth and Fourteenth Amendment cases brought by individual plaintiffs, there is no reason why the legislation should not specifically direct itself against this glaring problem. It is our recommendation that any ambiguity in this respect be resolved through the inclusion in the coverage of Title IV of national, state or local government and all instrumentalities thereof.

Extension of the existing Executive order on housing

This committee has previously reported[2] on the legal basis of Executive Order 11063, issued by President Kennedy on November 20, 1962, which directed various federal agencies to take action with respect to discriminatory practices in housing. This Executive Order is still in effect. At the time of that report, this committee concluded that the Executive Order was based on sound and well established constitutional grounds and that it was well within the authority of the President—and his duty—to enforce the Constitution of the United States; that it did not establish any new rights which did not heretofore exist but established new procedures and directives for their enforcement; that the exclusion of certain contracts for the financing of housing entered into prior to the effective date of the order was not based on any appropriate legal distinction; and that the power of the President to enforce the Constitution extended substantially beyond the scope of the Executive Order and that the executive power to implement public policy through the inclusion of contract provisions extended even further.

The committee recommended then, and repeats its recommendation now:

1. That the Executive Order be amended to cover all public housing, irrespective of when constructed; all urban renewal projects, irrespective of when contracted for; and all other housing programs to which Federal grants, loans or subsidies are made.

2. That the Executive Order be amended to include subsequent sale or lease of property covered by FHA or VA insurance, on the ground that such sale or transfer subject to FHA or VA mortgages is a new action which should extend to new individuals the benefits of Federal action after the date of the Executive Order.

3. That the recommendation of the United States Civil Rights Commission with respect to the elimination of discriminatory practices in mortgage loans by Federally supervised mortgage lending institutions be given early implementation, through the use of the contract power or other proper tools of Federal supervision and action, with a minimum interference with concepts of free enterprise consistent with achieving effective results.

4. That the recommendations of the Civil Rights Commission with respect to housing in Washington, D.C., which should be a model community demonstrating American freedom and equal opportunity in housing, be implemented at an early date by the Commissioners for the District of Columbia.

The Committee believes that the first step in the extension of anti-discrimination protection in the field of housing should take place through the further extension of the existing Executive Order. There is no constitutional or practical conflict between the full implementation of the President's power through Executive Orders, and either the pendency or the enactment of legislation dealing with the same area, so long as there is no specific conflict with such legislation after enactment or preemption of the President's power thereby. We will not repeat in this report the discussion of constitutional principles upon which our conclusions and recommendations were based in 1963. Suffice it to say, however, that all of the decisions rendered by the courts since that time have, to the extent applicable, reenforced the constitutional discussions presented at that time.

This committee therefore now renews its recommendation for the immediate promulgation of an Executive Order expanding the scope of the existing order carrying out the recommendations set forth above. Such action would have the following benefits:

1. It will expand federal action against discrimination in housing to a substantially larger area without the delay inherent in the present debate over the Administration Bill.

2. The flexibility in operation of an Executive Order makes it desirable to use such mechanism to as broad an extent as possible. It may well be that, in any case, the implementation of the Administration Bill, when enacted, will require executive or departmental orders similar in scope to those which may already by adopted.

3. The enforcement of constitutional rights have, in recent years, developed through a well balanced combination of action by the executive, legislative and judicial branches of government. It is the responsibility of the executive branch to carry out its powers in this respect to the greatest extent possible and not to waive such responsibility to the legislative branch. The power to act through Executive Order, particularly in the field of contract provisions, is an executive responsibility.

THE PROVISIONS OF TITLE V RELATING TO INTERFERENCE WITH CONSTITUTIONAL RIGHTS

Title V would impose new criminal penalties upon any person who interferes either directly or by acts of intimidation or reprisal with the enjoyment of specified activities on account of race, religion or national origin. The provisions are operative whether the interference is directed at the actual participants in the enumerated activities or at other persons. Title V also increases existing penalties for violation of constitutional rights and makes them commensurate with the degree of crime committed.

It is beyond question that Congress has the constitutional power to punish interference with the exercise of rights arising out of the Constitution and to apply appropriate punishment upon conviction of such acts. The Committee believes that the constitutional basis for such Congressional action, and for the protection of individuals who aid those directly asserting their constitutional rights, is now beyond question. Whether such rights arise out of the nature of national citizenship; the rights created by federal statutes enacted under the Commerce Clause or the Fifth, Thirteenth, Fourteenth and Fifteenth Amendments or the right to vote in federal elections; or any other basis for federal action is immaterial. The specific enumeration of the protected rights in Title V is an appropriate method by which Congress can eliminate any ambiguity as to the intended breadth of coverage. None of the enumerated areas in which protection is offered are outside the federal power as elaborated by existing judicial decisions.

Additional comments

It is the opinion of the committee that the purposes of the Administration Bill, and particularly of Title IV as described in the statement of policy (§ 401), are laudable and necessary implementations of present policies which are intended to put to an end the remaining vestiges of the Negro's social, political and economic disadvantages based solely upon his race. New York State has been a leader in the enactment of legislation dealing with this problem, and New York's experience in operating under such legislation can be of immense assistance to any federal effort in the same area.

The proposed legislation seeks to fulfill the promise of equality inherent in the Emancipation Proclamation, the Thirteenth, Fourteenth and Fifteenth Amendments to the Constitution, and the long and continuing struggle of minority group citizens of our nation for equal treatment based upon merit rather than upon the color of their skin or their religion. Discrimination in the selection of juries and in the availability of decent housing has been a continued blot upon the American image at home and abroad. Racial living patterns created by housing discrimination are basic causes of many other inequalities, such as defacto school segregation, unequal employment opportunities and unequal recreational opportunities. The arbitrary denial to American citizens not only of their rights but of their security and lives by those who feel that they need fear no punishment must finally end.

It is incumbent upon all branches of government to redeem the promise of a century ago; in particular, the executive and legislative branches must take the initiative in providing laws and practices to end the effects of these 100 years of shame.

This is the 100th anniversary of the Civil Rights Act of 1866 which proclaimed the equal rights of all citizens to purchase and hold real and personal property. Thus, it is particularly appropriate that the Congress make these rights meaningful in the Civil Rights Act of 1966.

Respectfully submitted.

COMMITTEE ON CIVIL RIGHTS, NEW YORK COUNTY LAWYERS' ASSOCIATION.

Robert M. Kaufman, Chairman; Peter D. Andreoli, Harold Baer, Jr., Michael A. Bamberger, William C. Breed, Jr., Helen L. Buttenwieser, Porter C. Chandler, Saul C. Downes, Arthur Q. Funn, Julius L. Goldstein, Richard W. Hulbert, Philip Kazon, John J. Loflin, Harold Mitherz, Stoddard D. Platt, Sol Rabkin, Guy G. Ribaudo, Robert K. Ruskin, Cora T. Walker, Thomas G. Weaver, Henry Weiner.

[2] Equal Opportunity in Housing—The President's Executive Order, A Report of the Committee on Civil Rights, New York County Lawyers' Association, Spring, 1963.

THE TAXPAYER—A PIGEON FOR THE $4 BILLION SST?

Mr. PROXMIRE. Mr. President, the Government, through the Federal Aviation Agency, is currently well on the road

to building our first supersonic transport. The FAA estimates development costs at $1.5 billion, but reliable sources have placed the figure as high as $4 billion before the SST enters service.

Is this expense justified when we face increasing commitments for defense and the President of the United States appeals to us so rightly to curb Federal expenditures?

I think not.

Consider these facts:

First. The British rushed ahead in the early part of the last decade with production of the Comet. The flight record of that aircraft, fraught by a tragically high accident rate, is far from enviable.

Second. No convincing case has been established that the market will be there for this costly Federal gamble.

Third. The unsolved technological problems are immense. Their solution is of incalculable cost. The time it may take to solve them may be very great. Experimentation in France and England may clear the way, and if we postpone our own effort, greatly reduce our cost.

Fourth. Defense officials have made it clear that this plane will have no military value.

John E. Gibson, an engineer, has written a provocative and revealing article in the current issue of Harper's magazine. Among the many problems he cites, let me mention a few of the more startling.

We have little experience in sustained supersonic flight, and what experience we do have as a result of short flights by B–58 Hustlers shows us that cruising at this speed is dangerous and unpredictable.

The plane's skin temperature rises to 300°. It passes through communications networks too quickly to be contacted. Any failure of cabin pressure means instant death, and cosmic radiation constitutes an invisible danger.

Yet the FAA is rushing ahead with its plans and calls for inservice operation of the SST by 1974.

Mr. President, in the argot of the gambling business, the pigeon is the fall guy, the sucker, the loser whose losses keep the gamblers in swimming pools and beautiful blondes.

The supersonic transport seems more and more to represent an immense gamble, with the odds against the pigeon whose money the Congress is gambling.

Should we make the American taxpayer this kind of pigeon?

A couple of weeks from now this Senate will be asked to decide this question when we vote on appropriations for the SST. I suggest that in preparation for that vote, Members of the Senate might be interested in reading the article by Mr. Gibson to which I have referred and I ask unanimous consent that it be printed at this point in the RECORD.

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

THE CASE AGAINST THE SUPERSONIC TRANSPORT

(By John E. Gibson)

(NOTE.—The government is now hell-bent on a crash program to build—at enormous expense to the taxpayer—an airliner that flies 2,000 miles an hour. But who needs it? And is it worth the risk to passengers, the high operating cost, and the ear-shattering annoyance to everybody near its flight path?)

In May 1965, in a triumph of bureaucratic inevitability, the Federal Aviation Agency began to commit more than two billion dollars to the crash development of a Supersonic Transport aircraft that no airline really wants and on which no manufacturer is eager to spend a dime of his own money. The decision is of doubtful technical validity. It also seems designed to stretch still further our already overextended economy. With the prospect of a long and costly engagement in Vietnam, the President has declared his intention of subjecting nonessential capital expenditures to increasingly careful scrutiny. The SST surely belongs in this category. Yet in the face of compelling facts the FAA continues to maintain, as it has since 1960, that the United States must have a 2,000 mph airplane by the early 1970s, and that the FAA is just the agency to supervise its construction.

Something about new means of transportation seems to bring to the surface the latent gullibility in the best of us. The present SST fever is merely the latest of such imbroglios which stretch far back into American history.

The initial bold success of the Erie Canal in 1825, for example, triggered the building in the next quarter-century of some 4,000 miles of canals in the United States. None were financially successful. The same cycle was repeated after the completion of the first transcontinental railroad in 1880. Four more quickly followed. And in the next decade enough new track was laid in this country to girdle the globe three times. As a result of this overbuilding, long before they were confronted with truck and aircraft competition, many railroads were burdened with unnecessary mileage and unprofitable branch lines.

The third act in this drama began with the phenomenal growth of airline passenger traffic following World War II. As with the Erie Canal and the first transcontinental railroad, we gambled by crashing into the jet age. And again we have been lucky. The modern jet transport is a magnificent engineering achievement. It is moderately well-behaved as high-spirited steeds go. Passengers love the jets and they have proved economical in operation beyond the airlines' wildest dreams. Imagine a 707 or DC–8, either of which seats more than 100 passengers, making two round trips per day between Chicago and Los Angeles. This is normal procedure. Thus, an $8-million jet can gross almost a million dollars *per month* on this run. The FAA has gradually relaxed its stringent restrictions on miles between overhauls as experience has been gained with jet engines and the new fan-jet principle makes more power available as needed. Now the new DC–9 and 727 for short hauls have proved better than optimists dared hope and the airlines are making money at last.

But the Supersonic Transport is a threatening storm cloud on this sunny horizon.

Test and experimental aircraft and some standard military planes have operated in short bursts above the speed of sound for more than a decade. But this experience does not reduce the problems of sustained operation by commercial airlines at such velocities. Supersonic speed induces strange behavior patterns in aircraft. The force required to push an object through the air rises abruptly as it approaches the velocity of sound (approximately 660 miles per hour at high altitudes). Thus—though it is not impassable—the "sonic barrier" is a very real thing. Because the waves of sound cannot outspeed a supersonic aircraft, the air in front of it is undisturbed before the craft pushes it aside. This simple fact accounts for the sonic boom, the heat barrier, and the peculiar handling qualities of the craft.

Supersonic commercial aircraft began to be talked of several years ago after European aviation interests recognized that the long-range subsonic market had been largely preempted by such superb American-built passenger jets as the Boeing 707 and the Douglas DC–8. Wisely, the British and the French shifted their sights to short-haul jets like the Caravelle and the Britania, which are now available. However, we countered with the Boeing 727 and Douglas DC–9. So once again Europe failed to make a clean sweep. Moreover, the short-haul jet is not a suitable object for improving national prestige. De Gaulle toured South America last year in a Caravelle but he was carried across the Atlantic in a Boeing 707. One can imagine his pique.

Almost against their will, European designers were then forced across the sound barrier and told to design a plane which would operate at twice the speed of sound. Because of the enormous expense, Britain and France agreed in late 1962 to share the cost of designing and constructing the monster. Simultaneously, de Gaulle was freezing Britain out of the Common Market. In 1964 the British, under Prime Minister Wilson, signified their desire for an "agonizing reappraisal" of this forced alliance whose purpose appears both frantic and unrealistic.

The United States has had far greater experience in designing and operating supersonic craft than any other country. It has been gained with our Century series of fighters which are capable of supersonic flight for short dashes and with the B–58 Hustler bomber which can achieve sustained operation at speeds above Mach 1.[1] While a British aircraft was the first to break the sound barrier in level flight, the British-French consortium has had almost no real operational experience with sustained supersonic flight.

The Europeans are using aluminum and conventional structural design for their ship, probably because they cannot afford to undertake costly studies of newer, heat-resistant materials such as titanium. Thus it will be difficult for the Concorde to evolve gradually during operational use into a more powerful and efficient craft. In essence it will be obsolescent before it leaves the drafting table. In contrast, the present generation of American-built jets have undergone continual modification and improvement, giving them more passenger-carrying capacity, more powerful engines for shorter take-off runs, and longer nonstop cruising.

The only men in the world accustomed to prolonged flying at Mach 2 are U.S. Air Force B–58 bomber pilots. Until recently it was not our policy to make this expertise available to all comers. Indeed, USAF technical reports on supersonic craft were restricted to American vendors with a demonstrated "need-to-know."

Thus British aircraft designers were more than a little interested in a lecture given in London during December 1964 by Lt. Col. George E. Andrews of the USAF to the British Guild of Air Pilots and Navigators. Colonel Andrews was one of the pilots of a B–58 Hustler which flew the 8,000 miles from Tokyo to England nonstop. About 1,400

[1] A Mach number is the ratio of the speed of an object through the air to the speed of sound under the same conditions and is named after the eminent Austrian fluid dynamist Ernst Mach. Although the speed of sound varies with such factors as temperature and altitude, it is about 660 miles per hour at the normal operating altitude of the SST. Thus, Mach 1 is approximately 660 mph and Mach 3 is almost 2,000 mph.

miles were flown at supersonic speeds, between inflight refuelings. This one to one-and-a-half-hour segment of the flight apparently represents a significant portion of the *total* supersonic experience acquired in sustained flight. At times, Andrews reported, the skin temperature of the plane rose to 300 degrees. F. This rather unexpected heat rise put an appreciable fraction of the plane's essential electronic gear out of action.

The British magazine which reported Andrews' talk remarked with characteristic understatement that the facts reported by the Colonel confirmed the data upon which the design of the Concorde is based, with the exception of the general heat rise which could only be halted by slowing to subsonic speeds. This small "exception" would, of course, if not corrected, result in complete failure of the craft.

TAXPAYER'S GAMBLE

The Federal Aviation Agency was disturbed by European activity on the SST. Overlooking Britain's disasterous previous attempt to press aviation frontiers with the ill-fated Comet jet, Federal Aviation Administrator Elwood R. (Pete) Quesada announced in May 1960 that America was not to be left behind. The FAA indicated that the government would probably be willing to subsidize 50 percent of the development costs of the Mach 3, Titanium jet. American aircraft manufacturers met this modest proposal with thundering silence. The FAA then retreated a step. In 1961 its new Administrator, Najeeb E. Halaby, called for cost-consciousness; a "lean, mean, austere approach." This was fine by plane manufacturers; they were for zero costs—to themselves. Halaby subsequently explained that the government would support 75 percent of the cost of SST development. This proposal also failed to the salute test. By July 1963, Halaby was admitting that the aircraft industry displays "a great deal of anxiety" about sharing costs and that it has a "trauma" about past losses on new developments. When the Kennedy Administration did not include SST development in its fiscal year 1964 budget, it seemed the project would be dropped with a loss of only the $11 million allocated by Congress for preliminary studies in fiscal '63. But pressure for a supplemental allocation of $60 million mounted. And at the threat of Soviet and British-French progress, Congress acquiesced.[2]

In August 1963 Kennedy appointed Eugene R. Black, former World Bank director, as his financial adviser on the SST program. In December Black's report was on President Johnson's desk. The President released it without comment in February 1964. It called for 90 per cent of the costs to be borne by the government and for careful progress without racing other nations. Halaby was soon telling industry representatives that he had always felt that 25 per cent participation was too high for industry and that he had had a change in heart about the need for a race. Black also recommended that responsibility for the SST be removed from the FAA and an independent agency be set up to supervise its development. Halaby did not comment on this suggestion. Doubtless he was busy fending off criticism from industry, which still refused to accept the principle of participation and has not accepted it to this day.[3]

Boeing and Lockheed are adamant against the 75/25 per cent split but both are willing to discuss a 90/10 per cent split, provided a number of special guarantees and tooling-cost loans are included which will further reduce their involvement. There is no question, of course, that many millions of company funds are tied up in the competition for the prototype-development contract and that the losers will suffer financially.

SELF-CERTIFICATION

The frantic approach by the FAA to the Supersonic Transport is epitomized in the official timetable announced in 1964:

First flight of *production model*, September 1968.

Type certification by FAA, September 1969.

Introduction to passenger service, May 1970.

For the first flight to occur in 1968, the design must be frozen by 1966 at the latest, and a host of technical problems must be solved in a miraculously short period. Doubtless this realization prompted the present Federal Aviation Administrator, William F. McKee, recently to stretch the entire schedule two years.

However, the position of the FAA in this adventure remains peculiar. FAA is a small but respected agency, concerned primarily with all aspects of flight safety, air traffic control, and certification of new aircraft types.[4] It has no experience in administering huge technical development efforts like those carried on by NASA and the Department of Defense, Gordon M. Bain, until recently the Deputy Administrator in charge of the SST program, has said that the FAA intends to remain above technical details, allowing the manufacturers almost complete freedom. Lockheed and Boeing, prime investigators on the first phase of the work, were selected to continue with Phase 2, which will result in a detailed preliminary study of the two proposed SST designs. FAA will have to make the choice between these two proposals. How FAA can do this and stay above details is baffling. FAA is handicapped by complete ignorance of research-and-development management principles, such as those instituted by Mr. McNamara in the Department of Defense. FAA also suffers from a unique disability. In due course the agency will be asked to certify an aircraft developed only at its urging and almost wholly subsidized by its funds. Such a conflict-of-interest situation is pregnant with disaster for the whole concept of objective federal regulation of airways safety. In effect the FAA will be asked to certify that it has spent its money wisely and that its own technical judgment is sound.

The SST concept is an excellent long-range technical development goal for the aircraft industry and the role of the federal government in fostering such research and development is well established. Probably the investment over the past half-century of government funds in aircraft development has paid for itself many times over in establishing new sources of tax revenue. This concept is not under question here. What I do question, however, is the premature crash program to force the commercial use of the SST on the reluctant air-transport industry.

NO NEED FOR OXYGEN MASKS

Formidable technical obstacles still lie ahead. At March 3, the SST is well into the "thermal thicket." This is the name of the operating region in which the craft cannot dissipate the heat generated by air friction. Consequently the aircraft continually grows warmer, as mentioned by Colonel Andrews in his British talk. Unlike the Concorde designers, American engineers seem fully aware of this problem. Their solution is rather frightening, however. They propose to use the aircraft fuel as a "heat sink." Since the aircraft grows unbearably hot after a short stretch of supersonic flight, the engine fuel will be made to flow through passages in vital parts to prevent it from melting. We are assured that the warmed fuel will function just as well in the engines and that it won't explode. In fact, there will be only an hour's safety margin beyond normal flight time before the danger point is reached. (The critical moment comes when the pilot shuts off fuel to the engines in preparation for descent. Engine temperature will zoom 150 degrees higher in a few minutes' interval.)

There are several other interesting technical problems. At 70,000 feet, the proposed cruising altitude of the SST, there will be no need of oxygen masks if cabin pressure is lost. The reason is that the human body undergoes explosive decompression, the blood boils, and death occurs within several seconds. This happens whether or not one wears an oxygen mask. The only safeguard is an astronaut-type pressure suit. Engineers know this. They are also aware that the point of maximum threat to the integrity of the cabin pressure seal occurs at door joints and windows. This is why it was proposed on technical grounds to build the SST without windows. Psychological consultants felt, however, that passengers would grow uneasy without windows (something about a coffin complex perhaps). Thus in a later design, windows appeared beside each row of seats.[5]

In a report by a company asked to design the cabin temperature and pressure controls for the SST, the following passage occurs:

"The ambient temperatures [normal operating temperature of aircraft skin] at Mach 2–3 are those, at which you normally cook chicken or broil steak [350–500 degrees F.] Thus the [cabin] cooling system must work continuously. Furthermore, if the pressurization system failed at 60,000 to 80,000 feet, the cabin would probably collapse. Even if this didn't occur, no one would survive since at 62,000 feet external pressure is so low the blood boils. Even at 42,000 to 45,000 feet, a human being would suffocate in pure oxygen without pressurization."

An efficient supersonic aircraft which can also perform at slow speed for takeoff and landing will probably require a folding wing arrangement similar to the experimental TFX fighter, which recently took its first test flight. To design a bearing for the folding wing of a plane big enough to carry 200 passengers is a mechanical engineering problem of considerable complexity. The entire stress of the wing must pass through this single pivot. If one wing folds while the other does not, the plane will be subjected to twisting forces far beyond the capacity of the structure. If it is impossible to return the wings to slow-speed position for the descent to land, the plane will be unable to

[2] In 1961 Col. Gen. Yevgeni F. Loginos, chief of Soviet civil air operations and head of Aeroflot, told Western reporters that the Soviets realized that a whole new aircraft, not a rebuilt bomber, was needed for SST operations. Since that time there has been little sign of unseemly haste on the part of the U.S.S.R.

[3] In April 1966 Gen. J. C. Maxwell, director of SST development for the FAA, was quoted in *Aviation Week*, as saying the financial controversy is unresolved. He repeated White House policy that all government funds will be recovered with interest. Ives, Whitehead and Co., a New York investment firm, has proposed private financing via a government-guaranteed bond issue.

[4] It also deals with cockpit regulations such as ruling that pilots must remain strapped down during the flight, will not eat fish, will not take tranquilizers, and that pilots laps will not hold hostesses. Pete Quesada also ruled that hostesses may *not* be allowed to fly the plane.

[5] Still later, half of the six-inch-diameter windows were eliminated. Furthermore, Lockheed now advocates a reduction to design speed to Mach 2.7 to help overcome certain operating problems.

maintain a controlled descent. A "landing speed" in excess of 200 to 300 miles per hour is to be expected under this situation. If any of these contingencies face a young, superbly conditioned Air Force pilot of a TFX fighter, he simply presses the eject button. This ejects the completely enclosed, pressurized cockpit from the disabled craft. After falling five or ten miles into breathable air the pilot opens a metal parachute from within his escape capsule. He may then elect to remain with his capsule or leap from it relying on his personal, conventional chute. It is doubtful that an escape pod would be practical for the entire crew of an SST.

UNCOMFORTABLE PROBLEMS

Air Force-sponsored studies predict that a typical SST will provide a far less comfortable ride than current jet airliners because of atmospheric turbulence. Perhaps passengers will have to remain strapped on a contour couch for the entire flight to avoid injury. Our British friends report that Colonel Andrews' remarks on this subject are really quite "reassuring." They point out that "clear-air turbulence"—that little-understood phenomenon which is held responsible for several air crashes in the last few years—is seldom encountered at SST operational altitudes. On the other hand one B-58 Hustler has been reported lost in the turbulence of a thundercloud. One might expect that this maneuverable Mach 2 plane would simply slip around such an obvious cumulonimbus thunderhead, which can tower to altitudes of 50,000 to 60,000 feet. Andrews pointed out, however, that at a *60-degree bank*, the B-58 requires 50 miles to make a turn. The Mach 3 SST could be expected to need at least 100 miles to turn. Thus the pilot will have little time to initiate a course change if a cloud appears on the horizon 50 miles away.

At least two more B-58s have been lost to a more insidious supersonic enemy. Aeronautical engineers call the imaginary point in the aircraft where all its weight balances, its "center of gravity." Similarly its "center of pressure" is the point at which all its lift forces may be concentrated. As a plane goes supersonic its center of pressure undergoes a marked change with respect to its center of gravity. This is in contrast to the conventional subsonic aircraft where balance calculations for safe flight may be made before the craft leaves the ground. In the SST, the pilot must keep continual account of changes in the center of pressure in order to maintain control of his craft. One or two passengers moving the length of the cabin can affect this rather critical balance—another reason for keeping them strapped in contour couches.

Without doubt there are other technical problems about which little is known and which will reveal themselves slowly, through hundreds of hours of test flights. Take, for example, cosmic radiation. It is known that at 70,000 feet, cosmic-ray intensity is more than twice that at sea level at temperate latitudes and more than five times normal near the poles. The long-term effect of cosmic radiation on metal fatigue and electronic instruments as well as disease and mutation in the human body needs careful study.

There are also a number of other "engineering details" to be cleared up before I would put Aunt Jane on the next SST for her vacation in Europe.

First, we must be alert to claims of years of supersonic experience with Air Force planes. Commercial craft must fly 2,000 to 3,000 hours per year to show a profit for their operators. This is ten to fifteen times the typical military usage. Thus, supersonic life-test experience is acquired very slowly with military craft. In addition to normal wear and tear, experience must be gained, for example, in restarting jet engines at supersonic speeds. Should a jet engine be turned off in flight, present military practice is to slow to subsonic speed before attempting to restart it. This is very costly in fuel and intensifies the sonic boom problem. The automatic pilot must be completely fail-safe since its operation is essential for stability augmentation of the aircraft during flight.

Technical problems involved in airway communication and traffic control will be severe in SST operation. Present radio-operation techniques will be rendered obsolete. In July 1961, a USAF Hustler bomber flying from New York to Paris was out of touch with traffic control for almost the whole flight due to the rapidity with which it passed from one controller's block to the next. This became critical as the plane approached Paris with little reserve fuel.

Several manufacturing problems have already been mentioned above. Others include the design of hydraulic control systems to operate reliably at temperatures of 500 to 1,000 degrees F, and the extremely close tolerance to which the surface of the aircraft must be held. A small bump or ridge any higher than three sheets of this paper anywhere on the one-third acre of skin surface will increase the drag and thus reduce the efficiency of the craft.

One more matter of some concern is the problem of supersonic rain erosion. After five years of research, no material has been found which can withstand the effect of this cavitation-like process, which can disintegrate cockpit windows and destroy the smooth leading edges of supersonic wings.

WHAT AIRLINE PRESIDENTS CAN'T SAY

Technical problems have a way of disappearing as time goes by and perhaps we will all chuckle one day at the silly little details I have discussed up to this point. So now let's turn to the real problem with the SST. It can't make money.

Following the preliminary design reports, various airlines began economic studies of the SST's commercial possibilities. What they have found is not encouraging. United, the country's largest carrier, for example, has found that the operating cost of a Mach 3 transport will be 26 per cent higher than present-generation jet transports for transcontinental flights. For "short hauls," such as Chicago to Los Angeles, the cost will be 43 per cent higher. These are in-flight costs and do not tell the whole tale.

A simulation study of terminal operations reveals that the total number of flight operations of an airport servicing SSTs must be reduced severely compared with today's averages. Because of the turbulence of the wake of an SST, all craft must keep out of its track for as long as five minutes after it passes. All craft must be kept from in front of it since the SST, once committed to a landing, is dangerous and expensive to wave off. Takeoffs likewise are critical. One extra climbing turn as the plane takes off from an airport will require as much as 16,000 pounds of extra fuel. These and other factors mean that terminal costs will skyrocket for SST operations.

Earlier studies have shown that basic changes in normal airport procedures will be required if the SST ever sees the light of day. A 30-minute "hold" in an airport traffic pattern before being allowed to land will cost more than 10 tons of extra fuel. At 200 pounds per passenger plus baggage, this extra fuel takes the place of about 100 passengers. The Concorde will carry 130 passengers while the American SST is slated for about 200.

Finally there is the $25 million to $40 million price tag for an SST compared with the $8 million cost of a present-generation intercontinental jet. To fight these costs, the airlines have contemplated austerity measures in the passenger compartment. Passengers will be placed five or six abreast with restricted legroom. The number of lavatories will be reduced. There will be no coat-racks or carry-on baggage racks and, sad to say, the size of the liquor locker is to be reduced.

Several months ago President Johnson announced plans for a huge new military transport plane called the C5A. There was speculation about its future conversion into a vast passenger craft which might carry as many as 700 persons. Such a payload would make it possible to cut the transatlantic round-trip fare from the present level of $300 to about $150.

This April Pan Am ordered twenty-five immense Boeing 747 jets. Each will have a capacity of 490 passengers. Though speedier than present jets, these planes will be subsonic. Boeing estimates a saving of 35 percent in passenger-mile costs. One wonders how many passengers will want to pay $300 to $400 extra to save three hours in crossing the Atlantic in an SST.

Recently the London *Observer*, under the banner "Has Boeing Killed the Concorde?" quoted the comments of Sir Giles Guthrie, BOAC chairman. "BOAC recognizes that supersonic aircraft will come into existence," he said, "but it is obviously vital to all airlines that they shall not acquire any supersonic transport unless they are certain that they will not lose a packet of money in the process." BOAC, the *Observer* predicted, will follow Pan Am in ordering 747s. To date BOAC has *not* ordered the Concorde nor has it even paid a deposit for a delivery position.

At International Air Transport Association meetings, the thoughts of the conferees return again and again to "the SST problem." The remarks of an Air India official in September 1964 seem to capture the mood of the majority: "We can't pay five times present costs for two-and-one-half times present productivity." At the same meeting Sir William Hildred, Director General of the IATA, said, "I hope I shall not live to see the damn thing. . . . I can afford to say things like that," he added, "but airline presidents cannot."

The SST will produce problems for more than the minority of citizens who are air travelers. The sound of an SST taking off will make citizens living near airports long for the good old days of subsonic jets. The SST engines will be much louder. It is doubtful also, that the airlines can be forced to undertake dangerous noise-abatement maneuvers with SSTs as they do with jets on takeoff.

It is fruitless to suggest relocating airports any farther from the center of cities. With approximately one-half of the total transatlantic travel time devoted to getting to and from the airports in their present locations, the SST traveler may begin to ask himself what he has bought for his money.

"A LITTLE TOO CLOSE AND A LITTLE TOO FAST"

Airport noise is a minor headache compared with the sonic-boom problem. A supersonic aircraft lays down a path of pressure disturbance which may be as wide as 100 miles. The boom may only be a dull, window-rattling crack but it can easily be more. By failing to minimize the effect by flying at just the proper speed and altitude, an SST can inflict property damage and pain. Studies reveal that low-altitude supersonic flight may be a more effective weapon on an enemy population than an atom bomb. Properly done, a sonic boom attack can maim and kill people while knocking down buildings in a wide swath from one end of the country to the other.

A propaganda effort in the fall of 1964 to soothe fears about the sonic boom backfired in amusing fashion in full view of millions of television viewers. Those watching Chet and David that evening saw a film report on an FAA study at White Sands Proving Ground, New Mexico, on the effect of sonic

booms on typical home construction. The day was almost complete with a number of tame booms that did no damage. On the last pass, however, the Air Force plane came over "a little too close and a little too fast." Plaster fell from the walls, picture windows were shattered as were the nerves of the newsmen, and foundations of the buildings were damaged along with the confidence of the FAA.

The complete results of the more extensive Oklahoma City sonic-boom tests more than two years ago have not been released officially at this writing. It seems safe to say, however, that they did not meet with universal approval. Two hundred persons received compensation from the FAA for damage to their homes from the more than 1,200 deliberate booms. More than 40 per cent of a sample of 2,000 citizens interviewed were convinced their homes had been damaged by the booms. Thus if not for economic reasons, then for public safety, SST operation probably should be limited to long over-water flights.

The United States today enjoys undisputed leadership in jet-aircraft construction, and no one questions that the federal government should encourage our continued supremacy by sponsoring aerospace research. The present generation of subsonic jets is the fruit of this policy. The Boeing 707, for example, flew for millions of miles as the Air Force KC–135 tanker before moving into commercial aviation. Similarly the experience gained on such military planes as the TFX, the A–11, and B–70 will provide a reservoir for a possible supersonic transport someday.

But the technical and operational problems of a commercial SST are numerous and difficult. The fact that one military aircraft has flown 1,400 miles supersonically does not prove commercial feasibility. Lindbergh flew the Atlantic twenty-five years before most of us were willing to try it.

SIKORSKY'S MEDICINE

The Federal Aviation Agency is abandoning its historic role as the objective guardian of airways safety to push a commercial adventure for which little if any technical or economic grounds can be found at present. The Concorde consortium was used as an excuse to trigger our unobjective rush not to be left behind. The loud "second thoughts" by the British on the Concorde and the recently revealed distress of the consortium at skyrocketing costs have, unfortunately, not slowed the push on this side of the Atlantic.

As a young engineer some years ago, I was fortunate to be called in as a consultant to the Sikorsky Aircraft Company in Bridgeport, Connecticut. On one of the reception-room walls I noticed a framed copy of that famous photograph of Igor Sikorsky himself at the controls of an early model of his helicopter. At first, I dismissed it as a typical publicity photo. Later, however, I found it was more than that. Sikorsky is not only a technical genius but a leader of men. He recognized that it was necessary to force his engineers to take personal responsibility for their technical decisions. Thus he required that all his designers make the first test flight of any new "improvement" they worked on. The photo showed Sikorsky taking his own medicine.

I suggest that Congress require the FAA to follow the Sikorsky plan. On the first test flight of the SST funded by the FAA, *all* responsible officials of the FAA would be required to be on board. On all subsequent flights at least one responsible FAA official would be on board until one full year of daily test flights had been completed.

(NOTE.—*John E. Gibson, now dean of engineering at Oakland University in Michigan, was professor of electrical engineering and director of the Control and Information Systems Laboratory at Purdue for five years. A Yale Ph.D., he has done research for the Navy, the Signal Corps, the Air Force, and NASA. He has written dozens of technical articles and several books, including "Nonlinear Control Systems"* (*McGraw-Hill*).)

VIETNAMESE ELECTIONS

Mr. FULBRIGHT. Mr. President, a letter on the subject of the forthcoming Vietnamese elections in this week's Economist makes an interesting proposal which I think merits consideration.

The author of the letter, Mrs. Crane, who has written a pamphlet entitled "Vietnam—A Plea for Self-Determination" published by the United Nations Association, suggests that the elections to be held in South Vietnam in September "hold the key" to the present impasse. She suggests that the United Nations or the International Control Commission, which has so far been unwilling to play a role in these elections, might be willing to do so if a truce were called during the period of the election campaign. Mrs. Crane believes that there might be a chance of securing a truce if the United States and the South Vietnamese Government would be willing to admit the National Liberation Front as a political party eligible to submit candidates for election. Mrs Crane points out that, under the rules promulgated by Marshal Ky governing the forthcoming elections, those suspected of Communist affiliations are prohibited from participating. Finally, Mrs. Crane suggests that a temporary truce would offer the Soviet Union and Britain, as cochairmen of the Geneva Conference, "a reasonable chance of agreeing to call a meeting to consider whether the most recent statements from Hanoi and Washington offer a basis for a settlement."

I am not proposing at this time that we should decide to urge the South Vietnamese Government to admit the NLF as a political party in the forthcoming elections. I am simply calling attention to Mrs. Crane's proposal and suggesting that it be considered by the administration.

I ask unanimous consent that the full text of Mrs. Crane's letter, which appears on page 244 of the July 16 issue of the Economist, be inserted in the RECORD.

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

VIETNAMESE ELECTIONS: COULD THIS BE A WAY OUT?

(A letter from Mrs. Crane, the author of the United Nations' Association pamphlet, "Vietnam—A Plea for Self-Determination," published this week)

SIR—The bombing of oil installations near Hanoi and Haiphong, according to President Johnson, is intended to speed up the end of the Vietnam conflict. Many people believe the opposite—that this will, in fact, make a political settlement of the war more difficult. But when Mr. Wilson visits President Johnson at the end of this month, there is one suggestion he could make that might break the deadlock.

The elections that are supposed to be held in South Vietnam in September hold the key. Properly handled they could offer a way out of the present impasse and a breathing space in which to try to convene a Geneva-type conference.

Both the South Vietnamese government and Mr. Arthur Goldberg, the American permanent representative at the United Nations, have indicated that they would like to see the United Nations or the International Control Commission supervise these elections. Not unnaturally, however, U Thant has shown little enthusiasm to use the UN in a situation where there can be no guarantee that the elections will be fair and free. Under the rules promulgated by Marshal Ky, those suspected of communist affiliations are prohibited from participating in these elections and a raging war hardly offers proper opportunity for campaigning and effective promotion of candidates for the constituent assembly.

The United Nations or the Control Commission might, however, be persuaded to risk their reputations if a truce were called to the fighting during the period of the election campaign. There might be a chance of achieving this if the United States and the South Vietnamese government were to make an important concession. This would be to admit the National Liberation Front as a political party eligible to submit candidates for election. With such an offer the Hanoi government might be prepared to agree to a truce, and even if the date of the elections had to be postponed to enable proper arrangements to be made, the prospect of a South Vietnamese election under international control would make it worth while.

A temporary truce to the fighting would offer the Soviet Union and Britain, as cochairmen of the Geneva conference, a reasonable chance of agreeing to call a meeting to consider whether the most recent statements from Hanoi and Washington offer a basis for a settlement.

Would the Americans and South Vietnamese government accept the National Liberation Front as a political party? It is true that statements to date do not make it seem very hopeful. Prior to the bombing raids near Hanoi and Haiphong there had been some shift in American attitudes regarding the role of the NLF and the Vietcong in peace negotiations, and *The Times* on January 8th reported that, in the event of a cease-fire, the Administration would accept the National Liberation Front as a political party in South Vietnam. Though this has not been confirmed by official statements, it is difficult to see how any valid elections in Vietnam can exclude the communists altogether.

The 14 points issued by the White House on January 4th, listing conditions for a settlement, merely restated the President's earlier remarks that the Vietcong would have no difficulty in being represented at a peace conference and having their views presented if Hanoi decided it wanted to cease aggression. On February 8th, Mr. Averell Harriman went further and stated that Washington would be willing to have the NLF participate either as part of a North Vietnamese delegation or as an independent group. On February 22nd, Senator ROBERT KENNEDY suggested that the Vietcong should be allowed a share in the government of South Vietnam.

It is just possible, therefore, that if a condition of international inspection of the election were recognition of the NLF, the Administration could be persuaded by both internal and external pressures to accept this. In the circumstances it would be difficult for the Saigon government not to agree. Here is Mr. Wilson's chance.

On May 24th U Thant said bluntly that 20 years of outside intervention had so profoundly affected Vietnamese political life that it seemed illusory to represent the war as a mere contest between communism and liberal democracy. He thought that the so-called "fight for democracy" was no longer relevant to the realities of the situation. Given a proper chance to express their views the majority of the South Vietnamese people may feel the same. Common sense would suggest that they should really be given a chance to decide.

Mr. Wilson might also draw President Johnson's attention to statements and hints

from Hanoi that indicate some basis for discussions at a conference, and suggest that they might be tested out in practice. The most important hint from the Viet Minh appeared in a *New York Times* report from Algeria in January in which Vietcong supporters suggested that, as a quid pro quo for recognition of the National Liberation Front, there would certainly be concessions on their part. A truce while elections took place in South Vietnam could well be such a concession.

Both Washington and Hanoi refer to the Geneva agreements of 1954 as a basis of settlement. Though it is difficult to understand how the United States can contemplate this unless it is prepared to accept the possibility of an electoral victory for Ho Chi Minh, Mr. Goldberg firmly stated on June 7th that America would abide by the results, not only of the South Vietnamese elections, but also the reunification elections contemplated by the Geneva agreements.

If everyone means what they say in this tangle it would seem that by recognizing the National Liberation Front as a political party now the United States will save itself much trouble and anguish in the future.—Yours sincerely,

PEGGY CRANE.

LONDON, W4.

THE AIRLINES STRIKE

Mr. BENNETT. Mr. President, the strike by the International Association of Machinists against five major U.S. airlines that has grounded 60 percent of the Nation's commercial airplanes is about to begin its third week. In what is becoming an ever-increasing pattern, as a result of strikes, a most vital segment of the Nation's transportation system has been unjustifiably and arbitrarily disrupted. Once again the real victims are the American people. I submit, Mr. President, that airlines exist to serve the public, but this strike has repudiated that basic fact.

I have no doubt that now both sides are finally working very hard to settle the dispute. Neither management nor labor wants to be blamed for tieing up our air travel system and causing the mass inconvenience and hardship resulting from this present deadlock in negotiations. Nonetheless, the strike continues and the public, I repeat the public, bears the major brunt of the impasse.

Labor, of course, insists that higher profits accrued by the airlines should be distributed to the employees in the form of a higher wage. Indeed, one picket in Chicago was quoted as saying:

We not only insist on our shart of profits, we demand and plan to get them.

One of the strongest pillars of free enterprise is that labor be fairly rewarded for its vital contribution to our productive capacity as a nation. I believe that this is widely accepted by our people. May I point out that this concept has been honored by one party to this dispute. When the airline and labor negotiators failed to reach an agreement last spring, the President appointed a board headed by Senator MORSE, a friend of labor, which recommended a settlement which Senator MORSE described as, one of the "fairest" he had seen. This, the airline industry accepted, but the unions rejected it. In an effort to get over this hurdle, the airlines made a new offer which was substantially better than the Board's recommendation. Once again the union representatives turned it down. Consequently, the air strike continues, our traveling public is denied a service which is basic to our national life and the Nation as a whole faces the prospect of a wage settlement that once again will be highly inflationary. Certainly, the public interest, which I feel should be primary, has again been subordinated to the narrow and inflationary demands of a labor union.

Compulsory arbitration is against the wishes of both disputing parties. However, no union or organization should be allowed to disrupt the lives of millions of citizens and the proper functioning of business and industry. The speedy flow of mail has been checked, faltering air shipments have slowed down production lines, and innumerable travel plans have been changed or canceled. Air transportation has become a necessity in our modern age, and our economy is heavily based upon its reliability and its continuation.

Mr. President, tourism has grown into a multimillion-dollar industry in this country, largely due to the increased accessibility of both populated and remote areas through expanding airline service. When air transportation is not readily available, would-be travelers either stay home or take land transportion facilities to some holiday site closer at hand. Utah and other Western States have particularly benefited from the readiness of people to fly and the increasing ease with which airlines make it possible for them to reach the spectacular and diverse national parks in the West. And now, at the peak of the tourist season, millions of dollars are being lost by the tourist industry in my State and the West because of this deadlocked strike.

Because the Federal Government in the past 15 years has invested more than $3 billion in airports, maintenance, operation, research and subsidies; because the Government controls aviation through its authority to determine routes, rate structures, mail subsidies, and licensing of pilots; and because the entire American public has so much at stake in a smooth and dependable air transportation service, I believe it is not only within the rights of Congress, but it is its duty to the American public, to enact legislation as soon as possible designed to solve this and other future paralyzing nationwide strikes against the public.

My colleagues, Senator JAVITS and Senator LAUSCHE, have each introduced legislation providing for Federal involvement in heavily disputed stalemated strike cases.

Thus far the administration has not only ignored both of these bills but has absolutely failed in the promise made in the President's state of the Union message last January that the administration would send up proposed legislation this year.

I quote from the President's message:

I also intend to ask the Congress to consider measures which without improperly invading State and local authority will enable us to deal effectively with strikes which threaten irreparable damage to the national interest.

This week in his news conference the President called the strike "intolerable." My question is if he finds it "intolerable" then why doesn't he do something about it.

I find the President's inaction particularly strange since the administration was compelled vigorously to oppose price increases in steel, aluminum, copper and molybdenum.

Mr. President, I hope the Congress will take immediate action to forestall another occurrence of the strike situation as it is today. When labor and management cannot reach a decision, it is up to the Congress to make sure that the public, business, and industrial economy and comfort are not needlessly upended.

Also on the subject of air traffic I think a commendation should be given to the nonstruck airlines in the country which are doing excellent work in trying to fulfill the needs of a busy flying America. The lines are long, the waiting lists frustrating and travelers' tempers are short. However, most of the employees of the nonstruck lines are doing their best to serve the public and I commend them highly.

I ask unanimous consent to have enclosed in the RECORD corespondence from my State and the intermountain area pointing out the disastrous effect of the airline strike.

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

SALT LAKE CITY, UTAH,
July 21, 1966.

Hon. WALLACE F. BENNETT,
Senate Office Building,
Washington, D.C.:

The strike that has crippled service of major airlines in this country is having a very serious adverse effect on the economy of this region to say nothing of its effect on necessary business travel. Urge you to use your good influence to help bring about a reconciliation of the parties and a resumption of much needed service.

UTAH POWER & LIGHT CO.,
E. M. NAUGHTON.

BOISE, IDAHO,
July 16, 1966.

Hon. WALLACE F. BENNETT,
U.S. Senator, Utah,
Senate Office Building,
Washington, D.C.:

The airline strike has already caused tremendous loss of time, money and patience to individuals within Boise Cascade Corp. and to the general traveling public. Losses to the economy of the entire United States are substantial. This situation is particularly critical in the Pacific Northwest because of the lack of available air transportation caused by the strike. I respectfully urge that you use your good offices to bring about an end to the dispute at the earliest possible moment.

I. V. HANSBERGER,
President, Boise Cascade.

OGDEN, UTAH,
July 20, 1966.

Senator WALLACE F. BENNETT,
Senate Office Building,
Washington, D.C.:

Prompt action by the Federal Government needed to help settle crippling air line strike as of many business men closely affected.

I urge you to do all you can to end this strike as soon as possible.

Sincerely,

HERTZ RENT A CAR,
D. J. SPAROW,
Licensee.

PROVO, UTAH,
July 15, 1966.

Senator WALLACE F. BENNETT,
Senate Office Building,
Washington, D.C.:

Airline strike is critical. We have international passengers and tours now being inconvenienced by Johnson's lackadaisical attitude. We need to have some relief that can only come by settlement. Can you bring pressure on the administration? We need help desperately. Would appreciate your cooperation.

JOHN L. WEENIG CHRISTOPHERSON TRAVAL.

SAN LEANDRO, CALIF.,
July 15, 1966.

Senator BENNETT of Utah,
Senate Office Building,
Washington, D.C.:

Airline strike having detrimental impact on business. Please do all possible to effect a just settlement promptly. Best regards.

THOMAS HUNTER,
President, Industrial Boxboard Corporation of Utah.
CLEARFIELD, UTAH.

SALT LAKE CITY, UTAH,
July 14, 1966

Senator WALLACE BENNETT,
Senate Office Building,
Washington, D.C.:

The airline mechanics strike is a direct assault on innocent bystanders. Our company can phrase its complaint directly in terms of airport limousine, air freight, rent cars, taxicabs, and tour buses stop since the Federal Government accepted responsibility.

In the beginning its responsibility is paramount, now this is no cat and mouse political game.

CHARLES A. BOYNTON, Jr.,
President, Salt Lake Transportation Co.

INTEGRATED TRANSPORTATION SYSTEM NEEDED

Mr. BREWSTER. Mr. President, one of the most disturbing problems produced by the rapid urbanization of our country is the increasing traffic congestion in our metropolitan centers. While rural areas may still claim relatively effective highway networks, our large cities are plagued by either a lack of planned road systems or an overcrowding of existing facilities.

Belatedly, planners have realized that building more and more highways is not the whole answer to this dilemma. What is needed is an integrated transportation system—one that includes highways for the private automobile owner, buses, and trucks, as well as mass transportation to handle the swelling number of urban commuters.

Recognizing the usefulness of the integrated approach, I believe, is the first step toward remedying the present situation. But in order to fully utilize this idea, a single State agency should be charged with coordinating, planning, and supervision of all transportation modes in each State.

Mr. President, I ask unanimous consent to have a recent editorial of WJZ-TV, a leading proponent of the "single agency" concept in my own State of Maryland, printed in the RECORD.

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

A LESSON FROM NEW JERSEY

(Presented by Kenneth T. MacDonald, general manager, July 5, 1966, 11:30 p.m.; July 6, 1966, 12:55 p.m., 6:20 p.m.)

WJZ-TV has pointed out many times that highways and public transportation are part of the same problem. They are both involved in moving people and goods from one place to another. More than a year ago we proposed that in the Baltimore area the Metropolitan Transit Authority be expanded to control metropolitan highway planning as well as mass transit planning. The proposal drew qualified support from Baltimore County Executive Spiro T. Agnew and City Councilman Thomas Ward. Mr. Ward extended the WJZ plan to a state-wide proposal, urging that all transportation be under the State Roads Commission.

In New Jersey, the State Legislature has just passed a measure initiated by Governor Richard Hughes that placed all transportation under a single agency. Henceforth in New Jersey, highways, commuter trains, buses, and some local transit, as well as aviation, will all be under the State Department of Transportation.

We believe Governor Hughes has taken a far-reaching step that other states will soon be following. New Jersey seems to have learned what many other states are slow to learn—that everyone benefits from a well-balanced transportation system. Increased use of public transit helps not only the person who chooses this form of travel, but highway users as well because each transit rider reduces the traffic on the highway.

Maryland, of course, does not have the same kind of problems as New Jersey. Commuter trains still are an important part of New Jersey's total transportation, whereas they have almost disappeared in Maryland. Since more of Maryland is rural, the need for coordination of plans here is limited almost entirely to the Baltimore and Washington metropolitan areas.

However, the need is acute around, in and between Baltimore and Washington for much better highway and public transit cooperation.

SENATOR ERVIN'S TESTIMONY ON MIRANDA CASE

Mr. HRUSKA. Mr. President, for 3 days this week, the Senate Subcommittee on Constitutional Amendments, under the chairmanship of the Senator from Indiana [Mr. BAYH], conducted hearings relating to the implications of the Miranda against Arizona case. This U.S. Supreme Court decision relates to the admissibility—or, rather, the inadmissibility—of confessions in trials of one accused of crime. It was decided in June of this year.

Much dismay spread across the land in police and law enforcement circles, generally, because of this decision. There has been a great deal of discussion and, unfortunately, too much speculation as to its real meaning, the departure it signifies from earlier interpretation of our Federal Constitution, and the impact upon future efforts to enforce the law.

This decision was one of several that have resulted in increased difficulty and obstacles in the path of police and law enforcement procedures. There can be no doubt that the Constitution resides in the police precinct station and its "squeal" room as it does in any other place in the Republic. It is also true that constitutional rights of individuals must be jealously guarded and protected. But there is also great concern for preserving the delicate balance which the rights of society against crime and violence provides.

The fifth amendment provides, in part, that in any criminal case, no person shall be compelled to be a witness against himself. This amendment has a long history. Its origins and its meaning had been well established prior to the Escobedo against Illinois and the Miranda against Arizona decisions. The origins and the history of the amendment should be well and clearly in the minds of those who are interested in the general subject of law enforcement.

The Senator from North Carolina [Mr. ERVIN] made another of his very splendid contributions to his career in the Senate by testifying before our Subcommittee on Constitutional Amendments on the subject. His statement given before the subcommittee earlier today so impressed this Senator with its clarity and with its reach into the essence of this problem, that I request unanimous consent that the portion thereof which deals with the Miranda case particularly be printed in the CONGRESSIONAL RECORD at this point.

A thoughtful reading of this excerpt will prove highly valuable to anyone. It is an excellent foundation for proper consideration of any action which may be made at a later date to modify the 5-to-4 decision in the case of Miranda against Arizona.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

EXCERPTS FROM SENATOR SAM J. ERVIN, JR., TESTIMONY BEFORE THE SENATE SUBCOMMITTEE ON CONSTITUTIONAL AMENDMENTS, JULY 22, 1966

This investigation, however, deals with another part of the crime picture and I think this subcommittee should face the fact that increasingly in the last decade our law enforcement officers have been limited and often hamstrung in dealing with crime by high court rulings. These rulings have drastically limited police investigative powers, have forbidden the use of voluntary confessions by the accused in many instances heretofore permitted, and have altered reasonable procedures which once were the great bulwarks against crime. Recent high court rulings have stressed individual rights of the accused to the point where public safety has often been relegated to the back row of the courtroom. In the process, police have become confused in their efforts to protect the public from acknowledged criminals. Dissenting court opinions have pointed out that investigative procedural rules are becoming unrealistic.

Civilization represents at best a delicate balance between the rights of the individual and society's rights. As Mr. Justice Cardozo explained in *Snyder* v. *Massachusetts*, 291 U.S. 97, 122 (1934), "Justice, though due to the accused, is due to the accuser also. The concept of fairness must not be strained till it is narrowed to a filament. We are to keep the balance true."

We have not kept the balance true. Unfortunately, the Supreme Court in recent years has moved through logic shattering sentiment and stifling procedures to favor the individual to such an extent that the administration of criminal justice is defeated.

Indeed, in the prosecution of crimes, we have seen the powers of the police at any level to conduct in-custody interrogation gasp in the case of *Escobedo* and, more recently, die in *Miranda*.

Basically, the Court majority held in the *Miranda* Case that:

". . . the prosecution may not use statements, whether exculpatory or inculpatory, stemming from custodial interrogation of the defendant unless it demonstrates the use of procedural safeguards effective to secure the privilege against self-incrimination."

The Court majority henceforth requires that before any suspect may be questioned he must be warned that he has a right to remain silent, that anything he says may be used against him, and that he has a right to the presence of an attorney, either retained or appointed. The suspect who submits to interrogation after being so warned may terminate such interrogation himself at any time simply by indicating that he wants it stopped.

Thus did the majority for all practical purposes fulfill the prediction by Mr. Justice White of its ultimate goal "to bar from evidence all admissions obtained from an individual suspected of crime, whether involuntarily made or not." *Escobedo* v. *Illinois*, 378 U.S. 478, 495 (1964).

The claimed basis for the decision was the Fifth Amendment's protection of the privilege against self-incrimination, a basis which has no support in the language of the Fifth Amendment or in the history of the privilege. The clear language of the Amendment is that "in any criminal case" no person shall be compelled "to be a witness against himself." One of the foremost legal scholars of this century, Edward Corwin, after careful study, concluded that the Amendment, when ". . . considered in the light to be shed by grammar and the dictionary . . . appears to signify simply that nobody shall be compelled to give oral testimony against himself in a criminal proceeding under way in which he is defendant." This construction, that the privilege applies to prohibit compelled *judicial* interrogations only, is firmly supported by the English authorities and the common law history of the privilege. Moreover, the dissent by Mr. Justice Harlan and Mr. Justice White convincingly demonstrated that no legal precedent existed for the application of the privilege to police interrogation, a demonstration the majority opinion never really refuted.

It requires little reflection to realize what the Court majority has done. It has not only practically eliminated confessions from trial court considerations; it has probably made impossible the ordinary practice of police interrogation itself, a result which surely entails harmful consequences for the country at large. Mr. Justice Harlan in dissent warned that although the extent of the harm wrought by the decision could not be accurately foretold; it was readily apparent that it would impair law enforcement to some extent. He said:

"We do know that some crimes cannot be solved without confessions, that ample expert testimony attests to their importance in crime control, and that the Court is taking a real risk with society's welfare in imposing its new regime on the country. The social costs of crime are too great to call the new rules anything but a hazardous experimentation."

I believe that this "hazardous experimentation" is one which we cannot afford to take in view of the grave problems that crime now poses to this country. Accordingly, I propose to introduce a Constitutional Amendment to deal with the *Miranda* decision. My amendment will allow the law, as it did previously, to protect suspects and defendants from having confessions and other admissions coerced from them without rendering next to impossible the solving of many crimes. By providing that any admission or confession shall be admissible in evidence if made voluntarily, my amendment will return the rule which the Supreme Court itself recognized as valid until recent days and which has prevailed in all states whose legal systems are based upon the experience of the common law. When all is said, there is no reason residing in the proposition that persons charged with crime should be protected by law against their voluntary admissions and confessions that they committed the crime with which they are charged.

Beginning with *Brown* v. *Mississippi*, 297 U.S. 278 (1936), the Court applied due process standards to questions of admissibility of confessions in court. Excluded were confessions gained by threats or imminent danger, physical deprivation, physical brutality, repeated or extended interrogation, lengthy detention and other coercive means. The goal to be achieved, as in my amendment, was "voluntariness", not in the sense of the removal of all pressure but the removal of unfair, illegal, or reprehensible pressure.

My amendment will allow a determination of whether the confession was voluntary, and, as such, will afford protection to the civil liberties of suspects while allowing leeway to protection of the general public interest in having crime either prevented or solved.

After *Miranda*, we have the police handcuffed. In many cases, there are no clues at the scene of the crime. There may be no witnesses or the witness may be dead or disabled. The only thing the police may have to go on is a known criminal lurking in the area, or a crime being committed in a certain pattern. If they may not bring people in and question them, the rate of crime solving is likely to drop precipitately.

If we do not seriously consider the enactment of this type of amendment, the result will be that the civil liberties of criminal suspects will be over protected while the rights and liberties of society will be seriously infringed upon.

The danger in the constant innovating drive of the majority of the court was well set out by the late Mr. Justice Jackson. He said:

"This Court is forever adding new stories to the temple of constitutional law, and the temple has a way of collapsing when one story too many is added. *Douglas* v. *Jeannette*, 319 U.S. 157, 181 (1943).

I maintain that we must act before the temple collapses.

FLY ASH CAN BE AN ASSET

Mr. BYRD of West Virginia. Mr. President, it is always a pleasure for me to report on a project which holds great economic potential and which makes wise and profitable use of one of our Nation's most plentiful natural resources. I now have reference to our vast coal resources which could lie dormant if it were not for research into new uses.

Today I speak of a project which I personally have sponsored and helped to carry to the pilot-plant stage—it is the conversion of coal fly ash, a costly waste product, into useful building bricks. The story of this research at West Virginia University has been convincingly told in the May–June edition of Consol News, a publication of the Consolidation Coal Co.

Mr. President, as a member of the Senate Appropriation Subcommittee which votes funds for the Office of Coal Research, I was instrumental in amending the fiscal year 1966 appropriation bill for the Department of the Interior to add $275,000 for this coal fly ash project.

The preliminary research has been highly promising and the project directors at West Virginia University in Morgantown are looking forward with great enthusiasm to the installation of equipment and machinery this fall to begin the pilot operation.

They believe that the use of this fly ash, which has represented a costly disposal problem to public utility companies which use coal, will now represent a salable asset. It will mean a reduction in the cost of using coal and will, at the same time, lead to the foundation for a new industry.

I ask unanimous consent that the article from Consol News be printed in the CONGRESSIONAL RECORD.

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

FLY ASH CAN BE AN ASSET

Until recently, fly ash—which looks like gray powdered talc and is produced in coal combustion—presented an air pollution menace to the coal-burning electric utilities. The companies themselves found ways of collecting this coal byproduct through the use of mechanical and electronic devices.

That solved the pollution problem, but created another business expense: Disposal of the fly ash trapped by the collectors. It usually costs from 50 cents to 2 dollars a ton to get rid of waste fly ash, and the electric utilities in the U.S. are now producing about 20 million tons a year. Not only are some utilities having difficulty in finding a place to dispose of fly ash, but more and more of it is being produced each year.

It's estimated that by 1980 the utilities will have 50 million tons of this waste product to dispose of each year. How successful the utilities are in getting rid of this tremendous amount of ash might well determine how competitive the coal industry will be when competing with the nuclear industry. So says Gerard C. Gambs, assistant to Consol's vice president-chemicals. Although his statement points up the seriousness of the situation, it doesn't mean that he isn't hopeful the industry will meet the challenge. He sees a potential silver lining in the production of this huge volume of fly ash. He thinks it's possible to turn this liability into an asset.

In a paper he read in New York before the Society of Mining Engineers of the American Institute of Mining, Metallurgical and Petroleum Engineers, Mr. Gambs said:

"Coal companies have a chance to turn power plant ash into a hidden opportunity. They can obtain better concrete at a lower price by using one of their own byproducts. This in turn will reduce the cost of fuel burned by the utilities, the best customer of the coal industry. The sale of these ashes by the utilities would reduce the cost of burning coal by as much as 1 to 2 cents per million BTU.

"Coal companies can lead the way in this program by starting to specify the use of fly ash concrete, fly ash concrete blocks and similar concrete materials which can use fly ash."

It's been known for a long time that fly ash when used to replace a portion of the cement in a concrete mix will produce stronger, better and more durable concrete. Certainly the Bureau of Reclamation and the U.S. Corps of Engineers are aware of this. For years, they have built dams and other structures with fly ash as a partial replacement for cement.

Consol currently is using fly ash concrete in at least a dozen construction jobs—including mine shafts, foundations and silos.

Fly ash from power plants in New Jersey, Pennsylvania, Illinois and Missouri is being used in these projects.

"Prior to these construction jobs," Mr. Gambs said, "none of the companies involved had ever used fly ash concrete before. We hopefully expect that since they have been made aware of its many advantages including its lower cost, that they will continue to use fly ash concrete for all of their concrete work. Thus, the chain reaction could bring about an almost infinite use of fly ash concrete, far greater than the use generated by one individual coal company.

"Fly ash can usually be delivered to the readymix plants or concrete block plants at a delivered price of about $5 per ton, compared with a delivered price for cement of $20 a ton. Since the fly ash is substituted for cement on a pound for pound basis, it is obvious why fly ash concrete can usually be sold for about $1 per cubic yard less than regular concrete."

Mr. Gambs says that the amount of fly ash used in mixes varies from about 20 per cent by weight or absolute volume of the original cement in the mix to as much as 50 per cent. The higher proportions work well in mass concrete of leaner mixes, where it is important to reduce the heat of hydration.

Truax-Traer Coal Company, a division of Consol, is utilizing fly ash concrete in its construction in southern Illinois. Fly ash from the Meramec Station of Union Electric Company, St. Louis, was used in the mix. Five sacks of cement, plus 100 pounds of fly ash, were used instead of the usual six-sack mix for the concrete. McDowell-Wellman of Cleveland, Ohio, and Roberts & Schaeffer of Chicago are the contractors.

Tests conducted by the Pittsburgh Testing Laboratory show that after 24 hours fly ash concrete has a higher compressive strength than regular portland cement. Tests also pointed up the fact that fly ash concrete continues to grow in strength over the years, a quality that regular concrete lacks.

Fly ash concrete used on Truax-Traer construction projects was mixed by the Chester Concrete Company, which has plants at Sparta, Chester and Red Bud, Ill. This company uses fly ash in more than half a dozen mixes and finds the fly ash good to work with. It's smoother, stronger and cheaper.

Although Consol is pioneering in efforts to find major markets for fly ash, it is not alone on this respect. Other companies are trying to find ways to dispose of this waste product profitably.

For example, Con Edison's Astoria, N.Y., generating station is converting fly ash into a lightweight material for use as an aggregate in concrete and concrete products. This plant is producing pellets ranging from three-eighths to three-quarters of an inch in diameter at the rate of 1,000 tons a day. Its product compares favorably in price and is lighter in weight than ordinary crushed stone or gravel. The material has been approved by the Board of Standards and Appeals for building construction in New York City.

The chief advantage of this fly ash aggregate in concrete products is its lighter weight. It gives concrete the same strength as that made with ordinary aggregate, but weighs approximately a third less per cubic foot. This makes possible the construction of floor slabs, foundations and column sections of much lighter weight and reduces the amount of reinforcing and structural steel.

A process known as sintering is used at the Astoria plant to produce the fly ash aggregate. Wetted-down fly ash is rotated in bowls 18 feet in diameter to form pellets. They then are baked at 2,300 degrees Fahrenheit on a traveling grade. The pellets are smooth and hard. Commercial operation of the sintering plant represents a major breakthrough after a 25-year program of research aimed at solving a major problem. Disposal of the approximately 150,000 tons of fly ash collected each year at Astoria station alone has cost about $250,000 annually.

The National Coal Association announced earlier in the year that the use of coal by southern California electric companies will open the way for utilization of fly ash in that area's building industry. Vice President Robert E. Lee Hall said that fly ash will be used in the construction of houses and other buildings, highways and bridges.

It will have the added advantage of keeping costs down, Mr. Hall said, because fly ash can be delivered there for about one-quarter of the price of cement. The Sante Fe Railway is already using fly ash to stabilize its roadbed, he pointed out. In addition, Mr. Hall said, the material has been used to reinforce concrete in construction of several dams in the Rocky Mountain area.

He predicted that the introduction of fly ash to California industry will begin as soon as the Southern California Edison Company plant in Nevada's Clark County comes into operation. Other use of the material will increase with the completion of a steam-fired generating plant in southern Utah and another in the Four Corners area of New Mexico. Both will produce electricity for the Los Angeles area.

Two West Virginia University scientists—Harry E. Shafer, Jr., and Charles F. Cockrell, research geologist and research chemist, respectively—have developed a brick that is composed largely of fly ash but is stronger and lighter in weight than clay brick. Messrs. Shafer and Cockrell are members of a research team at the Coal Research Bureau of the WVU School of Mines, Morgantown. Their brick offers such a great potential as a building material that the Office of Coal Research (OCR) approved the construction of a pilot plant in Morgantown.

Two buildings are being renovated at the old Morgantown Ordnance Works, and equipment for the process is due to arrive this fall, according to Senator ROBERT C. BYRD (D.-W. Va.). "Once the plant is in operation, it is expected to produce 8,000 unbaked bricks each eight-hour day," he added. "One thousand of them can be sent into the kilns each day."

The pilot plant of the $466,500 OCR research project will determine the commercial feasibility of the process. It's expected to conclude that the bricks can be manufactured for considerably less than the current market price of clay bricks. The contract is for 30 months and includes construction and operation of the pilot plant.

Coal companies can use fly ash to their advantage in at least one other way: In the manufacture of fly ash concrete blocks. As Mr. Gambs said in his paper, they have only a small fraction of the air and water leakage of regular blocks and are nearly twice as strong. These two factors should provide a strong argument for the use of fly ash concrete blocks in mine stoppings. Consol alone uses several thousand concrete blocks for mine stoppings each work day.

Another product of coal combustion—the bottom slag from cyclone boilers and wet bottom pulverized boilers—represents another hidden opportunity for the coal industry, Mr. Gambs says. He added:

"Bottom slag is the granular molten ash and is a hard, black, glassy material. It is an excellent aggregate for roads and is particularly good as the topping material for road surfaces due to its non-skid properties and its ability to withstand fading. It is also used for roofing granules and for abrasive grit.

"The coal companies can use their influence to have roads in their area use bottom slag in many ways. This will not only make better roads but will be using one of our own products."

Mr. Gambs thinks the industry should look upon the use of coal in terms of a closed fuel cycle in which coal is sold to the utilities in order that they can extract the thermal units from it. The residue then becomes a valuable byproduct, but only if we become aware of its potential. He added:

"When every coal company starts to use fly ash concrete and fly ash concrete blocks, and persuades others to do the same, we will be on the way to helping our industry survive the competitive threat from the atom and other fossil fuels."

To this end he has pledged his full cooperation and support. He has offered to give the details on the concrete design mixes which Consol has used and to share all the available test data. He suggests that the next time we order cement for a Company project that we unhesitatingly tell our supplier: "Fly ash concrete, please."

RENT SUBSIDIES WILL WORK

Mr. JAVITS. Mr. President, I ask unanimous consent to place in the RECORD a copy of a recent article in the Chicago News American of July 10 concerning the new Federal rent supplement program and how it has affected the life of one New Yorker. I commend this article to those who question the workability of this new program. It seems to me that in the example of the Cambrelen family may be seen the beginnings of one of the most effective programs which the Federal Government has initiated in many years. I wish to note also that the city of New York has granted a 100-percent tax exemption to the buildings in the project discussed in the article. This demonstrates the need for intergovernmental cooperation of this sort to really make the program valuable.

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

[From the News American, July 10, 1966]

FHA RENT SUBSIDY TO CHANGE LIFE OF FAMILY

NEW YORK, July 9.—One day later this summer, Mrs. Carmen Cambrelen will fill out Federal Housing Administration form 2501 and sign her name in the box at the bottom.

With that, this pleasant, round-faced mother of four will become one of the first ordinary citizens to benefit from the controversial new federal *rent supplement program.*

Many critics in Congress and out have attacked these "rent subsidies"—government payments for a share of your rent—as a "boondoggle" and a "step toward socialism."

Mrs. Cambrelen doesn't see it that way. Standing on the steps of the stifling, grimy-brick tenement in *East Harlem,* where she has *struggled to raise her family for the last 10 years, Mrs. Cambrelen said in a soft Puerto Rican accent:*

"I think it is wonderful. At least we will have a more decent place to live. All the people here are very happy."

Next door, at 319 East 102d Street, workmen chopped away the crumbling interior of an identical, six-story tenement.

By fall, No. 319 will be almost completely rebuilt. Only the 80-year-old exterior walls of the original structure will be left.

Inside, instead of 30 cramped hovels, there will be 17 roomy apartments with modern equipment and simple but attractive decor.

By Christmas, if Mrs. Cambrelen's hopes are realized, she and her family will be living in one of the new apartments—despite a rental far beyond her means.

Rent supplements—a new Great Society program launched by Congress this spring—will make the difference.

Here's how the program will work for Mrs. Cambrelen and eventually thousands of others like her:

At present, Mr. and Mrs. Cambrelen and the four children occupy four wretched rooms at 317 East 102d, an "East Side Story" neighborhood where Negroes and Puerto Ricans jostle and seethe in heat, dirt, and discontent.

The Cambrelens pay $45 a month rent for their quarters in what a New York housing official called "one of the most ghastly slums in the city."

When No. 319 is ready, the Cambrelens will be assigned to a five-room apartment. They will pay about $75 a month rent—one fourth of Cambrelen's wages as a factory worker.

That's a $30 a month jump in rent but even that falls far short of the real, so-called "economic rent"—the sum it takes to pay for the land, building, improvements, operation, and management of the property.

The actual cost of the Cambrelens' new quarters will be about $140 a month, even with no profit for their landlord, a nonprofit association of churches and private charitable organizations.

The cap will be made up by the taxpayers in two ways:

Federal rent supplement payments estimated at $50 a month will be paid by the FHA directly to the Cambrelens' landlord, Metro Northeast Harlem Housing Society.

The city of New York has granted a 100 percent tax exemption to the six buildings in the project. City officials estimated this is worth about $16 a month on the Cambrelen apartment.

Three doors away, in an already rebuilt extenement at 307 East 102d, Zion Paige was relaxing in his spic-and-span, newly remodeled apartment after his all-night job as a stationary fireman for the city.

DIPLOMATIC RECOGNITION TO OUTER MONGOLIA

Mr. YOUNG of Ohio. Mr. President, in a speech in the Senate on May 16, 1966, I strongly urged that the President offer to extend diplomatic recognition to Outer Mongolia. The decision of administration officials to offer $25,000 for flood relief in Outer Mongolia and making it clear to officials of that nation that we are prepared to offer further assistance was not only a humanitarian measure but was also a long-delayed gesture toward improving relations with that remote nation and an important step toward formal diplomatic recognition.

Outer Mongolia, a country of little more than one million people, is landlocked between the two greatest powers of the Communist world—Soviet Russia and Red China. It shares an 1,800-mile border with the Soviet Union on the north and a 2,500-mile border with China on the east, south and west. However, it is generally conceded that Outer Mongolia is within the Russian sphere of influence and that its Nationalist Communist rulers have allied themselves with the Soviet Communist leaders in the power struggle between the Russians and Chinese.

Extending diplomatic recognition to Outer Mongolia would provide our Nation with a strategic outpost in one of the most vital, yet relatively unknown areas of the world. Here indeed is an opportunity to establish another listening post in the heart of Communist Asia. We need that open window. We need the listening post. Mongolia was admitted to United Nations membership in October 1961. There is no valid reason why we should not have diplomatic relations with the Peoples Republic of Mongolia at this time.

We cannot withhold diplomatic recognition from Outer Mongolia on the basis that it is an aggressor nation. It threatens no one. It is a Communist nation, but we have diplomatic relations with many Communist nations. Since 1933 that has not been a criterion for our extending diplomatic recognition to a country.

The United States and Outer Mongolia will both benefit from a diplomatic exchange and the establishment of formal channels of communication. We have few friends and fewer allies in that remote part of the world. There are clear indications that the rulers of Outer Mongolia are desirous of establishing diplomatic relations with the United States. We Americans have nothing whatever to lose and we would have much to gain were we to establish diplomatic relations with Outer Mongolia. This would help prevent its complete submergence into the Communist bloc, would contribute toward a relaxation of international tensions, and would give us a valuable listening post in that part of the world.

Mr. President, in this morning's Washington Post, there appeared an excellent editorial on this subject, entitled "Opportunity Knocks," which clearly and succinctly sets forth the case for diplomatic recognition of Outer Mongolia. I commend this to my colleagues and ask unanimous consent that it be printed in the RECORD at this point as part of my remarks.

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

[From the Washington (D.C.) Post, July 21, 1966]

OPPORTUNITY KNOCKS

Since Mongolia has existed as a state for 45 years, the United States can hardly be accused of hasty improvisation in making, only now, its first official contact with this Asian Communist land. By offering $25,000 in cash for flood relief and inviting Mongolia to ask for more, Washington is acting in an old humanitarian tradition and, we trust, opening a new diplomatic avenue to Ulan Bator.

The United States should proceed on to formal diplomatic recognition. Nationalist China, which considers Mongolia a Chinese province, has dictated American policy on this issue in the past, but its objections are specious. Unlike the other Communist countries unrecognized by the U.S., Mongolia cannot be accused of aggression or hostile intent. Through recognition, the U.S. could better see what's going on in a remote strategic enclave between Russia and China. It could increase its activity and influence in a continent—Asia—which President Johnson has freshly proclaimed "the crucial arena of man's striving for independence and order—and for life itself."

FREEDOM OF INFORMATION

Mr. LONG of Missouri. Mr. President, I am very pleased to inform the Senate that the Federal Communications Commission is the first agency to begin complying with the new freedom-of-information law.

As the Senate knows, this is the bill which we passed twice, July 31, 1964, and October 13, 1965, and which passed the House on June 20, 1966. It was signed by the President on historic July 4, 1966. The freedom-of-information law will help insure the right of the press and the public to find out what their Federal Government agencies are doing.

Mr. President, I would like to take this opportunity to congratulate the Federal Communications Commission for their fine decision to begin complying now "rather than wait until the effective date of the law in July, 1967."

The FCC has already begun publishing all Commission orders, opinions and other documents of precedential significance. Also within recent months, the FCC has started the preparation of an index to all reported Commission decisions.

I know I speak for all Senators when I offer our congratulations to the Commission. They have made an outstanding decision, a decision which reaffirms the public's right to know.

This agency, as we all know, plays an extremely vital role in the Nation's communications—their daily activities affect the lives of every American, in every State and in every community. We deeply appreciate the Commission's leadership in complying with the freedom-of-information law.

I am now hopeful that other Federal agencies will begin complying.

Mr. President, I ask unanimous consent to have placed at this point in the RECORD the FCC's public notice concerning its decision to begin compliance with the freedom-of-information law.

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

[FCC 66-674, 86561, Public Notice-G]

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., July 21, 1966.

THE PUBLIC'S RIGHT TO INFORMATION

BY THE COMMISSION (Commissioner Johnson not participating): The Federal Communications Commission announced today that it would promptly begin compliance with Public Law 89-487, the so-called Freedom of Information Law, rather than wait until the effective date of the law in July 1967. Immediate steps to implement the law and bring FCC practice into full compliance will be supervised by Chairman Rosel H. Hyde.

The law, which is an amendment to section 3 of the Administrative Procedure Act, was signed by President Johnson on July 4, 1966. At that time the President called on all agencies "to make information available to the full extent consistent with individual privacy and the national interest." Chairman Hyde stated that the FCC is fully committed to observe the letter and the spirit of the law and to achieve the objective stated by the President.

Chairman Hyde noted that the FCC had started publishing all Commission orders, opinions and other documents of precedential significance in July 1965, and within recent months had started the preparation of an index to all reported Commission decisions. These measures are among those which will be required by the new law. In addition, a review of Commission practices and records will be made to insure that all records

are available to the public except those which are specifically privileged to be withheld. Other actions to implement the new law will include coordination with other interested Government agencies.

Adopted, July 20, 1966.

DOCTORS WARN OF MOTORCYCLE HAZARDS

Mr. HARTKE. Mr. President, I was glad to note the strong support given to my plea in a speech here in the Senate last week for motorcycle safety, support provided on Monday by my colleague from Connecticut [Mr. RIBICOFF] who has done so much for the cause of safety. Together with the articles which he inserted in the RECORD, his statement and those of others who have recently commented, point up the growing motorcycle hazard of which I spoke. Only this morning the local radio news reported the death of a motorcyclist on a nearby highway in a collision with an automobile, in which the unprotected rider of the machine was hurled 127 feet through the air by the impact.

The American Medical Association, in material sent to me under date of Monday, June 20, summarizes an article appearing in the Journal of the American Medical Association of that date. The article is written by two surgeons and a neurologist based on their experience with motorcycle accident victims in Portland, Maine. The extent of the problem is pointed up by the fact that in the period from May through August last year there were 38 such victims treated at Portland's Maine Medical Center.

Mr. President, I ask unanimous consent that the press release reporting this article may appear in the CONGRESSIONAL RECORD.

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

(A news release from the American Medical Association, June 20, 1966)

PHYSICIANS WARN OF MOTORCYCLE HAZARDS

CHICAGO.—The motorcycle is creating a new epidemic in the United States, warn three physicians in the current (June 20) Journal of the American Medical Association.

Alarmed by the number and severity of motorcycle accidents in their own community, the three doctors from Portland, Maine, call for a campaign to reduce motorcycle deaths and injuries.

"It seems clear that the increasing popularity of small motorcycles is creating a serious health hazard in our communities," they said.

Part of the fault is driver carelessness, part is lack of safety devices, and part is due to the public's lack of awareness of special features of motorcycle handling, the physicians said.

"In motorcycle accidents, the victims have no protection whatever. Few helmets are used by the cyclists, and those in use are generally inadequate."

Head injuries are usually much more severe than those in auto accidents, and contaminated, compound fractures are more common, they noted.

"Victims are thrust, often at high speed, into another vehicle or to the pavement. The head receives the full force of impact when the cycle collides with another object, and the cyclist is catapulted over the handlebars."

The authors—two surgeons and a neurologist—saw the effects of such crashes on the patients they treated. From May through August last year, there were 38 victims of motorcycle accidents treated at Portland's Maine Medical Center.

Three of these victims died. One is blind and paralyzed. Ten suffered fractures of the lower extremities. There were two spinal fractures, two pelvic fractures, two severe abdominal injuries, and nine cases of major injury to the head and neck.

It was difficult to classify the damage in these accidents, the authors said, because so many victims suffered multiple injuries.

"A most distressing fact is that the group involved are young, otherwise healthy persons. This is not an epidemic involving the aged or the infirm—rather it involves a group of young, healthy people who must be regarded as a most important group in our society."

According to the U.S. Bureau of Vital Statistics, there were 882 motorcycle-accident deaths in 1963. It seems reasonable, the authors said, that there were "far more than a thousand" deaths in 1965.

States need to develop carefully supervised mortorcycle driver-training programs, meaningful road tests, and rigid inspection and licensing rules, the physicians said.

"Educational programs in public schools, as well as press and other news media campaigns are needed. Physicians should make themselves available to participate in such efforts in their communities.

"Ways to improve safety equipment, should be sought. Universal use of crash helmets alone would undoubtedly reduce the severity of many injuries."

Multiple injuries are so common in motorcycle accidents that physicians should work in teams in caring for them, the authors said. Skilled, early treatment of severe central-nervous-system injuries and complicated extremity fractures can improve recovery chances, they said.

Finally, the physician noted another aspect of motorcycle crashes: "In many of our cases, parents were opposed to their children having such vehicles. After considerable pressure, the parents reluctantly agreed. When an accident occurred following such a situation, the psychological problems were tremendous."

Physicians should warn parents of the hazards in driving motorcycles, the authors said.

"Only by taking a firm position in combating this rising hazard to health can we expect to avert a great epidemic."

The authors are Richard C. Dillihunt, M.D., George L. Maltby, M.D., and Emerson H. Drake, M.D., all of the Maine Medical Center, Portland.

TRUTH-IN-LENDING TALES

Mr. DOUGLAS. Mr. President, the very useful magazine, "Everybody's Money," published by CUNA International, Inc., recently asked its readers to write letters describing an actual experience they had had with deceptive credit practices. These letters furnish very useful examples of the range of practices carried out by some lenders and sellers to conceal the true cost of credit. These examples come from every part of the country, and they help to reinforce the fact, fully proved by the hearings of the Subcommittee on Production and Stabilization, that truth-in-lending is badly needed.

I think Members of Congress will find some of these letters of interest, and I shall, therefore, insert some of them in the RECORD from time to time. I have taken care to remove any indication of the businesses involved, and the names of the correspondents have also been deleted. These are actual letters signed by the authors, but it is better not to mention names, and I have followed the policy throughout our investigations of credit practices of not publicly naming those who engage in deceptive credit practices or their victims.

Mr. President, I ask unanimous consent that a letter from Binghamton, N.Y., which I have entitled "The Case of the Rusty Arithmetic," be printed in the RECORD.

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

THE CASE OF THE RUSTY ARITHMETIC

BINGHAMTON, N.Y.,
March 15, 1965.

DEAR CONTEST EDITOR: My wife, like many, found "easy credit" too enticing. It was while teaching that she finally saw the light. Hired by the school district to home-tutor a fallen football hero, she had to scrape the rust off her per cent, interest, and algebraic equations.

She had just purchased some carpeting and succumbed to the temptation of the furniture store's friendly credit plan to finance the balance . . . $154.16 in 6 easy installments. Although she signed the usual forms, she was chagrined to find a $2.31 credit service charge no one had bothered to mention on her first statement. After an irate call to their office, she was placated by the explanation that it was just a formality and it had all been figured into the monthly payments.

Testing her newly reviewed math skills, my wife figured a formula of $R=I\div P$ and came up with the rate of interest of .0145. "Wow!" she shouted, "1½% in one month? That's 18% a year! Some formality!"

"That's what I've been trying to tell you all these years", I chided, "we pay that on most of our short term loans."

So the teacher learned a lesson. Wouldn't you think more people would be able to see through the innocent appearing little monthly service charge? We now borrow from our credit union exclusively and check any other credit arrangements carefully in advance.

Yours truly,

———.

Mr. DOUGLAS. Mr. President, this letter reveals one of the most common practices used to conceal the true cost of credit; namely, stating only a rate per month. The truth-in-lending bill would require that the annual rate be disclosed. If the basic rate were 1½ percent per month, the annual rate would have to be stated as 18 percent per year. I do not say that this is an excessive finance charge. It depends upon the service rendered. But the statement of an annual rate would permit the customer to shop for the best credit buy.

Mr. President, I ask unanimous consent that a letter from Carlsbad, N. Mex., which I have entitled "The Case of the Bogus Insurance," be printed in the RECORD:

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

THE CASE OF THE BOGUS INSURANCE

CARLSBAD, N. MEX.,
March 12, 1965.

EDITOR, EVERYBODY'S MONEY,
CUNA International, Inc.,
Madison, Wis.

DEAR SIR: When we purchased our last car the salesman, of course, had a finance

company (* * * ----------, Albuquerque, N.M.) eager to handle the financing. He also persuaded us to buy the required insurance and "just add it to the contract." The premium seemed a little high but it was so *easy*.

Later I figured it and found the interest to be approximately 14%, the insurance almost $200 for a year's coverage! But the real blow came three years later when we paid the *last installment*. SIC refused to release our automobile title until we had paid an additional charge of $33 for "insurance".

After much angry correspondence we were informed that the original policy had been renewed (without notifying us) before they received notification of the coverage we had purchased from ---------- Insurance Co. Further checking showed that the car was without coverage for a month. For that month we were required to pay $33!

Three years of chafing under the knowledge that we were being taken was sufficient to impress the lesson upon us without the exclamation point of a $33 additional charge! We are cured of patronizing finance companies in general and * * * in particular.

Sincerely yours,

——— ———.

Mr. DOUGLAS. Mr. President, this letter illustrates the practice which some call "loading the camel." Under this scheme to conceal the true cost of credit, extra fees, both unnecessary and exorbitant, are added to the finance cost. In this example, apparently part of the charge was actually for nonexistent "insurance." Moreover, the charge for the insurance which did exist clearly was excessive.

Mr. President, I ask unanimous consent that a letter from Dubuque, Iowa, describing the case of the credit advertisement which said "no carrying charges," but which did not mention interest, be printed in the RECORD:

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

THE AD SAID "NO CARRYING CHARGES," BUT IT DIDN'T MENTION INTEREST

DUBUQUE, IOWA,
March 1966.

DEAR * * * EDITOR: Our old set was getting so shabby that we jumped at the chance to take advantage of the following ad.

"Your old set makes the down payment."

"Pay as little as five dollars a week."

"No carrying charges."

"Free delivery . . . etc."

Pictured was a living room set I'd dreamed of. We bought the lovely sectional, tables and lamps.

Six weeks we lived in seventh heaven. We scarcely noticed the small weekly payments. We thought we'd made a wonderful deal. We were wrong!

The Monday following the sixth payment, I received a phone call from a finance company. The manager told me that we had missed our payment. I told him that we had no loan. It seems we did. He explained, as though I was a stupid child.

"The store where you bought your furniture is too small to bother with small accounts. They can't be doing all the extra bookwork that the $5.00 payments involve. We take over their bills and they are able to reinvest the lump sums. You can see this is the only way they can stay in business."

I didn't care if they stayed in business, in fact I hoped they wouldn't. I argued and stormed, to no avail. We were hooked. Our old set was gone, we loved the new furniture, and we had paid $30.00 that wouldn't be returned. The ad had said "No carrying charges" but it hadn't mentioned interest.

We had to pay almost $100.00 extra because of the interest. However, I did get even with this particular company. I went to another place and borrowed the money to pay them off in full and cheated them of their blood money!

We never buy on credit anymore, no matter how attractive the deal looks. We use the credit-union that we joined since then.

Sincerely,

——— ———.

Mr. DOUGLAS. Mr. President, this letter reveals a common way of misleading customers. The writer was told that there were no carrying charges and assumed, therefore, that no fees would be added to the selling price. But the seller said that carrying charges did not mean interest, so the purchaser was deceived and denied the opportunity to shop for the best credit buy.

The truth-in-lending bill would not regulate interest rates nor advertising. It would make two simple requirements at the time a contract is signed: One, the full cost of the credit must be stated in dollars; and two, this amount must be stated as an annual rate on the outstanding unpaid balance.

These cases very convincingly show the need for truth in lending. On another day, I shall continue my truth-in-lending tales.

BALTIMORE CHAMBER OF COMMERCE MAGAZINE WINS TOP AWARDS

Mr. BREWSTER. Mr. President, I point with pride to the dynamic and constructive efforts of the Metropolitan Baltimore Chamber of Commerce. Indicative of the chamber's recent accomplishments is the chamber's newly designed Baltimore magazine. Under the imaginative direction of Editor William Stump, Baltimore has become one of the Nation's outstanding publications. This past July 20, the American Association of Chambers of Commerce Publications awarded Baltimore magazine top honors in their annual competition. Such recognition by the association reflects credit not only to Baltimore's business community, but to all Baltimore as well. I therefore ask unanimous consent to print in the RECORD an article from the Baltimore Sun which comments on this distinction.

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

[From the Baltimore Sun, July 21, 1966]

C. OF C. MAGAZINE HONORED

The Chamber of Commerce's monthly magazine *Baltimore* won two top awards and two awards of merit in the annual competition of the American Association of Chambers of Commerce Publications.

The awards were announced yesterday at the association's annual gathering in Hartford, Connecticut.

WILLIAM STUMP IS EDITOR

William Stump is editor of the magazine. He took the post September 1, 1964, and directed a complete redesigning of the journal, beginning with issue for October, 1965.

Baltimore received awards of merit for design, layout and typography and it took top awards for photography and artwork and cover design.

The cover design judged the best in the nation last year was on *Baltimore's* March, 1966, issue.

"FRIEND OF THIRSTY"

The cover made use of a line conversion print of a photograph of Dr. Abel Wolman, which the magazine identified as a "friend of the thirsty" in its profile of the Baltimorean who is a world authority on water problems.

Twenty-one magazines were entered in the competition. They were judged by Dr. Paul Fisher, of the University of Missouri School of Journalism.

REQUIEM FOR A HERO

Mr. MONTOYA. Mr. President, many of my colleagues will recall the heroism of Sp4c. Daniel Fernandez in Vietnam last February. Fernandez gave his life to save his buddies when he hurled himself on a grenade during action with the 25th Division.

Marcella Powers, editorial assistant of New Mexico magazine, has written a tribute to Sp4c. Fernandez which touched me deeply, and I would like to share it with the other Members of the body.

The article appeared in the August issue of the magazine, under the title, "Requiem for a Hero."

Mr. President, I ask unanimous consent that this article be reprinted in the RECORD.

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

REQUIEM FOR A HERO

Born during one war, he died during another, barely on the threshold of what we call life. Yet in that brief span from 1944 to 1966 he managed to influence people around him in a most remarkable and mature way. A child of fortune he, little knowing and maybe not caring what the future held. Or perhaps some inner voice told him that his time was short and that he had to do his best always, for he always did.

Fate does not tip off in advance those individuals marked for special valor. There was nothing in the background of Daniel Fernandez, 21-year-old aerial gunner, that indicated that he was destined to sacrifice his life to save the lives of four comrades. He lived all his life in a small town south of Albuquerque, but thought he might like to move to Texas after the war and raise horses. He loved horses. He volunteered for a three-year hitch in the army and planned to marry his girl after it was over, and hoped to be a rancher like his father.

But shortly after midnight on February 18, with fifteen others he chose to go out on ambush patrol from Cuchi, South Viet Nam. He had been out all night when the grenade was thrown at 7 a.m. It hit Danny in the leg and started to roll toward four other men. Without a second's hesitation, he shouted "Move out!" and threw himself on top of the grenade, which exploded instantly beneath him. A .40 caliber machine gun bullet hit him seconds later. Still conscious, his last moments on earth were with the men who had been his buddies since he returned to Viet Nam in January. Less than a month, but a lifetime together for these young-old men.

When they brought his body home, so many came to pay their respects that the final Mass had to be said in a gymnasium instead of the local church. He was given a hero's funeral with full military honors at National Cemetery in Santa Fe on February 26, 1966, and on that day all flags on State buildings flew at half staff in tribute to

Danny Fernandez, the Los Lunas boy who became a man on the plains of Viet Nam. *Pax vobiscum.*

—M. P.

CONFIRMATION OF FRANK C. DI LUZIO

Mr. BYRD of West Virginia. Mr. President, I wish to offer my support and best wishes on the appointment and confirmation of Mr. Frank C. Di Luzio as Assistant Secretary of Interior for Water Pollution Control.

As a member of the Senate Appropriations Subcommittee for the Department of the Interior and Related Agencies I am well aware of the importance of water pollution control. As a West Virginian, I look forward to working with Mr. Di Luzio on the many projects underway in my State to improve the quality of water, both for general population uses and for the necessary expansion of industry.

I welcome Mr. Di Luzio's direction of these projects from his new role in the Department of the Interior.

I look forward to his personal supervision of these projects which I would like to describe briefly:

First. A demonstration project on the control of acid mine drainage. This project has just moved to the construction stage with the award of a $1.6 million contract. It will involve the sealing of abandoned mine openings and surface cracks in the Roaring Creek-Grassy Run watershed of Randolph County, W. Va. The Water Pollution Control Administration, working with the Bureau of Mines, mapped a plan to prevent rainwater from entering the abandoned mines, only to seep out later in an acid condition, thus polluting the fresh-water streams. It has been estimated that some 30 tons of acid a day are carried by one stream—the Tygart River—in this watershed.

Second. The Upper Ohio River Basin, under which a laboratory to analyze water from the Ohio River and its tributaries has been established at Wheeling, W. Va., to pinpoint and eliminate causes of pollution.

These projects are exceptionally important to the future development of West Virginia. In view of the responsible manner in which the Department of the Interior has acted in the past to assist West Virginia in its development, I welcome Mr. Di Luzio to his new role in the Interior Department.

THE NUMBERS GAME

Mr. HRUSKA. Mr. President, no Member of the Senate needs a reminder of the extent to which we Americans have become addicted to numbers. A sharp and painful reminder is presented each time we seek to charge a long-distance telephone call to our credit card. With area codes, a minimum of 20 digits is required for the 2 telephone numbers, even without extension numbers and the credit card itself has another 10 digits.

The mailing of a letter to a boy in Vietnam requires not alone his serial number, his unit, regiment, division and APO, but a five-digit ZIP code as well.

And so it goes—bank account numbers, insurance numbers, social security numbers, driver's license numbers. We figure soon to run out of figures. A national magazine not long ago calculated that a young New York executive, married and the father of 3 young children, must cope with some 50 sets of digits in this complex and computerized civilization of ours.

Even our fictional heroes have forsaken names for numbers. James Bond is 007 and that brave young Control agent on television faces danger with, "I'll handle this, 99!" Sorry about that, Mr. President.

One would think that some sort of saturation point must have been reached, but no, like lemmings driven mysteriously to the sea, we are somehow impelled onward, if not upward in this frenzy of figures.

The same kind of mechanistic urge which caused the telephone companies to abandon words as prefixes for telephone numbers displayed itself during the recent efforts of the National Commission on Food Marketing on which I was privileged to serve as a representative of the Senate.

The staff of the Commission, supported by 9 of our 15 members, argued that the time had come to do away with descriptive labeling of canned and packaged foods. Instead of mouth-watering descriptions like "old-fashioned goodness" and "home-style" and "sun-ripened" they opted for something called "grade labeling." This means that corn for example, would be labeled No. 1 or No. 2 or No. 3. Just that, Mr. President.

Gone would be the brightly hued picture of what is inside the can. In its place would be a sterile number. It is almost as though brand X had won respectability.

One of the oldest of jokes, Mr. President, concerns the prison inmates who were not allowed to talk in the messhall. To circumvent the rule, they had numbered all their jokes and committed them to memory so that when one sang out "No. 76," all the others burst into appreciative laughter. When a newcomer first tried the system by shouting "No. 14," nobody laughed and it was sadly explained to him, "Some people just can't tell a joke."

That is the way it is with the grade labeling proposal of the Food Marketing Commission. With only a number on the can, you will not know whether to laugh or cry.

These thoughts came to me, Mr. President, in connection with a satirical little essay printed in the "Apprise or Dissent" section of the Lincoln Journal. It was written by the Honorable Clarence Davis, whom Senators will remember as Under Secretary of Interior and Solicitor of that Department during the Eisenhower administration.

Figuratively speaking, he signs it not with his name, but with his social security number.

Mr. Davis, now practicing law in Lincoln and in Washington, suggests that we give up names altogether and simply use numbers. Then he carries the idea several steps further, proposing that each child at birth be given a certain number of credits by the Government which he can pay back if he later becomes a producer.

There are further refinements on this theme and I ask unanimous consent, Mr. President, to have Mr. Davis' essay printed in the RECORD as a point of departure for Senators to give their own fancies free flight for its further development.

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

WHY NOT DISPENSE WITH NAMES

(By 505-61-7386, Clarence Davis, Lincoln Attorney)

(NOTE.—"Apprise or Dissent" is a periodic individual opinion feature of this page. It is intended to provide public expression, both to advocate and to dissent, on the issues of the day. Selection of articles is based on timeliness, readability, general interest and variety of subject matter.)

On one of his chatty broadcasts from his farm on Blackbird Road, Bill MacDonald, tongue in cheek, planted an idea.

Bill said, in substance, "Why do we bother with money any more? Why don't we simply have the government keep books and give us credit for what we do and deduct for what we get?"

That appealed to me. Besides that, money is more or less worthless any more. It has no real value. They've taken the gold (De Gaulle has most of it) and silver which used to back it up and the money in your pocket is nothing more than a piece of paper (or perhaps 1-10 cent of copper) on which the government promises to pay. All you really get now is a government promise to pay—no date set.

This leads me to further amplification of what I think is a brilliant idea. We are now all living by numbers; social security, medicare, income tax, credit cards, automobiles, house numbers and so forth.

Why should we bother with names? Names simply lead to vanity. Pride in a name is not democratic. Besides that, there are too many of them alike. Consider the Smiths, Browns and Johnsons. Why don't we simply give everybody a number at birth under which the government will record all of his acts and doings the rest of his life. Instead of saying "Dear Bill" we would say "Dear 506" or something of that kind.

* * * * *

Every child, at birth, could be credited on the government books with a certain number of credits which would be enough to insure his health and welfare while he is growing up and going to college, or if we are able to afford it, to a poverty school, and perhaps a couple of advance degrees, because we don't grade people by brains any more, but by the number of funny letters after their now obsolete names. Then when "506" begins to produce, if he does he can accumulate credit on the government books.

* * * * *

Instead of signing checks, he simply signs a government chit by his number and that would be charged against him on the government books and if he produces, that will be credited to him on the government books. To prevent cheating everybody should be finger printed and his finger print put on all his charges—his tax returns, etc.

This also has other great advantages. It would substantially relive unemployment. Think of the tens of thousands of incompetents who can't do anything else who could be put to work in a new government bureau running these government books and the ledger pages of all people.

* * * * *

They in turn could be paid by government credits to their accounts. See how simple

to deduct income taxes and social security taxes! And, if we run out of credits then the relief agencies would give us some more.

* * * * *

Furthermore, this would greatly hasten the day of complete government supervision of our lives which undoubtedly could improve our efficiency. We could get a letter from the government saying that an examination of our ledger page account shows that we are spending above the national average for cigarettes, or food, or clothing or automobiles, etc., with a gentle reminder that we should curtail our activities or expenditures to conform to the national average—or maybe contribute a little more to the party.

This system would eliminate the banks who are probably loaning too much money to too many unstable people already. It would eliminate all of the bank bookkeepers who could be transferred to the government payroll. It would eliminate having to carry money around with us, of which we could be robbed without any hope of convicting the robber because he would have to be spoken to gently, in a dignified manner and informed of his right to refuse to speak and his right to counsel before he was asked whether he stole our money.

* * * * *

It would make total and absolute equality of all human beings under the federal constitution. Aren't all men created equal? It would eliminate the jealousies which those who are lazy have against those who work a little and that in turn would achieve, I am sure, a more placid society. I am amazed that the Russians and Chinese have not thought of this, although as I understand it, they have come reasonably close.

* * * * *

There are doubtless many other useful applications of this theory which could be made.

CONTINUING NEED FOR MORE PROFESSIONALLY TRAINED GRADUATES IN THE FIELDS OF SCIENCE AND ENGINEERING

Mr. PELL. Mr. President, I should like to speak briefly about the continuing need for more professionally trained graduates in the fields of science and engineering in the United States today.

Mr. Gerald G. Gould, technical director of the Naval Underwater Weapons Research and Engineering Station, at Newport, R.I., conducted a poll of the scientific and engineering staff of the station regarding this problem in 1961. Earlier this year, Mr. Gould conducted another poll of the same staff on the same subject.

I should like to compare a couple of important questions appearing on the questionnaire for both polls.

In his 1961 poll and his 1966 poll, Mr. Gould asked his respondents what had influenced them to study engineering or science. He found that 77 percent of the respondents in 1961, and 72 percent of the respondents in 1966 had been motivated by an aptitude for science.

The respondents in each poll were asked whether or not they would advise their sons or daughters to pursue careers in science or engineering. Forty-one percent of the 1966 respondents said "Yes," and 14 percent said "No." Thirty-four percent of the 1961 respondents said "Yes," and 8 percent said "No."

In both polls, with 130 respondents in 1961 and 119 respondents in 1966, the general feeling among scientists and engineers at the station was that education is the critical factor in increasing the number of science and engineering students being graduated in this country today.

In the 1961 poll, 72 percent of the respondents cited educational factors as the cause of declining enrollments in engineering. In the 1966 poll, when the question was turned to reflect positive solutions to the problem, 49 percent of the respondents said that an improvement in educational procedures would stimulate more young people to enter the field.

To quote Mr. Gould directly on this subject:

The purpose (of question 10) was to elicit opinions on how to stimulate young people to choose engineering and science as careers. The importance of the answers to this lies in noting that half of the respondents believe that improved educational procedures are the most significant items in providing such stimulation. The image of the profession was not considered as important as the educational procedures. There were many detailed comments about the shortcomings in the way science is taught, both at the secondary level and in the early college level.

The conclusion of Mr. Gould's polls of scientists and engineers at the Naval Underwater Weapons Research and Engineering Station in Newport, R.I., thus seems to be that improved educational procedures, both at secondary and college levels, would stimulate college enrollments for engineering and scientific degrees.

I am pleased to be able to report, in this regard, that the Senate will soon have an opportunity to take constructive action to help remedy a portion of this problem when it considers my bill S. 2439, the National Sea Grant College and Program Act of 1966. This bill would provide $45 million over the next 3 years for the support of education and research in the marine sciences and, as such, it should improve the quality of an important segment of professional education. I hope it will thus stimulate and give fresh impetus to enrollments in at least a part of the science and engineering field.

Mr. President, I ask unanimous consent to insert in the RECORD Gerald Gould's 1966 poll at the Naval Underwater Weapons Research and Engineering Station, Newport, R.I., along with a letter from Mr. Gould dated May 27, 1966, and a summary of the 1961 poll. I should like also to express my appreciation to Mr. Gould for his constructive assistance in helping the Congress to become more aware of a particular need and of the circumstances which have created the need.

There being no objection, the poll, letter, and summary were ordered to be printed in the RECORD, as follows:

"FOUR YEARS LATER"—1966 POLL

1. Please check whether you are an engineer ------ or other technical professional ------.

2. When did you receive your BS degree? ------.

3. Please check your GS rating:
GS–5 to GS–11 ------.
GS–12 to GS–13 ------.
GS–14 to GS–15 ------.

4. What influenced or motivated you to study engineering or science?

5. What do you believe is the most important reason why young men and women today want to study engineering or science?

6. Would you advise your son or daughter to enter the engineering profession?

7. Would you advise your son or daughter to enter the scientific profession?

8. Do you believe the responses to the three questions as given four years ago are representative of today's opinions?

9. If you had it to do over again, would you still choose engineering and science as a career?

10. How, in your opinion, can more young people be stimulated to choose engineering and science as careers?

Responses to 1966 questionnaire

[In percent]

	Composite	Junior group	Senior group
QUESTION 4			
What influenced or motivated you to study engineering or science?			
1. Aptitude for science	68	66	72
2. Influence of others	21	29	16
3. Promise of rewarding career	11	5	12
QUESTION 5			
What do you believe is the most important reason why young men and women today want to study engineering or science?			
1. Aptitude for science	39	36	39
2. Influence of others	1	2	1
3. Promise of rewarding career	60	62	60
QUESTION 6			
Would you advise your son or daughter to enter the engineering profession?			
1. Yes	41	31	50
2. No	14	13	14
3. Qualified response	45	56	36
QUESTION 7			
Would you advise your son or daughter to enter the scientific profession?			
1. Yes	48	50	47
2. No	10	8	12
3. Qualified response	42	42	41
QUESTION 8			
Do you believe the responses to the 3 questions as given 4 years ago are representative of today's opinions?			
1. Yes	66	59	72
2. No	23	35	16
3. Qualified response	11	6	12
QUESTION 9			
If you had it to do over again, would you still choose engineering and science as a career?			
1. Yes	73	75	72
2. No	10	9	11
3. Qualified	15	14	15
4. No answer	2	2	2
QUESTION 10			
How, in your opinion, can more young people be stimulated to choose engineering and science as careers?			
1. Improve image of profession	33	29	37
2. Improve education procedure	49	53	46
3. Increase salary or compensation	13	14	12
4. No answer	5	4	5

NAVAL UNDERWATER WEAPONS
RESEARCH AND ENGINEERING STATION,
Newport, R.I., May 27, 1966.

Hon. CLAIBORNE PELL,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR PELL: Pursuant to your request, we have conducted a poll of the egineering and scientific staff of the Station to follow up on the one we made in 1961, wherein we sampled the attitudes of the engineers with respect to their profession. The present poll was addressed to the question of why men turn to Engineering or Science as a career and whether today's opinions differ from those of four years ago. We also seeked to discern the motives of the younger men who had recently entered the profession. Enclosed are the Questionnaire we distributed to the Station professional staff, and Summary Tabulation of the responses. Also enclosed, for comparison, is a summary of the 1961 Poll.

A total of 119 responses were received. The group constituted 96 with engineering degrees and 23 with other scientific degrees, including physics, mathematics, chemistry and metallurgy. Forty-six of the respondents were categorized in the "young" group i.e. they have been out of school for a period of six years or less; the balance of 73 was categorized in the "older" group, i.e. they have been out of school for seven years or more. In general, we find upon examining the responses that there are only minor differences of opinion between the juniors and the seniors. We also find only minor changes from the responses obtained in the 1961 poll.

Some further analysis of the responses highlights the following points.

a. The responses to Question 4 show there has been no change in the reason for studying engineering or science. More than two-thirds entered the field because they had natural aptitude for these disciplines.

b. The responses to Question 5 indicates that it is the belief of our engineers, just as it is the belief of the average layman, that the promise of a rewarding career motivates young men to study engineering. Sixty per cent have so stated.

Although this may be a popular opinion, it is important to note that the engineers themselves did not make their choice for a promise of a rewarding career. As shown in Question 4, their own choice was made by their individual aptitude for scientific matters.

c. In the responses to Question 6 and Question 7, it appears that the junior group is more certain of science as a profession, as distinct from engineering as a profession, in recommending such to a son or daughter. This may be a small point, and the statistical sample too small to attach much significance to it.

d. The response to Question 9 is of interest in noting that about ten per cent, both the junior and senior group, would not choose engineering as a career if they had to do it over again. However, the large majority would.

e. The purpose of Question 10 was to elicit opinions on how to stimulate young people to choose engineering and science as careers. The importance of the answers to this lies in noting that half of the respondents believe that improved educational procedures are the most significant items in providing such stimulation. The image of the profession was not considered as important as the educational procedures. There were many detailed comments about the shortcomings in the way science is taught, both at the secondary level and in the early college level.

I hope that these preliminary findings will be of value to you, and I shall be pleased to expand on any facet of the study that you may wish.

Sincerely yours,

G. G. GOULD,
Technical Director.

SUMMARY OF 1961 POLL

The 1961 poll asked three questions with the following responses:

Question. What influenced or motivated you to study engineering or science?

Answer:

	Percent
Early demonstrated aptitude for science	77
Influence of others	22
Promise of rewarding career	17

Question: Would you advise your son to become an engineer?

Answer:	Percent
Yes	34
No	8
Qualified response	58

Question. Why, in your opinion, is engineering enrollment decreasing in college these days of increasing need?

Answer:	Percent
Educational factors	72
Social factors	36
Pay	36

BAN THE JETS AT WASHINGTON NATIONAL AIRPORT

Mr. BREWSTER. Mr. President, the Federal Aviation Agency recently reconsidered its disastrous decision to allow extensive use of jets at National Airport—a nonjet airport. The FAA decided to cut back the volume of traffic and ban all nonstop flights beyond a 500-mile radius.

It is now rumored that the FAA is about to change its position once more and allow long nonstop flights. While it has always been my position that there should have been no jets at National in the first place, the FAA at least took a step in the right direction when they cut back flights. Now they are apparently considering another step in the wrong direction.

If the FAA yields again to the pressures for long-distance flights, it will be another indication that this Agency really is more concerned with private interests than with the public interest in safety, convenience, and quiet. As the Washington Post editorializes today:

The names of those who have pushed FAA into such a capitulation ought to be set in standing type in every newspaper in the country, to be held for the day when the inevitable air tragedy occurs. And then these names could be promptly and appropriately published along with other "causes" of the disaster.

I think that the position taken by the Washington Post is a notable one. The Post originally supported the FAA decision to open National to jets. But the confusion, noise inconvenience, and danger created by this tremendous expansion of traffic have caused the Post to conclude that General McKee should once again close National to jets. I concur strongly in this conclusion; I only hope that the FAA will not move in the opposite direction and expand the jet traffic.

Mr. President, I offer this post editorial for the consideration of my colleagues. I ask unanimous consent that it be printed in the RECORD.

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

BAN THE JETS

The Federal Aviation Agency is being so unmercifully pressured by Congress and by the airlines industry to relax current restrictions on jet use of National Airport that it ought to reconsider the decision which opened National to jet use on April 24.

The initial decision of General William McKee was commended by this newspaper. But the commendation rested on the assumption that jet traffic could be kept by regulation at a level consistent with the convenience, comfort and safety of the community. As soon as any jet traffic became possible, the industry proved itself incapable of keeping the volume within reasonable limits without arbitrary Federal controls. And as soon as FAA imposed arbitrary Federal controls, confining National's use to originating and terminating flights of less than 500 miles, the airlines and Congress set up intolerable clamor for alteration. It is pretty clearly indicated by this deplorable experience that the airlines, animated by a passion for volume and Congressmen solely concerned with their own convenience are not going to permit intelligent limitations on jet use of National. General McKee ought to go back and start all over again, beginning with no jet flights at all into National.

The CAA first recommended a second Washington airport in 1949. The demand for another and safer airport was greatly sharpened when, a little later, a Bolivian military plane collided with a passenger transport. The community was frightened at one point by the report of 33 near misses in a year at WNA.

Now it is argued that the accelerated traffic at National has not brought movements up to the 1959 peak—but the 1959 peak was not satisfactory or safe. And the type of aircraft now involved present greater difficulties than the piston aircraft of 1959. It looks as though neither the airlines nor the Congressmen will be content with a limited jet use of National. An unlimited use will impose hardships on passengers, as it did a few weeks ago. And ultimately it will involve genuine risks to passengers and to the citizens in the densely populated urban areas that surround National. It will certainly result in delays by stacked aircraft waiting to land and by overcrowded luggage facilities and congested parking conveniences. Of course, many Congressmen are able to escape some of the ground inconveniences by VIP treatment, but rank and file users without congressional prerogatives cannot by-pass these annoyances and delays.

The traveling public apart, the citizens of this city have a great stake in the way National is used. Only some seven per cent of the population ever travels by air. And the non-flying majority of the public has its rights to air space over the great cities. They ought to have a voice in decisions that deluge their communities with sound, blacken them with soot and threaten them with the worst consequences of air disasters involving crashes in built-up regions. All in all, it looks as though the FAA ought to go back to its point of departure—the ban on jets at National in effect before April 4.

If FAA is coerced by the pressures of Congressmen and airline operators into promoting, against its judgment, an unlimited use of National, with all the hazards entailed, it will be a sorry day. The names of those

who have pushed FAA into such a capitulation ought to be set in standing type in every newspaper in the country, to be held for the day when the inevitable air tragedy occurs. And then these names could be promptly and appropriately published along with other "causes" for the disaster.

THE ARGENTINE PRICE STRICTURES ON DRUGS

Mr. BAYH. Mr. President, some 13 months ago, on June 23, 1965, I called the attention of the Senate to the problems which might be caused by price strictures that the Government of Argentina was seeking to impose on the pharmaceutical industry in that country. At that time I said:

> Enforcement of what appears to be a short-sighted law could endanger the livelihood of more than 20,000 Argentine families whose bread is earned in the pharmaceutical industry, and could prove detrimental to the good health of the entire country. Among many others in that country, members of the medical profession of Argentina have been gravely concerned.

Although the pharmaceutical industry has complied with the requirements of Decree 3042, issued by the Argentine Ministry of Health, with few exceptions no relief has yet been granted. It is to be hoped, however, that the new Argentine Government will soon modify this stringent policy so that this industry can grow and prosper to the benefit of the Argentine people.

A number of Indiana companies which have branches in Argentina have suffered losses and difficulties because of the obstacles imposed by this decree. These American companies have enjoyed doing business in Argentina and would like to continue to do so. A clarification of this matter would be helpful to the Argentine employees and their families who are working in the pharmaceutical industry, as well as to the parent companies in the United States which export raw materials to their Argentine plants.

A memorandum has been prepared by the pharmaceutical industry summarizing the background of this matter and making certain specific recommendations. In view of the importance of this problem, I ask unanimous consent that this memorandum be printed in the RECORD at the end of my remarks.

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

MEMORANDUM ON THE CONTINUING DRUG INDUSTRY CRISIS IN ARGENTINA

I. BACKGROUND

From the date of publication, April 26, 1965, through the end of 1965, the drug price control decree No. 3042 issued by Argentine Health Minister Onativia, had been strenuously opposed by nearly all pharmaceutical laboratories in Argentina, both domestic (owning more than one-third of the market) and foreign. The reasons: the decree aims at setting prices based on the submission by each company of a sworn declaration, in which manufacturing and all other expenses are to be calculated according to a highly unrealistic Health Ministry formula. This formula allows fixed, extremely low percentages for production and all other expenditures to be added to the costs of raw materials and labor, the latter having been established by a cursory Health Ministry survey of a sampling of drug laboratories during the period November 1964 to March 1965.

In official conversations with Argentine, Swiss, German and U.S. drug industry leaders, in the fall of 1965, Minister Onativia had repeatedly stressed that he would administer decree 3042 equitably and expeditiously if each company would promptly submit the required sworn declaration forms described above. More specifically, Dr. Onativia had pledged that, once his demands are complied with, he would speedily grant increases in prices, which have been frozen since November 1963, and that the existing obstacles to the introduction of new pharmaceutical products in the Argentine market would be removed rapidly. On the basis of these assurances, in December 1965, and January 1966, virtually all of the foreign laboratories and the great majority of the small domestic drug houses filed with the Health Ministry the sworn declaration forms.

II. PROBLEM

Although three to six months have elapsed since the required documents were filed, only two or three out of more than a hundred laboratories have been granted moderate price increases. The prospects of obtaining the promised speedy relief by the remaining overwhelming majority of companies are remote because of the painfully slow processing of the declaration forms, caused ostensibly by the Health Ministry's personnel shortage, requests for additional data, and outdated accounting equipment, but due predominantly to a lack of official cooperation.

Thus, nearly one year since the issuance of decree 3042, the Argentine pharmaceutical industry is held down to an untenable 30-month-old price level for its older products, and hardly any authorization has been given for setting prices of its new products, preventing their marketing, despite the following highly onerous factors:

1. the Argentine peso underwent, shortly after the publication of the decree, still another devaluation, thus sharply raising the import cost of essential medicinal raw materials (when drug prices were frozen in November 1963, the exchange rate was $1=80 pesos as against $1=190 pesos today);

2. the local prices of all other components of finished drug products have also steadily gone up;

3. a new labor contract, in September 1965, has increased drug industry wages by 35%.

As a result, economically viable returns on virtually all significant products have been wiped out, and many of them sold at a loss. Thus, even though the industry has leaned over backwards to meet the Health Minister's demands, the year-old crisis has not been settled nor is the outlook for the foreseeable future at all favorable.

III. RECOMMENDATIONS

It is therefore respectfully recommended that the United States Government, which has effectively backed the U.S. pharmaceuticompanies' position with regard to decree 3042, continue to lend its invaluable support toward:

1. a thorough re-examination at the forthcoming Paris Club negotiations of the continuing acute drug industry problem in Argentina with a view to its speedy and satisfactory solution, as pledged by the Argentine delegation at the 1965 session of the Paris Club;

2. using the influence of all appropriate U.S. Government agencies, including our Embassy in Buenos Aires, to accelerate such a solution and insure its fair implementation.

It is respectfully submitted that continued failure to resolve this critical problem will reinforce the foreign pharmaceutical companies' reluctance to invest new capital in Argentina, to expand existing production facilities, and to introduce their important products within her borders. It will also surely cause additional bankruptcies and withdrawals from the market of Argentine national laboratories, as in several recent cases.

The consequences of all this for Argentina's public health and economy are obvious.

APRIL 21, 1966.

DOUGLAS STRESSES NEED FOR CONGRESSIONAL CODE OF ETHICS

Mr. PROXMIRE. Mr. President, the distinguished senior Senator from Illinois, PAUL DOUGLAS, authored an excellent article appearing in the July 10 issue of Parade magazine on congressional ethics.

Senator DOUGLAS, with compassion and wisdom, assesses the tremendous pressures Members of Congress are under to bow to the wishes of special interest groups. As he indicates, legislators are, on the whole, more incorruptible than the average man, but the temptations are awesome. These temptations are accentuated by the need to raise funds for campaign expenditures.

My good friend from Illinois then goes on to propose two steps Congress could take to minimize the pressures for special interest voting. The first would be a requirement that all Members of Congress disclose their assets and the sources of their income. Senator DOUGLAS does this voluntarily, as do I and a few other Members of Congress. But it should be a mandatory requirement.

The second step would be for the Federal Treasury to pay to the candidates a flat fee based on the number of voters in a candidate's district or State. As Senator DOUGLAS so aptly points out, this would minimize the pressure on legislators to vote for or against an issue as a result of substantial campaign contributions.

Mr. President, I can think of no man in Congress who is better qualified to discuss congressional ethics, because I know of no other man in Congress whose personal and business ethics are so unimpeachable. I ask unanimous consent that the article from Parade magazine be reprinted in the RECORD at this point.

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

NEEDED NOW: A CODE OF ETHICS FOR CONGRESSMEN

(By Senator PAUL DOUGLAS)

I believe that the time has come for Congress to act to reform the antiquated laws on campaign contributions and political expenses and to provide for the disclosure of the income, assets and the holdings of its members.

Congress has been dilatory in these matters. We have fooled around long enough. The failure to act could jeopardize the public confidence in the legislative branch of the government.

There are already a series of bills before Congress, including President Johnson's proposals, which could go a long way to solve the problems we face.

But year after year Congress fails to act. One year, the Senate passes a bill but the House fails to act. The next Congress, the House acts but the Senate does not. For a variety of reasons, nothing of consequence gets done.

Basically, there are two problems: Members of the Senate and House have great power and influence over a variety of favors, privileges or benefits that selfish interests desire—Defense Department contracts, insurance for a bank or savings and loan company, a quota for an oil refinery, agricultural allotment arrangements, sugar quotas at highly subsidized prices, tax favors, appointments to important positions and influence over hundreds of bills and resolutions that Congress routinely passes.

The other problem is the tremendous amount of money that a candidate needs to run a modern political campaign. It has been estimated that in the New York City mayoralty campaign last year at least $5 million was spent. In the recent senatorial campaign in that state, the expenditure for each candidate has been estimated at over $3 million. In my own state of Illinois, a recent candidate for statewide office said that he spent a million dollars before the final campaign; certainly he must have spent at least that much when the campaign really got underway. In a major two-party state, under modern campaign conditions—especially with the importance and extremely high cost of television and radio time—a bare minimum of $500,000 would be needed to run even a modest campaign.

MISTAKES AND TEMPTATIONS

I advocate disclosure not because I think that members of the House and Senate are dishonest or corrupt. On the contrary, I believe that the level of honesty is a good deal higher than the general level in our society. But the fact is that these men have more opportunities for mistakes and more temptations thrown their way in a month or year than the average person does in a lifetime. If congressmen and senators acted as most of those in private business do, many would be pilloried in the press and driven out of public life. So it is not because of lack of integrity on the part of my colleagues as a group that I advocate both disclosure and reform of campaign contributions, but rather as a protection for these men whose power and position make them especially vulnerable in the ambitious, the self-seekers and the narrow interest groups.

One of the reasons Congress has failed to act vigorously in these areas is that each member of Congress knows from personal experience the pressures of running even a modest campaign. He therefore tends to be a good deal more tolerant and considerate of his colleagues for fear that "there, but for the Grace of God, go I." And, in addition, as men who deal daily in their public lives with the tremendous problems and difficulties of human beings, legislators are far more compassionate than those in administrative and judicial positions.

Nonetheless, Congress has great problems that we must do something about. Let me give some examples. One man I know, who was literally without funds near the end of his campaign for the Senate, was asked if he could use $10,000. His reply was, "Can I use $10,000?!" But strings were attached. He could have the $10,000 if he agreed to support one of the most flagrant of the tax loopholes. The candidate said that he had not studied this provision, but he could not agree to take the money on condition that he vote in a particular way. Eventually the $10,000 was raised elsewhere, and the candidate received it with no strings attached.

DOZENS OF GIFTS

Shortly after I was first elected, my wife and I received dozens of gifts, some quite valuable. These came from people whom we scarcely knew and from people we had not known at all. We packed them up and shipped them back.

I remember in a major debate on the steel basing point price system, I was taking a position essentially against the steel industry when it crossed my mind that I owned a few steel shares and that if the fight were successful my own shares would decline in value. This did not deter me, but the mere fact that I thought about it warned me, and I sold the shares and since have put what small holdings I have into mutual funds where no legislation could affect the value.

On numerous occasions people have offered campaign contributions while making a request for a job, privilege or favor. My policy is to return these and to make certain that campaign contributions are insulated from me so that I will not be influenced either consciously or subconsciously. But these are precisely the reasons why we need to have disclosure legislation.

The expenses of holding office are not commonly understood. Last year I spent over $10,000 buying lunches for constituents, holding receptions for Illinois visitors, going back and forth to Illinois, for weekly television and radio reports to the citizens of my state, for political contributions and for telephone and telegraph expenses beyond the allowances given a senator. This year I will probably spend more. Tremendous demands are made on the public official, and if he doesn't pick up the check, people will properly complain that he is a "freeloader." And frankly, I regard contributions to my political party and to candidates in whom I believe as much a civic duty as contributions to church and charity.

I believe that the full disclosure of a senator's income and assets is the best possible insurance to the people that he is not engaging in conflicts of interest. I believe that the people who elect us at least have a right to know about our income and holdings as well as expenses. For this reason, first as an alderman in Chicago and more recently as a senator, I have made a public disclosure of income, assets and expenses of myself and my wife. Also for this reason I have a rule for myself and my staff of returning any gift the value of which exceeds the arbitrary figure of $2.50.

What is the solution to these problems of requiring personal financial disclosure? The best solution would be for all citizens to take their civic duty seriously and contribute a few dollars to their party and its candidates. This would adequately finance campaigns and leave no candidate indebted to anyone. But this obviously does not happen and will not happen.

The system that has grown up recently of having dinners where a guest gets a $5 dinner for $50 or $100 is a great improvement as a campaign fundraising device. No officeholder can feel that anyone can influence him for amounts as relatively small as this. Even the larger sums from the trade unions represent the dimes and dollars of ordinary working men and women. It is much healthier to have a large number of people giving $50 and $100 than a handful giving $5,000, $10,000 or $15,000 apiece. People who give large amounts expect, and generally get, favors in return. And in the end, the public pays for these contributions because the cost is absorbed in the defense contract or deposit insurance or the sugar quota received in return.

FLAT FEE PER VOTER

In my judgment, the best solution is that put forward more than a half-century ago by Theodore Roosevelt and more recently by the late Sen. Richard Neuberger of Oregon. They believed the best method of financing campaigns was for the federal treasury to pay to the major candidates for federal office a flat fee such as 10¢ per prospective voter. Campaign expenditures would be limited to these amounts. In this way, campaigns would be adequately financed, candidates freed of any obligation and the public protected.

Some may say that with the present level of taxes and of government expenditures this would be just another unnecessary expense. But the fact is that under our present system the public generally pays anyway. This proposal is a better method of doing it.

For all these reasons some proposals should be enacted into law by the Congress. These problems can no longer be swept under the rug.

SOME CURRENT COMMENTS ON VIETNAM

Mr. GRUENING. Mr. President, two current editorials which led their respective publications—namely, the Nation and the New Republic—express some dissenting views on our steadily deepening military involvement in southeast Asia and as such are useful in informing the public that there is another side.

I ask unanimous consent that these editorials entitled "The War President," from the July 16 issue of the New Republic, and "Snow Job" from the July 25 issue of the Nation, be printed at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. GRUENING. Likewise, a thoughtful article by Murrey Marder, entitled "Russia Seen Trapping Self in Hard Viet Line," suggests the alarming possibility that as a result of U.S. escalation in bombing the installations around Hanoi and Haiphong, Russia is being driven closer to the position of China. It has seemed hitherto, fortunately, that the split between these two great Communist powers was irremediable—a situation highly favorable to the United States. But it may be, as Marder reports, that our escalation will bring Russia and China closer together—a dire eventuality to be obviated at all costs.

It becomes increasingly clear that every escalation to date has not brought about the results which the President and his advisers appear to expect. A few of us have sought to point out the inevitably disastrous results of the folly of our military involvement and our undeclared war.

I ask unanimous consent that this article by Murrey Marder from the Washington Post of July 22 be also printed at the conclusion of my remarks.

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

(See exhibit 2.)

Mr. GRUENING. Finally, Mr. President, a recent column by James Reston, the able associate editor and commentator of the New York Times, entitled "Washington: Power, Violence, and Purpose," is pertinent, and I also request its inclusion in the RECORD.

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

(See exhibit 3.)

EXHIBIT 1

[From the Nation, July 25, 1966]

SNOW JOB

As the founding fathers well knew, undistorted information about public affairs is as vital to democracy as universal suffrage. As we are now being taught, modern techniques of management of the news are destructive of the democratic process. A current example is the way in which the latest escalation of the Vietnamese war—the bombing of the oil installations in Hanoi and Haiphong—was

turned into the most prophylactic combat operation in history, with domestic protest effectively muffled in advance.

The present campaign was not entrusted to underlings like Arthur Sylvester, the accomplished juggler of fact and fancy at the Pentagon. This time it came straight from Papa at the White House and, from a purely technical standpoint, one must admire his performance. Nothing was left to chance and every possible loophole for truth was closed off. Top officials received outlines of the points to be stressed—that the United States was winning, that Hanoi knew it was losing, that domestic opposition was negligible and that the latest bombings were proof of our peaceful purpose and our carefully graduated, humane way of fighting the war which had been forced on us.

Against the protests of C.B.S. and N.B.C., the Defense Department withheld films of the Hanoi and Haiphong bombings. Accounts in the French press reported the wailing of ambulances and other indications of casualties, but the Administration insisted that only one or two civilians had been hit. Precision bombing had achieved miraculous levels of accuracy, and the home folks could enjoy their vacations assured that our fliers burned only oil, not people.

Another prong of the news management operation consisted of a chorus of optimistic statements by the President, Secretary McNamara, and acting Secretary of State George Ball—statements which, without actually saying so, gave the impression that with these bombings, and perhaps a few further escalations, we were on the home stretch. In *The New York Times*, Max Frankel referred to these paeans as a "sustained celebration of progress" designed to persuade Americans that the war had reached a turning point. "By blunting the criticism at home," Frankel suggested, "officials are said to seek not only political advantage but also a further demonstration to Hanoi that it cannot count on domestic opposition to inhibit the American war effort."

It is scarcely likely that except for their own home propaganda purposes the leaders in Hanoi ever harbored any such idea. How often has a great military power been seriously handicapped in the prosecution of a war by minority opposition? Even the often cited French example in Vietnam has been greatly exaggerated; the French army was defeated by the Vietminh, not by Mendès-France. But in the way of political advantage, and muting such opposition as Mr. Johnson has encountered in his design for conquest in Southeast Asia, the campaign worked perfectly. The President's Harris rating shot up 12 points, from a pre-bombing low of 42 per cent to 54 per cent. The President, who reckons in percentages without asking questions when the arithmetic favors him, was elated. Harris himself was more discerning and pointed out that the 5-to-1 support for the bombings had to be interpreted. People are tired of the war. They want it ended. They hoped that the bombings might do it, although on the face of it how could an enemy like the Vietcong, without an air force, tanks, and heavy artillery, be greatly handicapped by a shortage of petroleum?

But this acquiescence, and the entire record of management of the news in this war, only shows that crude methods of manipulation work quite well with the mass of citizens. The intellectuals may be disturbed, together with politicians like FULBRIGHT, MORSE, GRUENING, AIKEN, et al., but most of the people are still committed to the "my country right or wrong" mores and are glad to receive the President's assurance that we are reluctantly combating a godless enemy. They believe in democracy in a desultory way, as if it had been established in 1776 and nothing could ever happen to it. These millions of self-satisfied Americans had better learn to read the news, to become sophisticated about news management, and to be utterly skeptical about anything this Administration tells them. Otherwise they will find themselves with the forms of democracy but none of the substance.

[From the New Republic, July 16, 1966]

THE WAR PRESIDENT

In Omaha, the day after Hanoi and Haiphong were first hit, the President called on God to forgive his critics, "for they know not what they do." All of us stand in need of enlightenment; human judgment is fallible. Just how fallible, Mr. Johnson illustrates. "We have made it clear," he said, "that we wish negotiations to begin on the basis of international agreements made in 1954 and in 1966"; and, "those who say that this is merely a Vietnamese 'civil war' are wrong. The warfare in South Vietnam was started by the government of North Vietnam in 1959." God forgive us, we don't think so.

As early as 1956, the then government of South Vietnam with the backing of the United States, violated the 1954 Geneva agreements, which provided, among other things, for "general elections which will bring the unification of Vietnam"; it also prohibited "the introduction into Vietnam of any troop reinforcements and additional military personnel." Within two years, Ngo Dinh Diem, with our military aid, had made himself a dictator, smashed all political opposition and spurned elections to bring about unification. The Viet Cong began as an armed rebellion against Diem (of whom the U.S. itself finally tired and in 1963 allowed to be overthrown and murdered by a military junta). Intervention from outside Vietnam has been largely American—so far.

Nevertheless, the President now affirms that he will accept and abide by those Geneva agreements. Why, then, don't the Viet Cong and the North Vietnamese agree to negotiate on that basis? Our hunch is, because they don't believe him, and they may well be right. Actions do speak louder than words, and Mr. Johnson is acting out his determination to preserve South Vietnam as a client state, close to China, so that there may be another link in a solid chain that includes South Korea, Formosa and Thailand. The well-being of the Vietnamese is a secondary concern. They must serve our purpose—the military containment of Peking. That is the objective, and it is nonnegotiable. We therefore cannot, Secretary Rusk informed the SEATO conference in Australia the end of June (and later told Congressman FRANK HORTON (R. N.Y.) on TV), permit the Viet Cong to be formally admitted to a peace conference: that would give them a veto on a settlement; they might haggle over terms, whereas what Mr. Rusk and the President really want is unconditional surrender.

When the bombing of North Vietnam began in February last year, the Pentagon stated that the rate of infiltration from North to South was about 1,600 men a month; air strikes, so the logic then ran, would halt or slow down this infiltration. After 15 months of constant pounding from the air, the infiltration rate is said to have tripled to 4,500–5,500 men a month, and the jungle tracks, according to the President, have become "boulevards." Therefore, the original justification had to be discarded and another found. It was. In his July 6 press conference, Mr. Johnson acknowledged that: "We do not say that [the raids] will even reduce it [infiltration]," but they will make life "more difficult" for the enemy. And so they will.

We have been seeing, week after week, where such logic leads us. The estimate of Peter Arnett, who has been reporting from Vietnam for the Associated Press since 1962, is that by bombing the North and pouring American, Korean and Austrian troops into the South, "we can beat the major units of the enemy," but "in so doing, we make very little impact on the other two levels of the war." By "the other two levels of the war," Arnett means the battles of the "very tired" Vietnamese army against "local, homegrown" Viet Cong battalions; and the battles of local militia forces against Viet Cong guerrillas in the mountains, in the Mekong Delta rice fields, and along the highly populated coastal plains. It is at this third level that "the real blood of Vietnam is seeping away," and also "at this level the war could continue indefinitely." The Viet Cong can go on fighting as guerrillas for a long, long time.

American forces, who are "beginning to bear the brunt," according to Arnett, are waging war on the enemy units with vastly superior air power, modern artillery and such refinements as the "cluster bomb unit" that shoots out both napalm and hand grenades. But he warns that in order to destroy the main enemy units, the U.S. will have to double its forces; "certainly at least twice as many as are here now will be needed." And, he adds, "it will also probably mean the destruction of much of Vietnam—both North and South. As the war grows, the destruction is getting very considerable over the countryside. Villages are being devastated as a matter of course." The end of this road is genocide, with no one left with whom one need negotiate.

Arnett is a top-flight reporter, but he is not a professional soldier. General Ben Sternberg is. Commander of the 101st Airborne, he recently returned from 26 months in Vietnam, where he served on General Westmoreland's staff. General Sternberg sees "no stabilization of the military regime, at least in the near future"; he thinks Premier Ky eventually "will have to go," but "civilian government is not possible in South Vietnam now." He believes that 500,000 more U.S. troops are needed in Vietnam—a total of about 800,000—to seal off infiltration and supplies from the North.

But first, the gamble of victory through air power must be played out, with doubled and redoubled bets even though the systematic destruction from the air of North Vietnam, as Richard N. Goodwin, former Special Assistant to both Presidents Kennedy and Johnson has pointed out, is more likely to pressure the North into sending into battle its 300,000-man army, instead of the 12 North Vietnamese regiments thus far engaged. This in turn would bring a million or more GIs into the war and make it very tempting to consider landing U.S. troops in the North.

Politicians in both parties meanwhile press the President to "get it over with," hit harder and more often —and hope that a fist in the face of the North will not provoke too brutal a counterpunch. At the moment, official Washington is rather complacent about the danger of Chinese intervention, believing that Peking has enough troubles without borrowing more. It is a hazardous assumption in view of the history of our entrapment in Vietnam, a history that is littered with miscalculation.

Who could have foreseen it? The Great Society exponent, the practitioner of common sense, compromise and consensus, has become The War President—sworn to prevent at any cost one set of Vietnamese (unfriendly, we have guaranteed that) from overcoming other Vietnamese (who could not hold power without us).

EXHIBIT 2

RISKS GREATER INVOLVEMENT—RUSSIA SEEN TRAPPING SELF IN HARD VIET LINE

(By Murrey Marder)

U.S. air strikes against Hanoi and Haiphong oil depots are rebounding diplomatically against Washington.

No one in Washington is advertising the diplomatic consequences. They are too sub-

tle to draw public attention so far. But to foreign policy experts, they are at the very least, disquieting.

There was no great surprise when the Soviet Union spurned new, personally delivered appeals, by the Prime Ministers of India and Britain, to try again for peace talks on the war in Vietnam. The intensified bombing was hardly likely to induce the Kremlin to conclude it was a specially opportune time to urge Hanoi to start bargaining.

What did cause Western diplomatic surprise, however, was the calculated harshness of the Soviet rebuff to the pleas of Prime Ministers Indira Gandhi and Harold Wilson.

Both went to Moscow after having publicly criticized the American decision to bomb oil supply dumps near Hanoi and Haiphong. But instead of finding that this gave them bargaining power to persuade the Soviet Union to press Hanoi for joint peace talks, they found the Russians on just the opposite tack.

The Kremlin sought to convince India and Britain that such a course was unthinkable, and that they had better use their influence on the United States to halt all bombing of North Vietnam unconditionally, before there could be any hope of applying diplomacy to avert international catastrophe.

To a considerable extent, certainly in India's case, the Kremlin scored a heavy impact. Mrs. Gandhi considerably irritated the United States by shifting to that position, reversing her last, previous stand, which was that a conference could bring a halt in the bombing and other hostilities.

But what is potentially more troublesome to American interests has escaped general notice. It is that the Soviet Union's public position on the war in Vietnam has hardened considerably. The Soviet stand, while still relatively more moderate than that of the Chinese Communists who daily denounce Moscow for traitorous "collusion" with the United States, is now closer to the Chinese position, and more inflexible, than ever.

The Russians have publicly assailed British Prime Minister Wilson for engaging in "support of the American aggression." To the Warsaw Pact offers of readiness to send "volunteers" into the war if North Vietnam asks for them, the Russians have pledged intensified "effective assistance" for North Vietnam's defense. The Soviets are now even airing "suspicion" that a "punitive invasion of North Vietnam" may be "imminent."

"They have told Mrs. Gandhi that their basic stand will be guided solely by Hanoi's desires. The Russians have agreed with Hanoi that the United States indeed is committing "crimes" in North Vietnam and that Hanoi is perfectly justified in treating captured American pilots as "war criminals."

As one American diplomat put it, "the Russians have painted themselves into a corner." But the total diplomatic impression is that each participant, or critically interested party, in the Vietnamese struggle, has put itself increasingly into a diplomatic dead end.

A major, but never officially stated, premise in Washington has been that one way the war could end would be by reaching such a high level of great international danger that some power, meaning the Soviet Union, would step in for preservation of its own vital interests, to shove the conflict toward the bargaining table.

The question is whether the Soviet Union is now in the process of impaling its own prestige, to make it impossible to maneuver even if it wants to do so. The Soviet Union appears to have put itself in a position where North Vietnam readily can levy demands on Moscow for a stream of missiles and planes, and perhaps pilots too, that will "hook" the Soviet Union irretrievably to the fortunes of North Vietnam.

Communist nations have great inherent capacity to operate in zig-zags. But they are not immune from paying the consequences of miscalculations. They too can be entrapped by their own pledged commitments.

EXHIBIT 3

[From the New York Times International, July 18, 1966]

WASHINGTON: POWER, VIOLENCE AND PURPOSE

(By James Reston)

WASHINGTON.—Power and violence are now dominating the headlines. More and more bombing in Vietnam, Riots and the National Guard in the streets of Chicago. Most of the airlines and most of the newspapers in New York paralyzed by strikes. And beyond this, the majority of the American people looking on in wonder, troubled but helpless.

Is it as bad as it seems? What happened to all the talk of a few months ago about peace abroad and a Great Society at home? Are the problems of the cities and the races, the contending nations and philosophies, beyond rational control?

THE LARGE PERSPECTIVE

Some times it seems they are, but the larger picture is probably not so dark as the headlines suggest. Power is being used in the world but it is also being restrained and its limitations are being exposed. The bomber is not prevailing in Vietnam. "Black Power" is not prevailing in America. They are dramatizing the problems but demonstrating that they cannot solve the problems. The rule of physics tends eventually to prevail in politics: force produces counterforce, and in the end is likely to create balance.

We are going through a difficult experiment with power at the moment both in Vietnam and at home. Power is being used both places, paradoxically, to prove that power will not prevail. It is invoking fear, again paradoxically, to encourage reason, and power will probably continue to be used both at home and in Vietnam until reasonable remedies to those problems begin to be discussed.

Both sides, fortunately, are afraid. In fact, the only thing we have to cheer is fear itself. And this is true in the wars at home as well as in the war abroad. Everybody is using power but is afraid of it. Everybody is threatening to use more of it, but is holding back. So there is still a chance that a balance of power will eventually be established and lead to common sense.

Unfortunately, there is very little evidence in Washington that the Johnson Administration has an adequate sense of priorities in dealing with all this violence at home and abroad. It has a policy for dealing with each problem—whether it is hands-off on the newspaper strike or limited intervention in the airplane strike, or more legislation in the racial war, or more bombing in the Vietnam war—but no sense of relationship between all these difficult questions.

COST ACCOUNTING

This is odd, too. For the President has been converted by Secretary of Defense Robert L. McNamara to the managerial techniques of "cost accounting." He loves to talk these days about how Mr. McNamara showed the Pentagon how big business methods in Detroit applied to big Government problems in Washington.

Under the McNamara plan, everything should be put to the test of "cost and benefit." Each purchase of planes or missiles, each decision about new weapons systems must demonstrate that the benefits equal the costs. Yet there is very little evidence that the McNamara system has been applied to the Johnson Administration's program as a whole.

The cost of the Vietnam policy, for example, is well over a billion dollars a month and over 100 lives a week—to say nothing of the wounded, and the diseased, and the corrupted. The cost to the South Vietnamese is hard to calculate or even to imagine.

TALLYING THE COST

What is the cost of a "victory" that would humiliate China? What the cost of a prolonged war that would block progress with the Soviet Union in the control of nuclear weapons? No doubt we can eventually prevail on the battlefield, if the Chinese stay out, but what benefits will match the hostility of the 700 million Chinese people in the future? And what would a cost-benefit test tell us about spending enough money in Vietnam and on the moon to wipe out most of the slums and illiteracy in the American cities.

The Johnson Administration does not give the impression of having a sense of relationship on all these things. It wants everything: peace in Vietnam on our terms; the abolition of inequality and poverty; a Great Society—but it could, the way things are going, end up first in peace, first on the moon, and last in the big American city slums.

It is the lack of skill and scope, of proclaiming great goals and raising vast hopes which is adding to the doubts of the American people today. The demoralization of disappointed hopes is now fairly evident in the violence of the slums.

NO CLEAR CONVICTION

"A demoralized people," Walter Lippmann wrote during the Depression, "is one in which the individual has become isolated and is the prey of his own suspicion. He trusts nobody and nothing, not even himself. He believes nothing, except the worst of everybody and everything. He sees only confusion in himself and conspiracies in other men. That is panic. That is disintegration. That is what counts when in some sudden emergency of their lives men find themselves unsupported by clear convictions that transcend their immediate and personal desires."

There is no such clear conviction in the country today. The use of power and violence dramatizes the point. But the violence may, hopefully, have positive results. It may, both in Vietnam and in the American cities, demonstrate its own impotence and thus finally bring the nation back to a redefinition of purpose and priority, which it now lacks.

FARMERS NOT RESPONSIBLE FOR MILK PRICE RISE

Mr. McGOVERN. Mr. President, in recent weeks I have received numerous letters from constituents complaining about the rise in retail milk prices and blaming the increases entirely on a higher return for the farmer. I am sure other Members of the Congress have had the same experience.

At the same time, I have noticed a number of press reports in which dairies and retailers have announced increases of from 2 to 2½ cents a quart in milk prices, attributing the rise entirely to the increase in farm price supports for fluid milk.

The rise in price supports was absolutely necessary to improve farm returns for milk and to encourage dairymen, who had been culling and selling off their herds at an alarming rate, to stay in business. Without it, we were confronted with declining production and severe shortages of milk and dairy products which would have skyrocketed prices much more than the 50 cent per

hundredweight increase in the manufacturing milk support and the 22- to 24-cent-per-hundredweight rise in the fluid milk support.

That increase was nominal indeed in comparison to the prospect of sharp rises growing out of the potential shortage. According to my calculations, the farm price increase should have brought no more than a one-half cent increase per quart on the retail end.

Mr. President, I am indignant over the way retail price rises of much more than that have been blamed on the farmer. We are witnessing evidence of the reason why consumers sometimes view reasonable increases in farm returns with a critical eye, and why they tend to blame farmers every time retail prices go up. They are being told today that farmers are responsible for a milk price rise that has been, in some cases, as much as five times the amount justified by any increase which got into the farmers' pockets.

It is extremely important that consumers receive accurate information about the great bargain they are getting from farmers. We recognize in rural America that we must have the support of consumers to eventually attain the goal of parity returns for agriculture. We believe that over the long run there is no conflict between the farmers interest in parity returns and the consumer's need for abundant supplies of reasonably priced food. The dairy situation today is ample evidence of that fact.

The new president of the National Farmers Union, Mr. Tony Dechant, has today issued a message that I believe should be read by consumers. It asks them not to blame farmers for increases in the retail milk price that have not gone to farmers. I ask unanimous consent that Mr. Dechant's statement be printed at this point in the RECORD.

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

[Press Release from National Farmers Union, July 22, 1966]

DECHANT SAYS FARMERS ARE WRONGLY BLAMED FOR MIDDLEMAN'S INCREASED TAKE ON MILK

National Farmers Union president Tony T. Dechant has urged consumers "not to blame farmers for rises in retail milk prices caused by an increased take for the middleman."

Dechant said today in Denver, Colo., that on a nationwide basis, retail milk prices have gone up by at least three times the amount justified by the Department of Agriculture's order earlier this month raising dairy price supports. And he said that dairies and retailers, "almost without exception, have attributed the entire increase to higher farm returns.

"These attempts to mislead the consumer need to be countered by the facts," Dechant said.

The Farmers Union leader said that early in July the minimum price for Class I fluid milk was raised by 31 cents per hundredweight, but that the actual increase in costs to the processor has been estimated at between 22 and 24 cents because market prices had been running above the support.

"With about 23 half-gallons in a hundredweight, that would justify a rise of no more than one cent in the retail price of a half-gallon of milk. Yet the reports I have received indicate that the smallest rise in half-gallons has been three cents, and that it has been substantially more than that in some areas.

"We looked upon the increase in dairy price supports as a step to protect the consumer as much as to help farmers, because without it the continuing sell-offs of dairy herds would have resulted in severe shortages of dairy products and an inflationary spiral in prices," Dechant said. "But the processors, by using it as an excuse to increase their share, have blunted the benefit to consumers and are giving the farmers a black eye in the bargain.

"I don't believe consumers would have objected to a modest rise in order to prevent dangerous inflation in the future. But they have every right to object when retail prices are increased by three times the amount justified and more.

"And farmers have reason to object, too, for once again being made the fall guy for increased returns for someone else," Dechant declared.

Mr. McGOVERN. Mr. President, as anyone who has attempted to gain an understanding of milk prices in the United States well knows, the various factors affecting prices in Federal marketing order areas, and the wide variations in these areas both in farm and retail prices, make it difficult to get an accurate picture. For this reason, I intend to introduce in the Senate Agriculture Committee a resolution which would enlist the aid of the Department of Agriculture in a survey of the recent increases in retail milk prices, their relationship to the increase in farm returns, and the extent to which the public has received faulty information with respect to the farmer's responsibility for it.

For the benefit of members of the committee who will be asked to consider it, I ask unanimous consent that the resolution be printed at this point in the RECORD.

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

Whereas members of the Senate Agriculture Committee are receiving protests against milk price support increases indicating public misunderstanding of the extent of April 1 and July 1 rises in supports to farmers, and,

Whereas scattered newspaper accounts indicates retail price increases of as much as 5 times the price support increase to farmers have been attributed entirely to the increase in farm return: Now, therefore, be it

Resolved, That the Secretary of Agriculture is requested to make a survey through the field office of his Department of the amount of retail milk price increases since April 1 in towns and cities of the Nation, their relationship to increases in farm price support in each instance, and the extent to which the public was clearly advised, or misinformed, as to the reason for such increase.

FOOD FROM NATURAL GAS: LORD ROTHSCHILD'S DISCOVERY AND EVALUATION

Mr. HARTKE. Mr. President, the most important race for the future of the world is that between population growth and food production. Recently, new hope has been offered to the people of the world by a discovery of historical importance made by the Royal Dutch Shell group. The discovery is that natural gas can be transformed into raw protein—the No. 1 nutritional raw material.

The man most responsible for this great achievement is Lord Victor Rothschild, a member of the extraordinarily talented and creative British Rothschild family. In an interview with my distinguished friend, Eliot Janeway, published in the Chicago Tribune of July 21, Lord Rothschild explained and evaluated his discovery.

I ask unanimous consent that the article entitled "Distribution Is Key to Protein Problem," written by Eliot Janeway, and published in the Chicago Tribune for July 21, 1966, be printed at this point in the RECORD.

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

DISTRIBUTION IS KEY TO PROTEIN PROBLEM

(By Eliot Janeway)

NEW YORK, July 20.—"An army fights on its stomach," Napoleon said. The contemporary world is inclined to believe that if you can feed people, you may not have to fight them. Certainly, as the rest of the world sees it, the most conspicuous success of the American system is rooted in the prodigious output of its food producing resources; while the most ominous and alarming failure of the Soviet system has been advertised again and again, first, by Russia's crop failures, and, now, by China's.

Believing that if the free society can harness the discoveries of the laboratory to produce abundance for all, it can remain both free and a society, this column asked Lord Rothschild, research coordinator of the Royal Dutch Shell group in London, to describe his epoch-making findings in the field of protein nutrition. Lord Rothschild is the father of one of the senior partners of London's famed N. M. Rothschild & Sons.

Janeway: We hear a lot nowadays about the "nutritional gap," about "subsistence diets" and "protein shortages." Is there really a world shortage of protein?

PROTEIN SUPPLY PLENTIFUL

Rothschild: Indeed not. There is, in some countries, a shortage of "natural" high-protein foods—meat, fish, eggs, milk, grains, and so on. Consequently, some peoples, especially in the emergent countries, are subsisting on protein-deficient diets. But the real problem is one of distribution, not supply.

Janeway: Is it true that your company has recently found a way to get edible protein from natural gas?

Rothschild: Yes, it is. What we have actually found is a bacterium which uses the methane in natural gas as its sole source of energy for reproduction. These bacteria consist of about 50 per cent protein, and the protein can be extracted from them as a tasteless white powder. All living cells need protein to maintain and reproduce themselves. No matter how you slice or flavor it most nutrition boils down to protein.

Janeway: So the nutritional gap is really a protein production problem?

ATTITUDES A PROBLEM

Rothschild: It's not quite that simple. You can package the protein in pills, or in any shape and with any taste you want: chocolate or strawberry jam or caviar. But it takes a certain degree of sophistication to be willing to take a pill just because you know it's good for you. Undereducated people—and for the most part they're the ones who need the protein—tend to resist eating anything unfamiliar. In Jamaica, for instance, babies eat protein in the form of powdered, dried grass with apparent pleasure,

but grown-up Jamaicans won't touch it. So there is a packaging problem.

Janeway: What about soybeans as a source of protein?

Rothschild: The composition of soybean protein is not as good as that of animal protein. When you're trying to make up protein deficiencies, it's better to get the protein with the best composition.

Janeway: But won't people object to "eating bacteria"?

Rothschild: The protein extracted from the bacteria contains absolutely no bacteria at all. It is just a pure protein and one which, because it contains the amino-acid methionine is of exceptionally high nutritional value.

Janeway: Has your company made any evaluation of the economy feasibility of this project?

FEASIBILITY NOT TESTED

Rothschild: No. It is still too early to do this. The scientific problems are solved, and we are now entering the feeding trial stage—that is, we're moving from research into development. But decisions about production will probably not be made for another two years. There's certainly no shortage of methane, and it's cheap to ship pills. If we can make the price right, and if we can persuade human beings to eat protein in new forms, we may be on the way to solving a good part of the world's nutritional problems.

Janeway: This sounds more like the kind of research that used to be done only in university laboratories. But now the universities are increasingly commercial, and industrial corporations like Shell are doing more creative work.

Rothschild: It seems so. This is really an interdisciplinary venture, involving the fields of nutrition, biochemistry, bacteriology, geophysics—and dependent on economics and finance.

COTTON RESEARCH

Mr. THURMOND. Mr. President, on June 30 WBT and WBTV in Charlotte, N.C., broadcast an excellent editorial regarding passage of the cotton research bill. This editorial elucidates so well the reasons behind the need for this legislation. I ask unanimous consent that it be printed in the CONGRESSIONAL RECORD.

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

[WBTV Editorial, June 30, 1966]

THE COTTON RESEARCH ACT

The Cotton Research and Promotion Act just passed by Congress provides a perfect example of what should be the proper function of government in its relation to private business. It sets up a new area of cooperation, but it does not exercise the tight control that is found in so many other activities of the Department of Agriculture.

This bill allows cotton growers to assess themselves one dollar a bale to be used for research and development, thus enabling cotton to compete for the textile market on a more even basis with other fibers. But there is nothing compulsory about it. Any farmer who objects can get his dollar back.

The bill also provides for a referendum among the farmers, to decide whether to make the assessment or not. This, too, is not a government operation. The farmers will merely be using the machinery already set up for other referendums.

The only part of the plan that has any hint of government regulation is the provision that the Secretary of Agriculture will appoint a cotton board to administer the system. But he does not pick his own men, he must choose from among men nominated by the cotton producer organizations. This board will not spend any money, but will contract with a national organization for the planning of programs and the use of the money.

So this is a project free from government control, but with the advantage of having government help in ways that do not give it authority over the plan. If this method of cooperating without control had been used through the last twenty years by the farmers and the Department of Agriculture, we would not be plagued today with the house-that-Jack-built structure of agricultural controls piled on top of controls. We have price controls, soil controls, acreage allotments, crop loans, export subsidies, and a system of quotas that would almost drive a computer mad.

When it was first established, the Department of Agriculture had a legitimate and worthwhile function. It helped farmers develop new and better strains of plants and animals, fought disease and insects, and gave instruction in soil management and fertilizers and marketing methods. It provided a climate in which the business of farming could prosper.

If it had stayed in this area of helping rather than ruling, there would be no objection to its activities. But when it went in for all the controls and red-tape wrappings that now tie up the farmer, it almost destroyed the free market in crops—especially the five basic crops.

In this cotton Research and Promotion Act, the government controls nothing. It is merely lending organizational machinery to the farmers to conduct their own vote, collect and spend their own money, and manage their own research program. It does just what ought to be done in all similar programs—that is, the government helps the farmers to help themselves.

ADVERSE EFFECTS OF THE HIDE EXPORT ORDER

Mr. McGOVERN. Mr. President, I remain very hopeful that there will be opportunity to get congressional action on S. 3175, an amendment to the Export Control Act, before the present Congress adjourns.

Evidence is accumulating that the order restricting cattle hide exports is having adverse effects on the very consumers it was supposed to protect, as well as on cattle producers and packers.

As is now well known, the price of shoes, which the hide export controls were supposed to keep down to consumers, went up shortly after the export order was issued.

One of the effects of the order is to cut off hide supplies to foreign shoe manufacturers and thereby protect the domestic manufacturers from the competition of imports. At the time the hide order was issued, Barron's magazine predicted that over a period of time, the market protection afforded the domestic industry would result in a lessening of competition and managed shoe and leather goods prices. I am advised that there are indications of this already coming about.

I have today received a resolution adopted by the National Independent Meat Packers Association, protesting the hide export order and supporting S. 3175. The resolution points out that the meat produced from a cattle carcass does not pay the packers' cost of the live animal—they make up the deficit and any profit from byproducts, including hides. With the softening of the market for hides, and lowered returns from this byproduct, the packers have to pay the farmers less for animals or get more for meat from the consumers, or both.

The consumers, already paying more for shoes, consequently face higher meat prices as the result of this supposedly anti-inflationary hide export order.

I ask unanimous consent, Mr. President, to include in the RECORD the resolution of the National Independent Meat Packers Association, adopted at their recent annual meeting.

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

RESOLUTION OF NATIONAL INDEPENDENT MEAT PACKERS ASSOCIATION REGARDING LEGISLATION TO AMEND SECTION 3(c) OF EXPORT CONTROL ACT OF 1949

Whereas, it is an interesting economic phenomenon of the meat packing industry that the dressed beef carcass normally must be sold by the packer for less total dollars than the initial total cost to him of the live animal, thus requiring the packer to make up the difference, as well as any profits, on byproducts, and

Whereas, for many years the members of the livestock and meat industry, have recognized that an increase in the per capita consumption of beef was being accompanied by a decrease in demand for the hide of the beef animal, thus creating a growing imbalance in the hide market between supply and demand, and

Whereas, affected segments of the livestock and meat industry actively sought and finally developed—with the support and cooperation of the Federal Government—improved export markets for hides, and

Whereas, the issuance by the United States Department of Commerce of export controls on cattle hides, ostensibly to prevent the price of shoes from advancing by holding down the price of one of the raw materials, has severely damaged the work of years in developing foreign markets for hides, and

Whereas, the price of shoes has advanced further, even with export controls on hides, thus obviating the fact that the controls have failed the purpose and reason for which they were issued, and

Whereas, recent events have indicated that it is desirable and necessary to have a specific official who is in the best position to be well informed about domestic economic and supply conditions, gather up-to-date information, and on this basis make a specific determination of the existence of conditions which may require the President or his delegate to use the authority of the Export Control Act of 1949: Now, therefore, be it

Resolved, That it is the conviction of the National Independent Meat Packer Association that Section 3(c) of the Export Control Act of 1949 should be amended as proposed in the bill, S. 3175, introduced by Senator McGOVERN, and that the National Independent Meat Packers Association fully supports this bill, its legislative intent and purpose.

CAPTIVE NATIONS WEEK

Mr. LAUSCHE. Mr. President, the ideas of self-determination and independence have always played the most important part in American political history. Throughout our past we have defended these principles. Today we continue to lend our support to all peoples

and nations striving to gain individual and political freedom.

It is for this reason that the fate of the countries of Eastern and Central Europe concerns us deeply. The history of these nations provides a long account of the persevering struggle of their people for the right to determine freely their own affairs, to decide by themselves on the policies of their countries.

Recent developments in Eastern Europe are encouraging, and have given us new hope for a better future for these states. Only a few months ago we witnessed a dramatic assertion of independence and political sovereignty by Rumania. Rumania, however, is not an isolated case. The policy of many governments following a centralized direction is not working and will not work. The monolithic unity of the Communist bloc under Soviet domination has been disrupted. Physical outside intervention and coercion are no longer the order of the day. Compromise and cooperation have begun to take the place of suppression. The weakness of centralized control has been demonstrated. Internally the people have properly won more rights. There is greater freedom of artistic and literary expression, there is a new openness to outside influences. A marked contrast, indeed to the dark days of Stalinism.

We welcome these developments, however limited in scope they may be, for they can only serve the causes of freedom and justice. We hope that these liberalizing trends will continue and that greater progress will be made. It is our task to give the peoples and nations of Eastern Europe understanding and support. Through a strategy of peaceful engagement Americans are willing, in the words of our President, to build bridges between their peoples and ourselves. We are looking forward to the day, Mr. President, when the nations of Eastern Europe will have gained full freedom and independence, when they will no longer be captive nations.

SECRETARY FREEMAN ON FORESTRY

Mr. MORSE. Mr. President, at the recent annual meeting of the National Forest Products Association, Secretary of Agriculture Orville Freeman made a comprehensive report on national forest activities.

Of special note are the Secretary's remarks concerning the gains made in multiple-use activities in our national forests. They include:

First. A 45-percent increase in timber cut between 1960 and 1965 in the Douglas Fir forests of the Pacific Northwest;

Second. Creation of a Board of Forest Appeals;

Third. Revised timber sale contracts;

Fourth. An agreement on access roads;

Fifth. A record reduction in acres burned by forest fires; and

Sixth. A new record in tree planting which exceeds that set in 1936 under the old Civilian Conservation Corps program.

In addition, Secretary Freeman reported on studies underway on timber appraisals and allowable cuts. I commend his speech for study by my colleagues in the Senate and by all who are interested in proper management of our national forests.

I ask unanimous consent that the Secretary's speech be printed in the RECORD.

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

SPEECH BY SECRETARY FREEMAN

It is indeed a pleasure to meet again with members of the National Forest Products Association.

Much progress has been made since we met a year ago . . . progress on our joint undertakings, progress by your industry, progress by the Forest Service, and progress by the general economy.

First, let me quickly review the joint projects we have had underway since our first meeting in 1962.

NATIONAL FOREST TIMBER CUT

The National Forest timber cut keeps going up. We expect it will be 12 billion board feet for the fiscal year ending June 30, 1966, an increase of about three-quarters of a billion board feet over the preceding year.

In 1962 the cut was 9 billion board feet. This increase of 33 percent in the cut during the four-year interval is a quick and simple index of our joint progress . . . and it is an accomplishment in which both your industry and the Department of Agriculture can take pride.

TIMBER APPRAISAL

Virtually all of our work on timber appraisal the past year has been in connection with a review of Federal timber pricing for the Budget Bureau. The work has been done jointly with the Bureau of Land Management of the Department of the Interior.

It has been necessary to defer the start of the profit study I discussed with you last year until this project for the Budget Bureau is completed.

The pricing study is scheduled for completion at the end of this month, and we plan to start the profit study shortly thereafter. As a result of closer coordination with the Bureau of Land Management, we are now planning to make this study on an interagency basis.

APPEALS

The Board of Forest Appeals is now organized and doing business, with John R. Harris of the General Counsel's office serving as chairman of the board. The first meeting of the board was held last week, and on May 2 we issued a press release which identified the five regular and the three alternate members. The proposed rules of procedure will be published in the Federal Register this month.

TIMBER SALE CONTRACT

The revised timber sale contract has been in use for almost a year, and thus far we have been surprised by the lack of problems its use has generated. I am told that excellent work has been done by local industry groups with the Regional Offices of the Forest Service in developing C Division clauses to fit local conditions.

We must recognize that this contract project is not a one-shot proposition and must be kept alive by constant scrutiny and exchange of views by the Forest Service and industry people.

ACCESS AND EASEMENTS

We have reached agreement with you on road regulations and easement forms for use in connection with the Act of October 13, 1964. I understand that just recently there has been a successful joint effort on procedures and content of cooperative agreements for development and use of roads to serve intermingled private and public lands. I want to thank the Industry people who participated in this cooperative effort.

INDUSTRY PROGRESS

The progress of your Industry can best be measured by your production records and the prices for your products.

You have developed new products and new marketing techniques, and unquestionably you are in a stronger position today than you were a year ago. The nation needs a healthy forest products industry, and I congratulate you on your progress.

FOREST SERVICE PROGRESS

The past year also has been a year of progress for the Forest Service. In addition to a new record cut, an all-time low of 76,431 acres were burned within National Forest protection areas. The average annual burn for the preceding five years was 2.7 times greater.

Tree planting was also at a record level, with 232,742 acres of National Forest land planted or seeded. This exceeded by about 10,000 acres the longstanding record established by the Civilian Conservation Corps in 1936.

THE GENERAL ECONOMY

The general economy, as you must know, is robustly healthy.

Americans are enjoying an unprecedented stretch of prosperity . . . a prosperity which has now extended 62 consecutive months . . . and which shows no signs of falling off.

Over the past five years seven million new jobs have been created. The percentage of unemployed in February and March of this year stood at 3 and ¾ percent, the lowest in 12 years. Five years ago this figure was above 7 percent.

During that same five year period, the purchasing power of the average farmer's income shot up by a third; corporate profits after taxes soared 88 percent; weekly earnings in manufacturing climbed 25 percent; and our total output of goods and services jumped an amazing 31 percent.

Did these truly impressive achievements just happen? . . . Just come about by themselves?

We in this Administration don't think so. We like to think they came about, in part at least, because of vigorous, imaginative, and responsible application of Governmental fiscal and monetary policies, combined with the best working relationship between government, business and labor in the history of the U.S.

PPBS

Let me turn now to the inquiries on broad public policy which have been made by your executive vice president, my good friend Mort Doyle.

Your leadership has inquired about the effect of the Programming-Planning-Budgeting System will have on Federal timber management and on other Department of Agriculture and Forest Service programs affecting the forest industry.

This new approach to Federal budgeting is more than just a different way to keep records and charges. It is actually an important facet of a new program of inquiry and challenge which is being applied to all Federal activities by this Administration.

It reflects President Johnson's businesslike approach to government. He is determined to have every on-going program carefully analyzed to make certain it is necessary.

The basic procedure of the Programming-Planning-Budgeting System is simple. A broad management objective is identified. Then an analysis is made to establish the inputs which go into the project. We also make an estimate of the end product outputs and then compare costs with returns.

A second phase of the procedure is to consider alternative courses of action. Thus we consider how much of a change in output

will be obtained from an increase or decrease in input.

This provides a systematic basis to judge whether more or less resources and effort are justified for a particular project. We also consider the inputs and outputs involved in accomplishing the same objective in a different way.

This is the basic tool in the Programming-Planning-Budgeting System. If an analysis indicates that a project is too costly, the System provides for special studies to prove or disprove this indication or to develop alternative approaches.

The procedure is simple, but it is also subtle. The P–P–B system forces everyone concerned to think and to justify the course of action advocated. This course must not only have an acceptable cost-benefit relationship, it must be better than any available alternative course of action.

Your interest in the possible effects of P–P–B–S on Federal timber management activities understandably centers on National Forest timber sales.

The National Forests are now supplying nearly 30 percent of the total roundwood raw material for the forest products industries of the Nation. A steady flow of this raw material is vital to maintaining an orderly market and price structure for lumber, plywood, paper, and other forest products. This steady flow is also vital to maintenance of employment and support to forest-dependent communities. Keeping timber sales going is a basic management objective. The P–P–B System will, I think, help us to do it even better.

The various programs of the Department to increase productivity on State and private lands constitute a second area of Federal timber management.

A study of input-output relationships at various levels and in different parts of the country should show how to get more effective results per dollar of input.

Forest management research activities, protection policies for both fire and forest pests, and reforestation and stand improvement programs will also be reoriented on the basis of P–P–B–S reviews.

The new System will be applied to all activities of this Department and, as a matter of fact, to all activities of the Federal Government.

In summary, the forest products industries have nothing to fear from the Programming-Planning-Budgeting System. It is designed to insure that first attention is given to first priorities in the Forest Service. As we learn to do that with more preciseness and efficiency everyone will benefit.

TIMBER WITHDRAWALS

There is nothing new about the fact that timber cutting is restricted or prohibited on certain areas of the National Forest System. What *is* new, and of real significance to both Industry and the Forest Service, is growing public sentiment in this direction.

The 1964 Wilderness legislation reflects this growing public interest. The nationwide campaign for a more beautiful America is a potent force. The surge in outdoor recreation continues ever upward. Wild Rivers proposals, National Recreation Areas, landscape management zones—all of these and more have a direct bearing on the availability of National Forest timber for industrial use.

Our specific challenge—and we both are full partners in facing it—is to help guide the allocation of land and resources in the direction of full and balanced use. It will tax our ingenuity to the utmost, I'm sure, but it's a job that can and must be done. For example, much more effort and imagination needs to be demonstrated in safeguarding esthetic values as we go about our business. Much more skill is needed in developing public appreciation of a forest at work—and why it *must* produce crops of timber.

Administrative decisions by the Forest Service can restrict timber cutting. One example is developed recreation sites. On these sites, cutting is done only for clearing, site improvement, or safety.

Although there are many such decisions, these should *not* create a significant impact. The amount of land involved in such occupancy areas is less than six-tenths of one percent of the total National Forest acreage.

On the whole, I do not think that "withdrawals" for specific purposes will result in a serious impact on the availability of National Forest timber. It is the more general case of public attitudes toward forest management that requires our immediate attention.

Our concern should be that the nation adopts rational policies governing the use of public resources. How well logging can be fitted into such a program, in balance with other uses, will largely determine the availability of timber from the National Forests. We need your help in working toward that end.

ECONOMIC OPERABILITY

Some misunderstanding has recently developed because of the difference between timber which is unavailable for cutting because of withdrawal for other uses and timber which is currently nonoperable because of adverse cost-return relationships.

The Forest Service uses the term "operable timber" to mean timber which appraises to at least minimum stumpage rates after allowance for a normal margin for profit and risk. Nonoperable timber is not withdrawn from commercial timber management. Allowable cuts are determined on the basis that currently nonoperable timber will become operable in time when needed for harvesting to meet allowable cut schedules. In the National Forests where there is a demand for the full allowable cut, most of the timber is currently operable and there is no problem.

There are a few National Forests in the Rocky Mountain States where much of the timber is nonoperable. Here the Forest Service is now making surveys to get the facts on operability. These operability studies are not for the purpose of withdrawing timber from commercial use.

Operability studies give a quantitative rating of the economic difficulties and the problems to profitable commercial utilization of National Forest timber. They will flag the areas where particular emphasis should be given to construction of publicly-financed timber access roads.

Nonoperable timber is included in the inventory which, with growth potentials on the lands available for cutting, is used to determine allowable cuts. Where most timber in a working circle is nonoperable, timber sale offerings must necessarily include some of it. It is available for sale if operators want to purchase it.

PRICES AND INFLATION

So far I have been talking about production, and production, of course, is of vital importance in our current effort to maintain price stability.

Earlier I remarked that our general economy is healthy. It is robustly healthy. But with high employment and widespread prosperity come inflationary pressures.

Our economy is now operating near the limits of its productive capacity. When that limit is approached, inflation can result if we try to buy more goods and services than the economy can produce.

The President has called upon all of us to join with him to fight the threat of inflation.

The Administration has taken action on a number of fronts.

A number of industries have been persuaded to avoid or modify unnecessary price increases.

Business and industry have been asked to reconsider plans for plant and equipment investment . . . and to postpone what can be postponed. Local and state governments have been asked to do the same.

Monetary and fiscal policies have been adjusted to discourage unnecessary borrowing and credit buying.

Higher payroll taxes, graduated withholding of personal income taxes, accelerated corporate tax payments and the postponement of the scheduled reduction of excise taxes on phones and cars will combine to drain off some excess purchasing power.

Heeding the need for increased defense spending, the Federal government held the expansion of civilian spending the coming fiscal year to only $0.6 billion.

The civil service pay bills of last year and this year provide pay raises for Government employees within the guidelines the President has recommended for private workers.

And the Administration has repeatedly asked private workers to exercise moderation in wage demands. The cooperation for the most part has been excellent.

But labor is understandably concerned about consumer prices, and business and industry profits, and its continued cooperation will depend in large part on just what happens to those prices and profits.

The higher food prices of earlier this year caused some of this concern, and I would like to talk about that for a moment or two.

Farm prices for a few products rose to unrealistic levels early this year because of exaggerated cyclical reductions in production and because of adverse growing conditions, primarily weather.

The conditions which resulted in a few "unrealistic" prices no longer exist. Retail food prices should begin to decline if food processors react responsibly to the stabilizing of farm prices.

Unfortunately, that temporary abnormality of certain farm prices gave some people a distorted picture of farmers, farm programs and farm income, and now certain of the overzealous, especially certain big city newspapers and political office seekers, are making the American farmer the whipping boy in the struggle against inflation.

This is wrong. This is unjust. I say this because the record will show that the American farmer actually subsidizes the cost of living . . . rather than inflates it.

I say this because Americans still spend a smaller percentage of their income for food than any other people on earth.

I say this because an hour's pay today buys more food than it did in 1960 . . . and double what it bought 30 years ago.

I say this because while consumer food prices are up 12 percent over what they were in 1952, farm prices in 1965 were 14 percent below what they were 13 years ago. Farm prices that lag so far behind other prices in our economy can hardly be called inflationary.

Nevertheless, although farm prices lag, the farm economy today, because of new programs developed the last 5 years, is healthier than anyone could have anticipated six years ago. Farm income this year will climb to the highest level in history, except for the postwar years of 1947 and 1948.

Net realized income per farm will reach $4,600 this year, an increase of about 55 percent in the past six years. Surpluses have been eliminated and we spend over 200 million dollars less for storage than we did 5 years ago.

The Department of Agriculture is pleased, and takes some degree of pride, in this truly remarkable record of progress. But it is far from satisfied.

For though the income gap between farm and nonfarm people is narrowing, people on the farm this year will still earn only 65 percent of what nonfarm people earn.

The farmer has not yet attained that parity of income, that full, fair share of our

national prosperity, which is rightfully his. I am pledged and determined to do what I can to see that he gets that full, fair share as quickly as possible.

I have digressed, but I'm sure you understand why.

The topic of the moment is the threat of inflation. And inflation *is* a threat. Restraint is required of every sector of our economy.

It is the judgment of the Administration that present fiscal and monetary policies are adequate without tightening controls. And it is the judgment of the Administration that for the moment at least there is no need for an anti-inflationary tax increase.

This is, after all, basically a civilian, and not a war-inflated, prosperity. We have the fiscal and the monetary policies to deal with inflationary pressures. But coupled with those policies we need restraint and responsibility on the part of you, on the part of me, on the part of everyone.

LUMBER PRICES

Lumber and plywood are basic commodities for virtually all forms of building and construction. As such, their price movements affect the economy critically.

Your industry is highly competitive. In fact, there are no recognized price leaders. This makes it all the more urgent to cope with the factors which have caused the recent sudden bulge in lumber and plywood prices. I am aware that the lumber industry has not enjoyed as favorable a profit position as many other segments of our economy. Nonetheless, most of you will agree I think, that recently prices have moved up so rapidly that there is serious doubt whether the present prices are good for the industry and the nation.

It is to your interest and the Nation's interest to hold price increases within the President's guidelines.

The Administration will continue to do its part by maximizing the raw material available from the National Forests in every way possible. The new record cut of 12.0 billion board feet for the fiscal year ending June 30, 1966, will, we hope, be followed in fiscal year 1967 by another increase to a new record total cut of 12.75 billion board feet.

We are exploring ways and means to expand thinning and salvage sales in the Pacific Coast and Inland Empire States, for this would be a new source of raw material for industries where log supply is critical.

In short, we want to market more timber from the National Forests. Sound conservation principles must be adhered to but we will exercise every bit of ingenuity we have consistent with those principles to keep the supply of raw material growing.

ALLOWABLE CUT DETERMINATION ALTERNATIVES

There have been issues raised recently on alternate approaches to allowable cut determinations. Public discussion of this matter has centered around a so-called Duerr report which was prepared for the Forest Service in 1960.

A portion of this report raised challenges on the need for adhering to an even flow of forest products for supports of individual communities. It included a very tentative schedule for an accelerated program for cutting the old-growth timber in the Douglas-fir region. Continuous support of many communities could not be maintained under this proposed cutting schedule.

Because the Forest Service did not consider this alternative sufficiently thorough and mature enough to merit publication, it has been charged with trying to suppress this material. This is just not true. This material has now been published in the CONGRESSIONAL RECORD.

The Forest Service continuously seeks to improve procedures for determination of allowable cut. It has no reluctance to consider and discuss alternative approaches to allowable cut determinations. These discussions should be thorough and orderly. They must give consideration to the impacts of accelerated cutting on all the uses and interests which would be affected. This includes the viewpoints of those concerned with scenic and recreation values, watershed values, wildlife habitat, and continuity of support of individual communities.

We will be discussing these matters for many years. In the meantime, you should bear in mind that in the Douglas-fir region, where timber supply problems are most acute, the National Forest cut has gone up. In 1965 it was slightly more than 4 billion board feet, 45 percent more than the volume cut in 1960.

In summary, I feel the last year has been a year of mutual progress for the Department and the Forest Industries. We have worked together cooperatively and constructively. We have made tangible accomplishments in the harvesting of National Forest timber. Next year gives promise of both excitement and accomplishment. I look forward to enjoying both with all of you in the year ahead.

A SURGEON WRITES FROM VIETNAM

Mr. BYRD of West Virginia. Mr. President, I have today received an interesting letter and enclosure from Mr. James E. McCoy, Comptroller, First National Bank of Bluefield, Bluefield, W. Va. The letter and enclosure are self-explanatory, and I ask unanimous consent that they be included in the RECORD in order that Senators, Members of the other body, and other readers of the RECORD may know of the message which comes from an American volunteer physician serving in Vietnam at his own expense.

There being no objection, the letter and enclosure were ordered to be printed in the RECORD as follows:

THE FIRST NATIONAL BANK OF BLUEFIELD,
Bluefield, W. Va., July 21, 1966.

Hon. ROBERT C. BYRD,
Senator From West Virginia,
Senate Office Building,
Washington, D.C.

DEAR SENATOR BYRD: I am enclosing a copy of a letter from Dr. Robert Neilson, a member of the staff of Bluefield Sanitarium, who volunteered two months service in Viet Nam at his own expense. Dr. Neilson is a member of the First Baptist Church of Bluefield and needless to say we are proud of him and his devotion to humanity.

Very sincerely yours,

JAMES E. MCCOY.

PASTOR'S PEN

I received a most interesting letter this past week from our Dr. Robert Neilson. As you probably know he is in Viet Nam, volunteering his services for two months to perform surgery in one of our large government hospitals in Da Nang. This is a most worthy use of his time and skill.

May I share his letter with you:

"I just felt like writing a letter thanking God for Christianity and Christian ministers. The only spark of love and compassion I have seen in Viet Nam so far has been from Christians. All day long I am operating on women and children with severe injuries—arms and legs blown off by mortars, abdomen and severe chest injuries. Many lay out in the woods and rice paddies several days before being brought to the hospital. The Vietnamese without Christianity are without pity or compassion even for their own people. Even the native doctors and nurses are indifferent and compassionless. A few Catholic Vietnamese exhibit pity for the injured.

"Every day we see a dirty, tired, U.S. Marine bringing in some injured Vietnamese child—he is gentle, loving, tender with the child—nursing care by a tough Marine because he was brought up a Christian in the U.S. Every day I'm over here I see things that make me proud of the United States and our Christian heritage.

"We must not lose in Southeast Asia. Our work here is good and just, and we are not exploiting the Vietnamese.

"Sincerely,

"BOB NEILSON, M.D."

We are proud of Dr. Neilson—proud that he is one of the best thoracic surgeons in the country, proud that he has genuine compassion for his fellowmen, even in far away Viet Nam, and rightly proud that he is one of our devoted members.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, despite the Pastore ruling of germaneness, the Senator from West Virginia [Mr. BYRD] be allowed to proceed for 5 minutes.

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

Mr. MANSFIELD. Mr. President, at the conclusion of that time, the Senator from Louisiana [Mr. ELLENDER] will be recognized. I understand his amendment is pending.

The PRESIDING OFFICER. The Senator is correct.

CIVIL DISTURBANCES—A CALL TO THE PRESIDENT

Mr. BYRD of West Virginia. Mr. President, I have sent a telegram to the President today appealing for stronger leadership than has thus far been displayed to end the senseless riots which have broken out in our major cities in recent days and weeks, resulting in injuries and deaths to innocent bystanders, widespread destruction of private property, and the blackening of this country's name around the world.

The President's belated statement at a news conference this week warning civil rights workers that they stand to lose the support of many white citizens by these riots, apparently has gone unheeded. This is obvious from the riots which have continued in Cleveland and which occurred last night, between rival groups in Brooklyn.

My telegram to the President reads:

THE PRESIDENT,
The White House,
Washington, D.C.:

America is becoming increasingly disturbed by the wanton riots which are occurring with growing frequency in cities throughout the country. As in the Watts riot last year, the current riots do not revolve around the issue of civil rights. No one is being denied first amendment freedoms. No one is being denied the right to vote or the right to petition the government against grievances. The

riots in Chicago, Cleveland, and elsewhere constitute sheer wanton looting, vandalism, and arson. There is no rational justification for tolerating these incredible attacks on firemen, policemen, and innocent citizens. It is time that the leadership of this country take a forthright and firm stand against acts of lawlessness which result in senseless loss of human lives and property.

Too long our leaders have been hesitant to speak out forcefully against rioters and lawlessness. In some instances, the public statements of our leaders may have been misunderstood as an open invitation to revolution and rebellion. The people have a right to expect strong leadership in condemning riots and violence, and I urge you to use the full power and prestige of your office to discourage and help bring to an end these lawless and provocative demonstrations and racial disturbances.

I appeal to you to speak firmly and unequivocally in support of the police departments which are being harassed and hampered in their efforts to control the riots and to maintain the law as a means of protection of people who wish to live their lives peacefully. Moreover, if the government has any evidence, of direct or indirect ties between riot leaders and communist elements, or if the riots have been deliberately planned by trained agitators, as has been implied in some press reports, I urge that the public be so informed. I also urge that you place upon leaders of the Negro communities in the large cities the responsibility of assistance in handling and policing these professional agitators themselves. The least that responsible Negroes can do is to inform and cooperate with the law enforcement authorities in controlling and preventing further racial conflict.

Continued violence will set back the cause of civil rights for another generation and an already deplorable situation will grow worse if irresponsible elements in our society are not made to understand that civil rights go hand in hand with civic and social responsibilities and that continued provocations and violence will not be condoned but will be confronted by the full weight of a government that rules through law.

Mr. President, the time has come for the President of the United States to use the full power and prestige of his office to discourage and help end these lawless demonstrations. Law-abiding people cannot accept wanton destruction of property and deliberate shooting of human beings as a just way to gain social rewards.

I appeal to the President to speak firmly and unequivocally on these dangerous situations. I appeal to him to say that they must end and that they will not be tolerated. I appeal to him to urge the rioters to live within the law.

The President must speak out now to civil rights organizations and challenge them to disavow violence.

Unless this is done I fear that our major cities may well become the battleground for rival juvenile gangs and militant civil rights forces.

The police departments in the large cities of this country are harassed and hampered in their efforts to control these riots by the lack of full support of the civil rights leaders. The time has come to give the police departments of the country and the law-abiding citizens of this Nation the best support they can receive and that would be the full and publicly expressed support of the President. I appeal to the President to speak out strongly, forthrightly, and plainly against lawlessness, crime, and violence, and in favor of maintaining the law as a means of protection for people who wish to live their lives peacefully.

Mr. THURMOND. Mr. President, will the able Senator yield?

Mr. BYRD of West Virginia. I am glad to yield to the Senator from South Carolina.

Mr. THURMOND. Mr. President, I would like to be associated with the remarks of the distinguished Senator from West Virginia [Mr. BYRD] and commend him for his splendid statement.

I have made remarks along this line on numerous occasions. I feel that the time has come when it is essential that the President take a stand on this matter.

The country has almost come to the point now of whether we are going to have law or whether we are going to have a lawless country.

I feel that the time has come when the Congress must submit a constitutional resolution that will provide that certain changes can be made in confessions.

The PRESIDING OFFICER. The 5 minutes of the Senator from West Virginia have expired.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent to proceed for 2 additional minutes.

The PRESIDING OFFICER. The Senator from West Virginia is recognized for 2 additional minutes.

Mr. THURMOND. Mr. President, the old rule was that if a confession was voluntary, that was the test. As a lawyer, I have witnessed that rule being followed for many years. As a judge, I charged that rule to the jury, that so long as the confession was voluntary—and that was a matter for court and jury to determine—it should be admitted.

Last week, I was talking to a chief of police and he told me that in 90 percent of the crimes which occur, the criminals are apprehended chiefly by confessions or where there is a followup in getting a confession. He said it was difficult to get witnesses and to produce evidence that might be sufficient to convict, in many cases.

I am therefore hoping that the Judiciary Committee of the Senate will submit to the Congress a proposed amendment to the Constitution which will have the effect of invalidating the unreasonable, impractical, unwise, and unwarranted decisions of the U.S. Supreme Court along this line.

Again I commend the able Senator from West Virginia for his stand on this matter.

Mr. BYRD of West Virginia. I thank the Senator from South Carolina for his comments.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial which was published in the Moorefield Examiner, In Moorefield, West Virginia, on July 20, 1966, entitled "More Riots."

There being no objection, the editorial was ordered printed in the RECORD, as follows:

MORE RIOTS

We are disturbed by the three days of riots in Chicago which resulted in the deaths of three persons, injuries to scores, and hundreds of thousands of dollars in damages to private property. Again, as in the Watts riots in Los Angeles, it wasn't a case of civil rights, no one was being denied the so-called freedoms, no one was denied the right to vote, the right to protest, the right to march, or any other of the alleged grievances associated with the civil rights movement. The Chicago riots were sheer wanton looting, vandalism and arson. There simply is no rational reason for hundreds of negroes breaking store windows so they could steal the contents of the stores. There is no rational reason for deliberate arson, for attacking strangers, hurling rocks and bricks at passing cars. What sort of criminals are they that hide in upper story apartments and shoot at police? It was incredible that no one was hit in the hundreds of shots that were fired.

And all of this senseless damage, mostly to property owners who had nothing to do with any of it, was supposedly caused because police turned off a fire hydrant which was illegally turned on.

While we are far from being an admirer of Dr. Martin Luther King, he was making honest, frantic but futile efforts to stop the senseless violence. As were other dedicated civil rights workers. The violent, property destroying, thieving and wanton burning of private property by criminals has done more to crystalize opinion against the emerging negroes than anything else that could happen. Most people in the country are either indifferent to the cause of civil rights, or have mild reservations. A relative few are either rabidly for or rabidly against the movement.

It is apparent that these riots are a bit more than spontaneous occurrences. Too many people are involved. They are too well prepared, which makes it obvious that there are agitators on the spot who spent considerable time planning the moves. It is also obvious that this violence is timed to occur whenever responsible, non-violent civil rights workers are conducting a campaign. There is no question about it that those fomenting and agitating these planned acts of violence are known in the negro communities. Whether they have direct or indirect ties with the Communists is academic, but the acts have all the earmarks of trained agitators and only two countries have schools for that kind of training.

We submit that the negro communities will have to accept the responsibility of handling and policing these professional agitators themselves. The least that responsible negroes can do is to inform the authorities. Continued violence will set back the cause of civil rights for another generation.

FOREIGN ECONOMIC ASSISTANCE, 1966

The PRESIDING OFFICER. The Chair, in accordance with the unanimous-consent request, lays before the Senate the unfinished business, which will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3584) to amend further the Foreign Assistance Act of 1961, as amended, and for other purposes.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Under the previous order, the question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER] (No. 695), on page 14, line 23, to strike out "$700,000,000" and insert in lieu thereof $658,000,000".

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. ELLENDER. Mr. President, the pending amendment is simple. It seeks to cut from the supporting assistance program only $42 million. The purpose of the amendment is, of course, to permit the authorization to coincide, so to speak, with what the Committee on Foreign Relations did in reducing the number of countries which will be entitled to these funds from 14 to 10.

I listened with great interest to much of the debate that took place yesterday afternoon when the distinguished junior Senator from New York [Mr. KENNEDY] made his speech. The great trouble is that many Senators are not too well informed about the foreign aid program. Over the past 18 years, the United States has been furnishing foreign aid to practically all the countries of the world and foreign aid has become an arm of our foreign policy. When this program began in 1948, funds were appropriated only to take care of Western Europe.

The countries there were badly in need of economic assistance because they had been ravaged by the action that ensued during World War II.

Mr. President, I voted for aid to Western Europe and I make no apology for this. I felt then, as I feel now, that it was a good thing to do. But I have since become disillusioned. I felt that if we did help the countries of Western Europe, that if, as, and when we needed their assistance, we would have no trouble obtaining it from them. But that has not happened.

Today our great country is engaged in a cruel conflict in southeast Asia. We have knocked many times at the doors of our rich allies of Western Europe for assistance, but most of them have said to Uncle Sam, "That is your baby; you nurse it." As a result of that attitude, we have been carrying the load in southeast Asia almost alone. The only assistance we are receiving there comes from the peoples of southeast Asia and from South Korea, which furnishes one division that we support in toto. We provide all of the military hardware, the transportation, and even a part of the salaries of the people who assist us in southeast Asia with the possible exception of Australia.

Mr. President, I want to point out that the amount of foreign aid that is made available, in the Foreign Assistance bill does not reflect the total amount of foreign aid we furnish each year. Last year, the President sent us an estimate which he called a barebones estimate of $3.4 billion. We finally voted for $3.2-plus billion. But in addition to that huge sum, we furnished $1.750 billion worth of food and fiber to our friends under Public Law 480 and some additional billions for international banks and organizations as was pointed out yesterday by the Senator from Illinois, the minority leader [Mr. DIRKSEN]. He presented evidence indicating that we are members of seven or eight international organizations, to which we have contributed and are contributing very heavily.

When these sums are totaled for this fiscal year it will be found that foreign aid will be far in excess of the barebones $3.3 billion the President is requesting in the pending measure.

As I stated yesterday, Mr. President, the current amount we provide for foreign aid is in excess of the yearly amounts provided by us during the early years of our foreign aid program.

Mr. President, it was my privilege to make a special trip to Western Europe in 1960 between the Democratic and Republican conventions. My reason for doing it was to try to substantiate some secret information that I had obtained from the Defense Department in respect to the extent of the military capability of our allies in Western Europe. When I read the secret document, I was dumfounded. I could not believe it. So I decided to find out for myself if it were true.

During this trip, I visited every NATO country with the exception of Greece and Turkey, and what I found to be reality was even worse than that revealed by the secret report. If the Russians had struck Western Europe in July of 1960, the only soldiers ready to go into that conflict would have been the five and a half American divisions and the brigade from Canada. It would have required time to get the rest of our allies ready.

Mr. President, it is indeed deplorable that we must continue, even today, to hold a military umbrella over our prosperous allies in Western Europe. We have furnished France more than $9 billion of aid, Germany over $5 billion, Italy over $6 billion, the United Kingdom over $9 billion, Greece almost $4 billion, and Turkey with $4.8 billion. Yet we must still provide these countries with military protection.

I do not want to go into the agreement or contract that we made with our NATO allies, but I wish to say emphatically that when I visited Europe in 1960, between the Republican and Democratic conventions, I was amazed, dumfounded, and disappointed at what I found.

Mr. President, our troops are in Western Europe in greater numbers than they were at the beginning of 1948. Senators who are acquainted with the situation know what happened shortly before our late President Kennedy was assassinated—that because of the flare-up which took place in Germany, in addition to our five and one-half divisions, we had to send in excess of 47,000 men over there to show the Russians that we meant business.

Mr. President, that would not have been necessary if our allies had kept their promise. Today we have in Western Europe in excess of 600,000 Americans including troops and their dependents. It is costing the taxpayers of our Nation in excess of $2.3 billion a year to maintain those soldiers in Western Europe, in order to hold this umbrella of protection over our allies.

And it seems that we are not appreciated. We are now on the verge of having to spend more millions of dollars because Mr. de Gaulle is saying to us, in effect, "Get out of France; we don't need you any more. We can do without you."

We recently had a golden opportunity to let Mr. de Gaulle not only take care of the economic end in Western Europe, but the military end as well. If I had been President of the United States, I would simply have told him to take over.

Mr. President, last fiscal year, as I recall, the deficit in our balance of payments was about $2.6 billion; and that is just about the amount of money we spend in Western Europe in order to maintain the 600,000-odd Americans who are there, helping to hold that umbrella of protection.

Yesterday, in arguing for the amendment submitted by the distinguished Senator from Illinois, the minority leader [Mr. DIRKSEN], I put in the RECORD figures to show that of the $780 million that was available for the Development Loan Fund in fiscal year 1966 almost 50 percent of that huge amount had been obligated in the last month of the fiscal year.

You know, it is pretty tough for our administrators to get these countries to sign on the dotted line, and carry out programs in keeping with section 201 of the Foreign Aid Act. We have spelled out in the law, the conditions under which these loans are to be made. And I repeat, Mr. President, that it was never intended that any of the funds in the Development Loan Fund were to be used to buy commodities under the so-called program loans. The funds were to be used to improve the economic condition of those countries, by building something that would produce for them. In other words, they should be used for project aid.

Mr. President, the large amount of June obligations is not confined to the development loan program. On the contrary, it pervades the entire AID program. In the contingency fund, a total of $106 million remained unobligated at May 31, 1966, just 1 month before the end of the fiscal year. By June 30, 1966, this unobligated balance had been reduced to approximately $35 million. And how did this come about? During the last month of fiscal year 1966, in fact right up to June 30, the last day of the fiscal year, approximately $70 million was obligated. I ask, why should we provide so much if it is not used?

That has been the burden of the arguments that many of us have put forth in past debates. We have on many occasions provided entirely too much money for those nations to use wisely. That is why much of the money has been wasted.

My good friend, the junior Senator from New York, stated that some of our allies were doing more than we were, that we were spending less than one-half of 1 percent of our gross national product. As a matter of fact, if we were

to add all of the many facets of aid together, it would be found that we are spending in excess of 1 percent of our gross national product to assist our friends across the seas. I do not believe that we have at any time been niggardly in providing our friends with the necessary moneys, food, and fiber.

Much has been said about what we should do in Africa and in South America. It has been my privilege to visit these areas of the world on more than one occasion, and I repeat what I stated in many of my reports. In the case of Africa, I do not care how much money we make available to the people living on that great continent, we shall never get anywhere unless we can get the natural resources there developed for the good of the people.

When I was in Africa in 1962, I found that most of the natural resources—in fact, practically all of the natural resources—were in the hands of Europeans. The Europeans own and control, lock, stock and barrel, practically all of the natural resources of the great continent of Africa. It is my belief that, unless those who own and control those resources work with the people of Africa and develop the minerals, the land, and the water for the good of the people of Africa, no progress will ever be made.

Our country affords a classic example of how a nation should be developed.

We borrowed millions of dollars from the rich of western Europe at that time—the Dutch, the English, and the French. We did not get money from them at one-half of 1 percent with a 10-year grace period, but we had to pay from 5 percent to as much as 7.5 and 8 percent for the money that was borrowed in order to permit us to develop the great resources of our country. Except for the fact that we ourselves undertook the job, worked at it, and developed those resources for the benefit of the people in the United States, we would probably still be as backward a nation as our forefathers found when they first came here.

But it was because of the work that was put forth by our forefathers in developing the resources for the benefit of all, that we developed into a great country.

I can say the same for the continent of Africa. Unless the great mineral resources—the water and land resources—are developed for the benefit of the people who live there, we can never expect great progress to be made in Africa. The same is true of South and Central America, as I have often said. But if that is done, I have no fear that the people will not get along. If a large percentage of the resources is used to build roads, schools, and hospitals, as we have done in our own country, there is no doubt that great progress can be made in the underdeveloped countries.

Incidentally, that is one of the reasons why I have always supported wholeheartedly our technical aid assistance program. The peoples of Africa, of South and Central America, and of Asia can get our know-how more or less for the asking. We have spent billions of dollars in research, and we have the know-how. In making available that experience to the peoples of Asia, of Africa, and of South and Central America, the economies of those countries can be developed.

But I criticize the State Department for having in advance promised Nigeria, in Africa, $250 million over a period of 5 years without consulting Congress or without consulting anyone else, except probably the Chief Executive. We agreed to put up $50 million each year, but I contended then, as I contend now, that most of that money is not being used to develop the great Nigerian resources. Nigeria is potentially rich, but all of the oil, all of the valuable timber, and all of the other natural resources that are in the ground in Nigeria are owned and controlled by Europeans. Unless the Europeans agree to develop those resources in Nigeria for the benefit of the people, by providing for them hospitals, schools, roads, and other types of facilities, such as we have in this country, that area of the world will never be developed.

Most of the raw material found in those areas was transported in its raw state to Europe.

In 1962, I saw mahogany logs that measured 8 feet in diameter being loaded on large ships for shipment to Europe, to the British and to the French. And what did the local people get out of that? They received measly wages, low wages, to cut those logs down and bring them to the port, for shipment across the seas.

If that lumber were used in the manufacture of products there, if the oil produced in Nigeria were refined there, much employment would be provided for the people, and it would not be long before a viable economy could be established in that area of the world.

Mr. President, in my report I stated what would happen in Nigeria. In Nigeria were three regions—the northern, the western, and the eastern—all headed by tribes. The people there never thought of themselves as Nigerians. They belonged to the Ibo or the Yoruba, or other tribes.

Soon after I left there, the very thing happened that I had predicted: The prime minister of the government that had been established and was in charge was shot to death. And today, Nigeria has a military government, with each of the three of the regions pulling from each other. For instance, instead of one research station that we helped to put up in Nigeria, it was necessary to establish three. As I said, the very thing happened that I had predicted.

In recapitulation, Mr. President, I wish to say that regardless of how much money we make available to the people of Africa, unless the natural resources of that great continent are developed for the benefit, first, of its people, so as to create and establish a viable economy, no progress to amount to anything will be possible.

I am hopeful that the Europeans will be able to assist in developing that great area of the world and in creating viable economies in many of those countries. Undoubtedly, if ever a viable economy could have been created in the Congo, the Belgians were on the way to creating one. But the unfortunate happened, and soon after the natives took over, chaos followed, and there is still much chaos.

The same situation exists in the Rhodesias—North and South Rhodesia—and Nyasaland. When I was in that area in 1952, I stated that one of the best steps that could be taken would be the creation of a confederation of North and South Rhodesia and Nyasaland. That area of Africa was capable of creating a most potent and viable economy. But 10 years later, when great progress was being made, the British consented to permit Nyasaland to secede, and of course that was followed by North Rhodesia seceding. In that area of the world today, where a great and viable economy was being established, there is chaos threatening.

Mr. President, in the pending amendment I have attempted to provide the funds in keeping with what the Committee on Foreign Relations has suggested. The Committee on Foreign Relations has provided that the supporting assistance would be made available to 10 countries, instead of 14. But when the committee took that position, it provided more money for 10 countries than was provided for 14 countries. My proposed amendment would simply do this: One of the 10 countries would be South Vietnam, and for South Vietnam we would provide $550 million. My amendment would not affect that amount at all.

In respect to the nine remaining countries that would be provided for under the bill proposed by the Committee on Foreign Relations, I have provided $108 million that would average out $12 million for each country, which is the same amount received by supporting assistance recipients in fiscal year 1966 when there was a total of 14 countries on the list.

Again, I repeat. According to my calculation, $12 million multiplied by 9 totals $108 million. If that amount is added to $550 million, it represents a total of $658 million to be provided for these countries in keeping with what the Committee on Foreign Relations desires. If the $658 million is deducted from the $700 million, there is a difference of $42 million, and that is the amount that I ask the Senate to cut from supporting assistance.

I repeat, Mr. President, that this cut would in no manner affect South Vietnam. South Vietnam would retain its $550 million, and the rest of the countries that would be entitled to this money under the bill of the Committee on Foreign Relations would receive a total of $108 million. That would give to each of those countries the same amount of money in toto that they received last year.

It seems to me, Mr. President, that it is almost senseless for us to decrease the number of countries from 14 to 10 and then give more money than was given last year.

The proposal I am submitting is based on facts. It is based on what the Committee on Foreign Relations intended to do, and it is my contention that with this $42 million cut, the amount provided for the 10 countries under the provisions

of the bill will be the same as what those countries got last year.

Mr. President, as I said in the beginning of my remarks, in many of these programs the money made available was not used in full. In the case of supporting assistance the total appropriated for fiscal year 1966 was $684,200,000, and the estimates of unused funds at June 30, 1966, are in excess of $15 million.

I wish to emphasize, Mr. President, that the Senate decided several years ago to convert our aid program from the grant type to a loan type program. I might point out that supporting assistance programs are all grants. Of course, the more it is increased, the more money there will be to make available to these countries by way of grants, and if this is so they will not wish to borrow money.

In this connection, Mr. President, our foreign aid program is once again being converted to a grant program rather than a loan program. The Foreign Assistance Act of 1961, as initially adopted placed emphasis on a loan program. By 1964 74 4/10 percent of our aid was by way of loans. Now, the amount is only 65 percent, and it is going down, while grants continue to increase.

The amendment which I am proposing is in keeping with what the Congress decided to do 5 years ago, which was to veer away from the grant program and to go into the loan program.

I submit that we should follow that principle. I feel confident that the people we are trying to help will be more prone to help themselves if we provide that they are to repay the money which we make available to them.

I hope that the amendment which I have submitted is agreed to.

(At this point Mr. MONDALE assumed the chair.)

Mr. RUSSELL of South Carolina. Mr. President, will the distinguished Senator from Louisiana [Mr. ELLENDER] yield?

Mr. ELLENDER. I yield.

Mr. RUSSELL of South Carolina. I compliment the Senator on his fine presentation. I know that he has taken a great deal of interest and has a great fund of knowledge in this field.

I have just finished reading Cabell Phillips book entitled "The Truman Presidency." He discusses the genesis of the Marshall plan. He indicates the Marshall plan originated, as I read his book, from a memorandum prepared by Mr. Paul Nitzi, who was at that time an economist with the State Department, and assistant to Under Secretary Clayton.

He prepared a memorandum in which he justified both as a program and as to amount, the entire Marshall plan on the basis of the surplus we had in the balance of payments. He fixed it at $5 billion. That became, as I read it, the basis—the memorandum again—of foreign aid as it originated at that time. The amount was fixed at $5 billion.

I wonder if the Senator could tell us the condition of our balance of payments at this time?

Mr. ELLENDER. I wish to state first to my good friend from South Carolina that the RECORD will show that I was the first Senator to raise that question back in 1957–58. In 1954, as I remember, and as I have pointed out, we had a reserve of $22.8 billion in gold bullion. Today we have about $13.4 billion. In other words, in the space of less than a little over 10 years we have lost the difference between $13.4 billion and $22.8 billion.

Mr. President, what concerns me is that a good deal of this gold has found its way to Western Europe. Against the $13.4 billion that we now have in gold bullion, we owe in short-term notes and other obligations that we have created, in excess of $27 billion.

If the countries of the world who own these short-term securities were to convert them into gold, as they have the right to do under the law, we would be about $12 billion short in gold bullion in order to meet this problem.

As the Senator knows, citizens of the United States can only accept the $20 bill, some of which is backed by silver, some by gold, and some by the Federal Reserve Bank. We cannot dip into the gold bullion. But if a Frenchman has $100,000 in dollar bills he can send over here and get gold for that.

I think we are fortunate that heavy demands are not being made on us now. Our gold reserves are, as I have said, far short of meeting the demands of those who now own the short-term notes of this country, the dollars, and other securities. They could dry us up overnight if they wanted to. But I am not expecting that. It simply demonstrates, Mr. President, what happened to us in the last 8 or 10 years, and all of this is being done now.

We have obligations in South Vietnam where we send many dollars to pay off our soldiers; they spend a lot of money and, of course, those dollars worm their way to markets in Hong Kong and Japan and other places. The foreigners have only to present the dollars and ask for gold and we have no recourse except to pay them off in gold.

Mr. RUSSELL of South Carolina. At the time we began our foreign aid program, we had a surplus of about $5 billion a year. Today we have a deficit in the balance of payments which creates quite a difference in our position, as far as foreign aid is concerned.

Mr. ELLENDER. The Senator is correct. That has been going on since 1958 when I first brought it to the attention of the Senate. In fact, it was going on 2 or 3 years before that.

Mr. KENNEDY of New York. Mr. President, will the Senator yield?

Mr. ELLENDER. As the problem became more and more aggravated, I again brought it to the attention of the Congress. But at the time very few Senators paid attention to it.

Mr. KENNEDY of New York. The Senator from Louisiana has had a considerable background in connection with foreign aid during the 1940's and spoke about it briefly at the beginning of his remarks.

Would the Senator advise the Senate as to what percentage of our gross national product went into foreign aid?

Mr. ELLENDER. Now?

Mr. KENNEDY of New York. During the time between the 1940's and the early 1950's. Does the Senator have those figures?

Mr. ELLENDER. I do not have that figure.

Mr. KENNEDY of New York. The figures which were given to me——

Mr. ELLENDER. The gross national product at that time was less than half what it is now. As I recall, approximately $250 billion. It has now gone up to $675 billion. It is my belief that if we are enveloped by inflation, it might reach a trillion dollars.

Mr. KENNEDY of New York. My understanding was that during that period of time the percentage of the gross national product that went to our aid program was approximately about 1.3 or 1.4 percent, and that it is now down—if we are making any comparison—to about one-half of 1 percent.

Mr. ELLENDER. Does the Senator mean of the gross national product?

Mr. KENNEDY of New York. The gross national product. The same is true of our budget. Aid was given under rather difficult circumstances from 1948 to 1950, amounting to about 8 or 9 percent of our budget, and now it is below 3 percent.

Mr. ELLENDER. No. I hate to disagree with my good friend from New York, but the Senator is basing his figures on the appropriation now before the Senate, which is $3 billion, in round figures. But the Senator must add to that the funds that will be required to pay for the food and fiber we are giving in connection with this program.

Mr. KENNEDY of New York. Food for peace.

Mr. ELLENDER. Right. In addition to that, my good friend from New York overlooks the fact that we are the major contributors to 7 or 9 international banks—including the World Bank, in which we have put many, many billions of dollars. That, of course, must be considered as foreign aid, because we have already put up the money, and we are putting up money each year, and are being called upon to contribute our share to IDA. Concerning the World Bank, I saw in the paper the other day, that it is going to try to get another $1 billion increase. I think that the amount of assessment which may be made against us will be around $400 million. Certainly, that is a part of foreign aid.

Mr. KENNEDY of New York. Even accepting those figures, still, it is a very small percentage, and we are making a very small percentage of effort now, compared with what we did during the 1940's and the early 1950's. If we were now to give 1.4 percent of our gross national product, as we did then, we would spend over $10 billion. The point is the small size of our present effort, let me say to the Senator from Louisiana.

Mr. ELLENDER. That is, if we consider the gross national product.

Mr. KENNEDY of New York. The gross national product in the United States, or if we consider the Federal budget of this country, the growth of our economy and the growth of the population, the percentage of effort we are

making in the United States is far less now, in 1966, than it was 15 or 18 years ago when the United States was a much poorer country.

Mr. ELLENDER. I would agree to that, let me say to my good friend from New York, but at that time, I believe that more efforts were being made to try to balance the budget. Our debt at that time, if I remember correctly, in 1940, was about—what?

Mr. KENNEDY of New York. I am talking about 1948.

Mr. ELLENDER. 1948—I would say approximately $26 billion.

Mr. KENNEDY of New York. I mean right after the war, so it would be considerably more than that.

Mr. ELLENDER. Of course. Excuse me. I was thinking of when I first came to the Senate in 1937. Around 1945—or just after the war, of course, it was around $265 to $270 billion.

Mr. KENNEDY of New York. Yes.

Mr. ELLENDER. That is true. The debt, as the Senator knows, has been gradually increasing to the point that it is now $329 billion. Our carrying charge on that huge amount has been steadily increasing until now it is approximately $1.1 billion a month. That is quite a nice sum of money.

Mr. KENNEDY of New York. Just on that point, would not the Senator agree, however, that the debt per person in the United States—in fact, over the period of the past 15 years—has been going down, rather than up?

Mr. ELLENDER. That is because there are more people in the United States now. Yes. That is right. There are 195 million people in this country now.

Mr. KENNEDY of New York. Could I add, also, that the debts of State, local, and city governments, of course, have increased at a much higher rate than the debt of the Federal Government?

Mr. ELLENDER. The Senator is correct.

Mr. KENNEDY of New York. The debts of corporations, and other companies in the United States have also increased considerably more, percentagewise, than the debt of the Federal Government.

Mr. ELLENDER. We are living now, of course, on the high part of the hog, as the Senator knows. If we do not sell more goods abroad and try to correct this gold bullion problem we are now talking about, it is possible that the economy will flatten out. I hope that it will not. I pray that it will not. But we are at a point now that we have got to be careful.

I want to say to my good friend that he mentioned yesterday the effort being put forth by our friends—let us say, West Germany, in 1961, which furnished foreign aid to the developing nations of the world in the amount of $600 million. In 1964, West Germany furnished $460 million, a decline of $140 million, or 23.3 percent.

I invite the attention of the Senate to the fact that this amount was more or less in loans, not by way of grants and gifts, as we did in the early part of the program.

Mr. KENNEDY of New York. I agree.

Mr. ELLENDER. In the case of France, the country which supplies more aid to the less developed nations than any other country except the United States, the amount in 1962 was $1 billion, which is about 1.3 percent of the French gross national product. But, that money was being used by France in her colonies in north Africa, French Equatorial Africa, and French West Africa. I was there and analyzed that situation in my reports when I returned after having visited Africa. The French subsidized peanutgrowers and growers of other commodities which the French desired. This was not a gift which the French made, but they got value received for it. I can well remember——

Mr. KENNEDY of New York. Could I interrupt the Senator at that point——

Mr. ELLENDER. Of course.

Mr. KENNEDY of New York. I think a better description of those countries would be former colonies, rather than present colonies.

Mr. ELLENDER. No, I would not agree with the Senator on that. The Senator is contending, for instance, that the——

Mr. KENNEDY of New York. The Ivory Coast.

Mr. ELLENDER. Yes, the Ivory Coast is free.

Mr. KENNEDY of New York. Yes.

Mr. ELLENDER. The French still deal there. They are in charge there. They are still in charge of most of the commercial interests. The banks there are being run by the French. The same thing is true of India. The British have been in India for 200 years, yet India is supposed to have obtained its independence 18 years ago.

I wish to say to my good friend from New York that all the banks in India and all the commercial features of the economy of India are practically all controlled by the British.

The same thing happened, as I said a while ago, in Nigeria. The English have been, shall I say, cunning in the management of their colonies. I brought in the fact that what the British did was to educate the best talent they could find in their colonial possessions and gradually work them into their government.

So although the British gave independence to Nigeria, the British do not have an ambassador there, as we have; they still have a governor there. The Nigerians depend a great deal on the advice that they get from the British for the management of the economy of Nigeria. The British have charge, as I recall, of the foreign relations of Nigeria, and in other colonies that they control in Africa.

Of course, the same thing, as I have just indicated, holds in practically all of the colonies that were dominated by the British at one time. The British still have control over foreign and commercial affairs.

Mr. KENNEDY of New York. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KENNEDY of New York. Could I ask the Senator how much his cut amounts to?

Mr. ELLENDER. $42 million.

Mr. KENNEDY of New York. From what countries would that $42 million be taken?

Mr. ELLENDER. The countries that are now receiving this aid are Bolivia, the Dominican Republic, Haiti, Trinidad and Tobago, Jordan, Yemen, Belgian Congo, Guinea, Rwanda, and Senegal. Those are 10 of them.

We have, in addition, Korea, Laos, Thailand, and Vietnam.

Mr. KENNEDY of New York. Are the nations in the first group receiving the aid that the Senator is planning to cut?

Mr. ELLENDER. Some of them, but they are not going to be cut.

Mr. KENNEDY of New York. I understand it was the second group from which the money would be taken.

Mr. ELLENDER. No; it would be left to the Administrator, because today we are making available supporting assistance to 14 countries. The Foreign Relations Committee has reduced it to 10 countries. As I said, of this amount, the amount included in the bill will not affect South Vietnam at all. It will receive the full amount programs; namely, $550 million. That amount will remain intact.

The point I am making is that the Foreign Relations Committee has stated that the 14 countries that are receiving aid should be reduced to 10 countries. In doing that the amount of money needed has been reduced.

Mr. KENNEDY of New York. I have just contacted the AID Administrator's office, and I was informed that the following countries are recipients of the bulk of the aid: Korea, Thailand, Laos, Dominican Republic, and Jordan.

Mr. ELLENDER. I know that Korea is also included.

Mr. KENNEDY of New York. I mentioned Korea, Thailand, Laos, the Dominican Republic, and Jordan.

Mr. ELLENDER. Bolivia——

Mr. KENNEDY of New York. They say that is not covered.

Mr. FULBRIGHT. Mr. President, if the Senator from Louisiana will yield, I might say that he is correct. I think perhaps the confusion comes about from this fact. Originally the category was only for those countries to whom we gave military aid, but in recent years we have been providing aid under supporting assistance to some countries to which we do not give military aid. The Senator from Louisiana is correct. It includes countries like Bolivia.

Mr. ELLENDER. I have read the list. In Latin America we have four.

Mr. KENNEDY of New York. What percentage of the money in the program is going to Vietnam?

Mr. ELLENDER. Eighty-three.

Mr. KENNEDY of New York. What percentage?

Mr. ELLENDER. It is $550 million out of $658 million; all except $108 million.

Mr. KENNEDY of New York. So the other $108 million will be taken from the other countries?

Mr. ELLENDER. No; that is what they receive.

Mr. KENNEDY of New York. How much would they receive if the Senator's cut would not go through?

Mr. ELLENDER. I can give the average each received. Bolivia received—I am told by the clerk of the committee that that is classified information. It is secret, classified. But they will receive more, I can assure my friend, than they received last year, because the Foreign Relations Committee has made the decision to reduce the number of countries from 14 to 10.

Mr. KENNEDY of New York. Does the Senator have some language contained in his amendment that would prevent this money from being taken from Vietnam?

Mr. ELLENDER. Language?

Mr. KENNEDY of New York. What is to prevent this money from being taken from Vietnam?

Mr. ELLENDER. It is left to the administration. That is the amount it asked for Vietnam. I am not touching it.

Mr. KENNEDY of New York. Is that secret or classified?

Mr. FULBRIGHT. Mr. President, if the Senator will yield, these are presentation figures seeking to justify the overall amount. The AID officials are not bound by any of these figures. They can shift these funds around, because there is nothing in this bill that gives any particular country a particular amount. The authorization is for an overall figure. The individual country figures are classified. One of the reasons they are classified is that no agreement has been made with the countries, and they do not want to make public information that would make any country believe it is entitled to a particular amount. That has always been true. These are only what we call presentation figures. They are not supposed to be made public, but every now and then they get out.

Mr. KENNEDY of New York. Could I clarify the figures in connection with the amendment of the Senator from Louisiana? Korea, Thailand, Laos, the Dominican Republic, and Jordan receive about 30 percent. Vietnam receives approximately 70 percent. The additional countries in Latin America, for example, receive a total amount of only $8 million as between all of them.

Mr. ELLENDER. No.

Mr. KENNEDY of New York. They receive more than that?

Mr. ELLENDER. Last year they received—I cannot say.

Mr. FULBRIGHT. Last year's figures are not classified.

Mr. ELLENDER. The total that was made available to Latin American countries was $45 million-plus. In addition to that, one of the countries, the one to which we sent soldiers, got quite a bit from the contingency fund. As the Senator knows, we have a stable government there and we expect to withdraw and let them be more or less on their own.

We are trying to lend them money rather than make grants to them. That is what the supporting assistance funds are. They are part of the grant program. We have been trying to get away from that.

Mr. KENNEDY of New York. How does the Senator assure me and assure the rest of the Senate that the cut is not going to affect the money designated for Vietnam?

Mr. ELLENDER. It will be left to the Administrator. As the distinguished chairman of the Foreign Relations Committee stated, it is up to the Administrator to make the decision. I am saying now on the floor of the Senate that there is no intention, through the adoption of the amendment, of curtailing in any manner the amount stipulated to be used to assist South Vietnam.

Mr. KENNEDY of New York. What about Korea?

Mr. ELLENDER. And the amount that I have just mentioned has been given to us as the amount that would be made available in South Vietnam.

Mr. KENNEDY of New York. What about Korea, for instance. There will be a large amount taken away from Korea, will there not?

Mr. ELLENDER. No, not very large.

Mr. KENNEDY of New York. What about Thailand?

Mr. ELLENDER. There is probably no reason we should continue the aid to Korea. Has the Senator been to Korea lately?

Mr. KENNEDY of New York. Yes, I have.

Mr. ELLENDER. He found that country prosperous, did he not?

Mr. KENNEDY of New York. I felt they had a great number of economic problems.

Mr. ELLENDER. Similar to those we have in our own country, I presume.

Mr. KENNEDY of New York. A little bit more acute, I thought.

Mr. ELLENDER. Well, I do not think so. I have been there, too. If the Senator had been there in 1946, and compared the situation then with the situation now, he would have seen great progress.

The Koreans are borrowing a lot of money from us, and we wish to continue having them do that, instead of our making direct grants.

Mr. KENNEDY of New York. This money, for the most part, will therefore be taken from Korea, Thailand, Laos, the Dominican Republic, and Jordan?

Mr. ELLENDER. No, no.

Mr. KENNEDY of New York. Not Laos?

Mr. ELLENDER. No.

Mr. KENNEDY of New York. Where will it be taken from?

Mr. ELLENDER. Well, it will be left to the Administrator.

Mr. KENNEDY of New York. I understand that, but——

Mr. ELLENDER. In other words, the amount provided for is $658 million, and of that amount——

Mr. KENNEDY of New York. The $550 million goes to Vietnam.

Mr. ELLENDER. We cut only $42 million.

Mr. KENNEDY of New York. The Senator says none of the $550 million to Vietnam is supposed to be cut; how much will that leave?

Mr. ELLENDER. Just $108 million.

Mr. KENNEDY of New York. So $45 million is being cut out of the $108 million?

Mr. ELLENDER. No; $42 million out of $150 million.

Mr. KENNEDY of New York. That would be cutting it about 28 percent.

Mr. ELLENDER. We are cutting out four countries. I do not know which countries will be cut out; it is left to the Administrator to make that decision. The bill does not provide which countries are to be cut out.

But the Foreign Relations Committee did say that instead of furnishing direct aid and grants to 14 countries, we will furnish this type of aid to only 10 countries in fiscal year 1967.

Mr. KENNEDY of New York. May I ask the Senator how much of the money spent under this program is spent here in the United States?

Mr. ELLENDER. I do not know. I cannot tell. But I have seen some figures which indicate as much as 75 to 80 percent, in military hardware and commodities such as wheat and feed grains.

Mr. KENNEDY of New York. So when we talk about the fact that we propose to cut $42 million, as the Senator's amendment suggests, we are pointing out also the fact that $34 million or $35 million of that amount would be spent here in the United States?

Mr. ELLENDER. No, I am not saying that. I cannot tell. I am simply reading to the Senator a statement from estimates that have been made by the Administrator of foreign aid.

But I wish to reiterate to my good friend that, let us say, the Dominican Republic would be reduced considerably from what it received last year; and I understood that the administration was going to make a cut, at any rate, to reduce the number of countries. But the Committee on Foreign Relations, as I said, has seen fit to reduce the number from 14 to 10, and I am sure that every one of the 10 remaining countries will receive almost as much as they did last year.

Mr. KENNEDY of New York. May I get something clarified? Perhaps the chairman of the committee could help on this. I received information from the Agency that other than the five countries that I named, all the other countries together receive only $8 million. Is that statement incorrect?

Mr. FULBRIGHT. It is very little.

Mr. KENNEDY of New York. If four of the countries in that category were cut out, we would be cutting out only $2 or $3 million altogether.

Mr. FULBRIGHT. They said it was very little.

Mr. ELLENDER. Will the Senator name the countries he has in mind?

Mr. KENNEDY of New York. Korea, Thailand, Laos, the Dominican Republic, and Jordan were the countries I mentioned. If Vietnam receives about 70 percent, and these five countries receive almost 30 percent, all the other countries together receive only $8 million to $10 million.

Mr. ELLENDER. Well, the Latin-American countries last year received $45 million.

Mr. FULBRIGHT. That includes the Dominican Republic.

Mr. ELLENDER. Surely.

Mr. KENNEDY of New York. But take the Dominican Republic out. I mentioned the Dominican Republic.

Mr. ELLENDER. The African countries receive a total of $27 million. The other countries in Latin America, aside from the Dominican Republic, receive about $11 million.

But I wish to say, without going further than I can——

Mr. FULBRIGHT. We are making a calculation.

Mr. KENNEDY of New York. I have mentioned Korea, Thailand, Laos, the Dominican Republic, and Jordan.

Mr. FULBRIGHT. I am taking those outside of that. There are six.

Mr. KENNEDY of New York. Outside?

Mr. FULBRIGHT. For a total of $15,750,000.

Mr. KENNEDY of New York. Could the chairman of the committee also tell me, if we took out the four lowest of those countries, how much it would amount to, approximately?

Mr. FULBRIGHT. The four lowest? About $6 million.

Mr. KENNEDY of New York. The point that I am making to the Senator from Louisiana is that first, we are talking about cutting $42 million. Obviously, from those figures, even if we cut four countries out, we are going to get into Korea, Thailand, Laos, the Dominican Republic, and Jordan. Second, we are talking about a cut from those countries outside of Vietnam. The Senator speaks of suggesting a cut of about 28 percent.

Mr. ELLENDER. Of course, it depends on which countries they cut. I do not know which countries will be cut. But I do know a gradual decrease of direct aid to Korea is expected, as well as to Thailand—except that lately they have had to raise it a little bit. And of course the amount for Vietnam has been raised tremendously.

But as I said, the Foreign Relations Committee decided to cut the number of countries from 14 to 10; and they will still have, on the average, as much this year as they had last year.

Mr. KENNEDY of New York. Yes. What we wish to do, though, is to make sure it is understood that there are about eight countries which receive a total of $15 million, a very small amount. So when we talk about cutting four countries, some of those countries receive very little, and we would still be cutting only $6 million or $8 million, or whatever the figure was, from the overall budget. The Senator's suggestion is a decrease of $42 million from a total of about $150 million, which is a 28-percent cut for all the countries involved. That is my point.

I appreciate the courtesy of the Senator.

Mr. ELLENDER. Yes. That would be done by the Administrator, out of the overall figure we make available to them.

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

Mr. ELLENDER. I yield.

Mr. McGOVERN. I am inclined to support the amendment of the Senator from Louisiana. I think it is a prudently drawn amendment, and it is based, as he says, on the committee's action in reducing the number of countries eligible for this type of aid.

But beyond that, I should like to ask the Senator from Louisiana to clarify my own thinking on this point: Is it not true that supporting assistance is assistance made necessary because of military aid that we are giving to certain countries? Is that not the meaning of supporting assistance?

Mr. ELLENDER. That was the reason, but we have changed that somewhat.

Mr. McGOVERN. Is it still basically the reason?

Mr. ELLENDER. Basically is exactly correct.

Mr. McGOVERN. I merely wish to clarify my own position on that point. I have been opposing reductions in our economic and technical aid programs, as the Senator knows.

Mr. ELLENDER. Yes.

Mr. McGOVERN. But I am strongly opposed to military assistance. If the Senator's amendment will help reduce some of our military commitments abroad, I wish to support it.

Mr. ELLENDER. Yes.

Mr. McGOVERN. I think we do more damage to these underdeveloped countries by loading them up with military burdens and military budgets than we do good. So when the military assistance bill comes before the Senate I intend to offer amendments and support others which I expect will be offered to reduce the amount provided in that bill. In fact, I wish we could end the so-called military assistance program. I do not think it assists anyone. I think it creates a threat to our own security, it adds an unnecessary burden to the economies of these poverty-stricken countries, and it is partly because of that extra burden that we find it necessary to introduce programs like this so-called supporting assistance aspect of the bill.

Mr. ELLENDER. The Senator is so right; and I wish to say that I have pointed to that in all of my reports.

As the Senator knows, we created, in this foreign aid program, a large number of missions which we sent abroad.

We have the JUSMAAG, which maintains local military people with ours, and we have other military missions as well.

I can well remember the time when I was in Pakistan. I do not recall the exact year. I got into quite an argument with the mission there. They were contending that Pakistan needed so many soldiers and so much equipment. I said, "How do you expect your people to raise the taxes to pay for this?" They said, "We are trying to get them to pay as much as we can, and we will do the rest." That is how we got hooked militarily into those countries.

I am in thorough agreement with the Senator from South Dakota that we have done too much in the military field. I was in South Vietnam and attended the inauguration of President Diem. I thought that it was a mistake for us to ever send any advisers there, because it meant the creation of a local army. As we know, this force grew in intensity from the time when President Eisenhower was in office through the administration of President Kennedy and down to the time when President Johnson took over. It then turned into a hot war.

We started the buildup in Vietnam, and we should have expected that the enemy would also build up their forces. Now that we are engaged there and have made so many promises, I have taken the position—and as the Senator knows, I have never criticized the President—that in my opinion we have gone so far that we cannot pull out now.

I have also taken the position that we should go all out or get out. I am still of that opinion. I know that does not agree with the opinion of some of the Senators on the floor here, but I believe we have gone entirely too far in providing military equipment and hardware for a good many countries.

If it were left to me, I would certainly limit it to a large degree. The Senator remembers when we dealt with Africa in, I think, 1963. I tried to limit the amount of military equipment to $25 million for all countries in Africa, but the administration would not agree to that, unless it were provided that, if the President thought more aid was needed, the aid could be increased.

It was one of the loopholes that we always get involved in.

May I say to my friend, the Senator from South Dakota, that we never seem to learn. In all of our military expansions abroad, we always get the worst end of it.

Mr. McGOVERN. Mr. President, will the Senator yield further?

Mr. ELLENDER. I yield.

Mr. McGOVERN. Mr. President, the other day the senior Senator from Oregon and the senior Senator from New York offered a proposal to curtail economic and military aid to countries in which a military junta had come into power and taken over the government. Is it not true that a good many of those juntas have tooled up by means of military assistance sent to them by our country under our aid program?

Mr. ELLENDER. We have a classic example in Pakistan and India. We furnished both sides with assistance. They were fighting each other and the military hardware they were using was labeled "Made in America."

As I said, the situation is prevalent not only in Asia but also all over the world. We have had sad experiences in Iraq where we furnished millions of dollars in aid. That country turned against us and used the very military equipment we sent to them to fight our friends.

I fear that the same thing will occur some day in the Near East.

Mr. McGOVERN. I thank the Senator. I intend to support his amendment.

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

Mr. ELLENDER. I yield.

Mr. MORSE. Mr. President, I have a very brief statement to make in support of the amendment offered by the Senator from Louisiana, of which I am a sponsor.

Much of what was said yesterday in support of the Dirksen amendment is equally applicable to the supporting assistance category of our program.

I have had a conversation with the Senator from South Dakota [Mr. McGOVERN], and I have not had an opportunity to talk with him again since that conversation.

Supporting assistance during most of its existence has been primarily American aid money to support the military establishment of a given country when from its own resources, it could not raise the money for the support of its military establishment.

For many years I have urged cutbacks in that expenditure of foreign aid and so has the Senator from Louisiana. It has led in many instances to countries building up military establishments, and particularly a military oligarchy. It has not been conducive to the development of other programs in the country that would help to meet the needs of the impoverished masses of the people.

It is still true that much of this money can and is and will be used in some countries for his military support. But I want to make it clear to the Senator from South Dakota that in recent years there has been approval granted by the AID officials for the use of some supporting money for other uses, although most of it is used directly for military support.

This is a catchall category, in that AID may permit the country to use our funds for some other purpose, making money available for support of their establishment.

It is still strongly characterized as providing aid money to the military establishment. I would not want to mislead the Senator from South Dakota, because I checked with the chairman and counsel of the committee.

After I talked to the Senator from South Dakota, I remembered that in our discussion in the committee this year there was some evidence that it was used for other purposes, too.

I also point out that I think the symbolism of this cut is very important, too, because it makes clear to the countries concerned that they ought to be directing their primary attention to meeting the needs of the people of their countries on the economic front, rather than building up, I submit, in too many instances, inflated military establishments.

Also, may I say that the so-called general loan funds are made available to these countries. In addition, if they have an emergency, the assistance that the record shows they have received from the President's contingency fund is still available to them. So I am supporting the proposed amendment because I believe that this is a place in which we can cut without doing any serious damage to the welfare of the people of those countries.

I desire the aid to go to the benefit of the people, not the governments. If I had my way, little would be made available simply to support a government budget or general imports. I am a project-to-project man. I believe that the aid should go to specific projects which would give assurance to the American taxpayers that the people would benefit from the expenditure of those dollars.

Furthermore, may I say that I would support a great many procedural reforms—and have supported a great many procedural reforms—that would require, for example, that the money could not be spent unless assurance could be given that there would be a direct economic benefit to the people.

When we seek to institute various forms of domestic aid programs in this country—that is what a public works program is, in one sense—we must show a benefit-cost ratio relationship. AID does not have to; AID does not do it, either. A good many of the millions of dollars expended by AID in foreign countries have not been justified under the benefit theory that the Senator from Oregon is emphasizing.

A cut here would do no damage in the long run to a sound foreign policy, but would help to improve what is at the present time, in my judgment, a very bad foreign aid program.

Mr. McGOVERN. The Senator from Oregon has referred to this supporting assistance program as a kind of "catchall." Is it under that authority that we send things like hair spray for the natives who have befriended our troops in Vietnam?

Mr. MORSE. No, I do not believe it would be fair to say that.

Mr. McGOVERN. I thank the Senator.

Mr. MORSE. Mr. President, I wish to say this about the cut in assistance to South Korea. There certainly is a need for a reduced supporting assistance for South Korea. Millions of dollars are being poured into South Korea in connection with our Military Establishment, in that we are paying the whole bill, for instance, for South Korea's participation in Vietnam. So it cannot be argued that South Korea is entitled to the money she would get under the bill by way of supporting assistance because of her need for the total amount of money that is being made available to her in connection with South Vietnam.

The amendment that the Senator from Louisiana has offered, and of which I am cosponsor, does not cover the expenditure of funds in connection with South Vietnam.

Our amendment proposes a $42 million reduction, from the $700 million of the committee bill to $658 million, with the understanding that the funds presently contemplated for Vietnam shall not be reduced.

I believe I owe it to Senators to indicate that I shall do as I always have done when I have a plan for subsequent action in connection with a particular subject matter. If this amendment should fail, I shall offer a subsequent amendment of the same type, for a lesser amount. But this amount is reasonable and the amendment should pass in this form.

This means the cut would be applied elsewhere than in South Vietnam. The summary presentation document indicates that $550 million is programed for South Vietnam, and I propose to leave that sum alone.

The question is whether $150 million in pure grant aid should be distributed to countries other than South Vietnam. This is a complete giveaway program. This is a complete grant of American taxpayer money, in the amount of $150 million, to the countries concerned. I believe the figure is much too high. It has come to be almost a romantic concept that the more dependent upon us a country is, the more generous and less demanding we should be in financing it. It is time we took the opposite tack—the more dependent upon us these countries are, the more insistent we should be that they not look forward to a permanent American subsidy.

Korea, Laos, Thailand, Jordan, the Dominican Republic, Bolivia, the Congo, Haiti, Trinidad-Tobago, Yemen, Guinea, and Ruwanda are on the administration list for supporting assistance. The Foreign Relations Committee, in a wise and sound move, limited the number to 10. This means that some of these programs will have to be eliminated, and presumably they will be in what the presentation calls "small programs in several other countries."

To maintain this financial subsidy in such countries as Korea, Jordan, and Bolivia, as an indefinite dole, irrespective of the growing cost of the war, is creating a more dangerous situation for the United States than it is avoiding. One of the reasons for our military involvement in so many parts of the world is the attitude that we have fostered in so many countries that no matter what happens to them, and no matter what they do or do not do for themselves, Uncle Sam will take care of them.

There is no justification whatsoever for Bolivia to get a single dollar of grant aid for its budget from the United States. As was said of development loans yesterday, it is unreasonable to extend long-term loans for budget support. Grant aid is equally poor policy.

I yield to no Member of the Senate in the support I shall give for sound loans to Bolivia or to other countries that need loans, if the projects in which the money is to be invested are sound projects and if there is a requirement—and there ought to be a requirement—that a report be made as to the purpose of the expenditure.

That is one of the procedural reforms which the senior Senator from Oregon has urged for some years. I shall continue to urge it. The question is whether, if we fail in committee with respect to procedural reforms, we ought to bring the question of procedural reforms to the Senate. In this field we ought to find out what is happening to the funds. I am not so sure that a package of procedural reforms should not be brought to the floor of the Senate before the debate is closed on the foreign aid bill this year. I feel certain that the majority leader would not be too happy to consider such a package. I should have to admit—and I should like to have the attention, as I have it, of the chairman of the committee—that probably a more successful program in regard to procedural reforms would be, rather than to try to turn the Senate into a Committee of the Whole,

to continue to do what we have done and been trying to do; that is, to get a complete reexamination of foreign aid at the committee level.

That is why the committee arrangement was adopted by the Senate last year. It was tragic that it had to be dropped after 60 days of good-faith attempts to convince the House to include it in the foreign aid bill last year. Had it been included, many of the problems that are plaguing us in the debate this year would have been pretty well on the way to solution.

I certainly shall support such an amendment in the bill or shall offer an amendment that would provide for the creation of another blue-ribbon committee, whatever title it is felt should be attached to it, for the making of a 1-year or a 2-year survey of the need for procedural reforms, as well as substantive reforms, in foreign aid.

But I would want to have attached to such a proposal the proviso that it is to be understood that foreign aid would have to be completely revised, or that at least consideration should be given to a complete revision of foreign aid, on the basis of such a report, findings, and recommendations. To do that, it would be necessary again to try to do what we succeeded in doing in the Senate last year; that is, to fix a date certain for the end of foreign aid as it is now operating, and for the beginning of a new foreign aid program. At that time, the procedural reforms that would have been recomended to us would be placed in effect.

The danger of bringing to the floor of the Senate a package of procedural reforms, which we would have to do now if we follow such a course of action, is that we cannot buttress it with the findings of fact, the evidence, and the data that would be brought forward by such a report as the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Oregon, and an overwhelming majority of members of the committee supported last year, and which the Senate itself supported by the adoption of our amendment.

But I am going to continue to try to help to bring about these needed reforms in foreign aid so that we will not be hearing again that 10 to 20 percent is admitted to be wasted, which out of $116 billion is a tremendous amount of money.

We have to have a foreign aid bill that will cover the bare necessities for now, but we still have an obligation before we start expanding it to bring about reform of the abuses which have been proved over and over again to exist.

In fact, on Monday I shall have on the top of my desk each of the Comptroller General's reports on foreign aid, as I did last year. I can read the titles. The titles will tell the story of the area in which reform should be brought about.

My good friend the Senator from Ohio [Mr. LAUSCHE], good naturedly says that he does not want me to do it today. That means that he has an engagement and I shall not inconvenience his schedule.

Returning to the statement I wish to make about the pending amendment, Mr. President, Senators who have been here for a number of years will recall that this category of aid is one that the Senate has sought to terminate altogether. We adopted a Mansfield amendment several years ago, that sought to phase out supporting assistance. It is a program that should have been phased out before now.

The advent of the war in Vietnam has, unfortunately, become a device for increasing most forms of aid to the rest of the world. That clearly was an administration objective in its presentation. It asked for $200 million in supporting assistance, with an open-ended, unspecified amount for Vietnam in addition to the $200 million for use elsewhere.

That should be kept in mind. This administration this year asked for more than it asked for last year.

This is a substantial increase over the "non-Vietnam" supporting assistance provided last year. In fiscal year 1966, the regular aid and the supplemental aid bill of February combined provided $541 million in supporting assistance for Vietnam and $143 million elsewhere.

Although the Foreign Relations Committee reduced this sum and fixed the supporting assistance funds at $700 million, the report makes clear that this is still an increase of $15,800,000 above the total of supporting assistance voted last year.

I shall repeat that figure, Mr. President. The supporting assistance program in the committee bill this year is $15.8 billion above the total of supporting assistance voted last year.

I shall quote from the committee report:

> The committee recommends approval of a one-year authorization of $700 million for the entire program, the report states on page 17. This represents an increase of $15,800,000 above the authorization and appropriation for the 1966 fiscal year, including the suplemental approved by Congress earlier this session.

I find it difficult to understand why the world should be given to understand that no matter how high the cost of the war in Vietnam goes, the American taxpayer has a bottomless pocket out of which to keep the world in the style to which it has become accustomed. I cannot understand why the Yemen, Jordan, Guinea, Korea, Ruwanda, Haiti, the Congo, yes, the Dominican Republic, too, and Trinidad-Tobago, should expect to receive the same rate of supporting assistance, or close to it, as they received when there was little war cost in Vietnam. Those programs should be closed out entirely, if the funds are needed for Vietnam, Thailand, and Laos, as I am sure the administration will argue they are.

The extent of help the United States is receiving in Vietnam is meager, indeed, relative to the cost of that war. We say we are fighting there to preserve freedom for everyone. "Everyone" apparently does not see it that way, for their participation in the war, either financially or physically, is still largely token.

Modest reductions in their financial aid from the United States is a contribution that all recipients could make toward the cost of the war. They should make it. Certainly they cannot expect business as usual at the foreign aid window when the cost of the war in Vietnam is being estimated at a higher rate almost daily.

The Congress should make clear that we do not intend to let the war in Vietnam interfere with our purpose of phasing out supporting assistance elsewhere in the world.

I wish to make this final comment. Here is a place where savings can be made in the foreign aid program, certainly without doing damage to the legitimate objectives of the foreign aid program, and also help to save money for the American taxpayer which, in my judgment, needs to be spent in regard to our domestic aid program here in our country. There is a growing, and a justifiably growing, demand on the part of the American people that we must spend more than the President's budget proposes to spend to meet some of the domestic crises that exist in our country in connection with a reduction in the plans for a Great Society program.

We owe it to the American taxpayer to make this savings of $42 million in a part of a foreign aid program—and for several years, there has been general agreement in our committee—that should be phased out entirely.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana [Mr. ELLENDER]. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. KUCHEL (after having voted in the negative). On this vote I have a pair with the distinguished junior Senator from Texas [Mr. TOWER]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withdraw my vote.

Mr. LONG of Louisiana. I announce that the Senator from Tennessee [Mr. BASS], the Senator from Nevada [Mr. CANNON], the Senator from Arizona [Mr. HAYDEN], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I also announce that the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Massachusetts [Mr. KENNEDY], the Senator from Arkansas [Mr. MCCLELLAN], the Senator from Oregon [Mrs. NEUBERGER], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN] are necessarily absent.

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Massachusetts [Mr. KENNEDY]. If present and voting, the Senator from Mississippi yould vote "yea," and the Senator from Massachusetts would vote "nay."

On this vote, the Senator from Nevada [Mr. CANNON] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Nevada would vote "nay," and the Senator from Alabama would vote "yea."

On this vote, the Senator from Connecticut [Mr. DODD] is paired with the Senator from Oregon [Mrs. NEUBERGER]. If present and voting, the Senator from

Connecticut would vote "nay," and the Senator from Oregon would vote "yea."

Mr. KUCHEL. I announce that the Senators from Colorado [Mr. ALLOTT and Mr. DOMINICK], the Senator from Michigan [Mr. GRIFFIN], the Senator from Kansas [Mr. PEARSON], and the Senator from Texas [Mr. TOWER] are necessarily *absent*.

The Senator from Pennsylvania [Mr. SCOTT] is absent because of illness.

If present and voting, the Senator from Colorado [Mr. DOMINICK] would vote "yea."

The pair of the Senator from Texas [Mr. TOWER] has been previously announced.

On this vote, the Senator from Colorado [Mr. ALLOTT] is paired with the Senator from Michigan [Mr. GRIFFIN]. If present and voting, the Senator from Colorado would vote "yea," and the Senator from Michigan would vote "nay."

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

The result was announced—yeas 51, nays 31, as follows:

[No. 149 Leg.]

YEAS—51

Bartlett	Gore	Nelson
Bennett	Gruening	Pell
Bible	Hartke	Prouty
Boggs	Hill	Proxmire
Burdick	Hruska	Randolph
Byrd, Va.	Jordan, N.C.	Robertson
Byrd, W. Va.	Jordan, Idaho	Russell, S.C.
Church	Long, La.	Russell, Ga.
Cooper	McGovern	Simpson
Cotton	McIntyre	Stennis
Curtis	Metcalf	Symington
Dirksen	Miller	Talmadge
Ellender	Montoya	Thurmond
Ervin	Morse	Williams, Del.
Fannin	Morton	Yarborough
Fong	Mundt	Young, N. Dak.
Fulbright	Murphy	Young, Ohio

NAYS—31

Aiken	Holland	Monroney
Anderson	Inouye	Moss
Bayh	Jackson	Muskie
Brewster	Javits	Pastore
Carlson	Kennedy, N.Y.	Ribicoff
Case	Lausche	Saltonstall
Clark	Long, Mo.	Smith
Douglas	Mansfield	Tydings
Harris	McCarthy	Williams, N.J.
Hart	McGee	
Hickenlooper	Mondale	

NOT VOTING—18

Allott	Griffin	Neuberger
Bass	Hayden	Pearson
Cannon	Kennedy, Mass.	Scott
Dodd	Kuchel	Smathers
Dominick	Magnuson	Sparkman
Eastland	McClellan	Tower

So Mr. ELLENDER's amendment (No. 695) was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was adopted.

Mr. FULBRIGHT and Mr. MORSE moved to lay the motion on the table.

The motion to lay on the table was agreed to.

"TO WHOM MUCH IS GIVEN," ARTICLE BY EDWARD F. SNYDER

Mr. CLARK. Mr. President, Edward F. Snyder is executive secretary of the Friends Committee on National Legislation. He is also serving as chairman of the Board of the International Development Conference, a group of nongovernmental agencies concerned with American foreign aid programs.

I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an article written by him, entitled "To Whom Much Is Given," which was reprinted from the Earlham Review, spring 1966. The views expressed by Mr. Snyder in this article closely coincide with my own, that the foreign aid bill is far too inadequate.

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

[From the Earlham Review, spring 1966]

TO WHOM MUCH IS GIVEN

(NOTE.—Edward F. Snyder is Executive Secretary of the Friends Committee on National Legislation, the "Quaker Lobby" in Washington. He is also serving currently as Chairman of the Board of the International Development Conference, a group of non-governmental agencies concerned with American foreign aid programs.)

(By Edward F. Snyder)

George Orwell made his novel 1984 a symbol of horror by extending some of the social, political trends already visible in 1949. He thus confirmed the judgment of most newspaper city editors that readers are more interested in bad news than good news.

Unfortunately, no one has yet made a best seller by projecting into the future some of the constructive forces and trends at work in our society. But it might be instructive to envision how a newspaper of August 16, 1976 might report Senate passage of the foreign aid bill if some of the thinking evident in the field of world economic development is permitted to bear fruit. The dispatch might read as follows:

"SENATE PASSES ECONOMIC DEVELOPMENT BILL 70–28 ENLARGED PROGRAM WINS BIPARTISAN SUPPORT

"WASHINGTON, Aug. 15.—The Senate tonight passed and sent to the President with only minor cuts the $13.8 billion economic development bill he requested last March. The $2.3 billion increase over last year's bill reflects final Congressional acceptance of the benchmark of 1.5 per cent of the gross national product which the industrialized countries are committed to devoting to aid the developing world.

"The back of the opposition to the new bill was broken during Senate hearings when Budget Director Frank Dollar promised reluctant Senators that savings accruing under the first stage of the East-West Geneva Disarmament Treaty will provide more than enough money for new aid funds in addition to the 'new cities' program and a 3 per cent tax reduction.

"President Farsight issued a statement commending the Democratic and Republican floor leaders for their handling of the bill. He challenged the Soviet Union as a 'member of the privileged circle' to match the U.S. contribution.

"The Senate vote on final passage of 70–28 and the House vote of 295–104 indicated that the President's 'fireside chats' and the work of Congressional speaking teams across the country have been remarkably effective in building support for the massive international economic development program. The efforts of public organizations, the churches, business groups, unions, cooperatives and women's groups also played an important role in mobilizing public opinion behind the President.

"The major fight occurred, as was expected, on the percentage of U.S. funds to be channeled through international organizations as against AID's bilateral programs. The final '50-50' compromise was reached after Senator I. C. Worldview's motion to increase the percentage through international channels to 60 per cent was defeated 48-45. Sen. Worldview vowed a renewed fight next year. Senator Anna List noted that in reality the issue has 'less and less meaning every year' because AID funds are now spent to a very great degree in accordance with the criteria laid down by the UN Development Programme for projects on the UN's 'Priority A' and 'Priority B' lists.

"The real issue, said Sen. List, is which international agencies should receive the funds. Conservatives generally favor international channels where the U.S. has a strong voice in voting, such as the IBRD, IADB, IDA and the Asian Development Bank. Liberals have generally urged that the U.S. should 'rely on the world's conscience' and channel more funds through the UN Capital Development Fund where the less developed nations have a predominant voice. This year the U.S. contribution to UNCDF was increased by $400 million for a total U.S. contribution to UNCDF to $2.8 billion.

"While some criticism was directed at Economic Aid Czar N. O. Overlap, Sen. M. N. Chairman said the plan to coordinate all food, money, Peace Corps, Farmer Corps and other programs under Mr. Overlap had worked relatively well during the first eight months of operation and it was still too early to draw any meaningful conclusions. Mr. Overlap was at the Capitol when the Senate action came and issued a statement saying he was 'most gratified.' He reiterated his theme of recent weeks that 'the peace will not be secure until the gap between the developing and the developed countries is closed.' He added that 'the only way to cut the aid program materially is to modify U.S. trade laws to permit developing countries to enter the U.S. market more fully.' The issue of 'trade vs. aid' is expected to receive major consideration when the Trade Expansion Act comes up for renewal next year.

"The bill as passed by Congress is 'pure' economic assistance, Sen. Chairman said. He noted that the last of the bilateral foreign military assistance programs was phased out early this year. Military assistance to regional and international organizations is on a declining basis and is handled by the blue ribbon Joint Senate-House Committee on the Geneva Disarmament Treaty."

Fanciful? No doubt. Yet thinking and planning at the UN, in our universities, within the government, and among private citizens has already laid the groundwork for these and further developments.

A realistic assessment of today's situation, however, shows how far we are from the kind of breakthrough which would make such a dispatch possible. The U.S. is mired down in a nasty guerrilla war on the Asian mainland which prevents any real progress toward disarmament with the Soviet Union and makes impossible even tentative first steps toward a U.S. detente with China and peace in the Far East. Our foreign policy is set by the negative goals of anti-communism rather than by the vision of a positive and constructive mission in a developing and increasingly interdependent world.

In this context of tension between optimism and near despair it seems relevant to examine six basic questions for which satisfactory answers must be found before a truly comprehensive and effective aid program can be developed, indicating a few of the salient facts and suggesting some tentative answers.

1. WHAT BASIC MOTIVATION FOR U.S. ASSISTANCE?

Today's foreign aid program is based on a conglomeration of motives that are as confused as any that ever supported a major U.S. foreign policy thrust. At least six different elements can be discerned:

(a) *Faith in arms as a reliable means to "contain the march of world communism."*

Military hardware is being sent to such countries as India and Pakistan, Greece and Turkey. In 1965, 18 Latin American countries received U.S. military assistance. Studies prepared for the Senate Foreign Relations Committee have criticized military aid as aiding totalitarianism, slowing down economic development, increasing tensions among neighboring nations, and encouraging military supremacy over civilians in newly independent countries. While most policy makers support military aid, there is considerable Congressional skepticism, especially in the Senate, about its real worth. Last year's military assistance program was $1.17 billion.

(b) *A more sophisticated anti-communism which pours dollars and other economic aid into key countries,* especially those ringing China (Korea, South Vietnam, Laos, Thailand) as well as nine others in order to bolster) their military and economic strength. Congress in 1965 appropriated $369 million for this program, called "supporting assistance."

(c) *Surplus disposal.* The Food for Peace program, a most constructive and worthwhile effort, is still basically a program to dispose of excess U.S. farm products. This year's program will cost $1.6 billion. Whether Congress will support a farm program designed specifically to produce for the world's needs is not yet clear.

(d) *Bilateral programs* such as the Alliance for Progress, Development Loan Fund, and AID's technical assistance programs motivated by enlightened self interest. In recent years a "bankers' emphasis" had been discernible in these programs, evidenced by a continuing shift to loans rather than grants and a trend to higher interest rates on loans.

(e) *Enlightened internationalism.* A considerable number of loan programs are administered on an international basis. In 1965 U.S. contributions to the International Development Association, the Inter-American Development Bank and the International Monetary Fund amounted to $1.6 billion. In addition, grants totalling $145 million were made to the UN Technical Assistance program, the Special Fund, FAO, WHO, refugee relief, Indus Basin development and others.

(f) *Altruism.* Two programs seem to be supported primarily on this basis—UNICEF, which enjoys real popularity in Congress and has wide organizational backing for its $12 million yearly appropriation, and the Peace Corps, which in 1965 received $102 million.

Motivation is a subtle, pervasive and influential factor in the success or failure of assistance programs. The basis on which the aid program is presented by the President to Congress helps set the tone and framework for day-to-day administrative decisions; the grounds on which the program is justified on the floor of the House and Senate affects attitudes and policies in the recipient countries. Consequently, it is important that U.S. motives be clarified. A sound U.S. program, aimed at bringing the developing nations to economic strength as quickly as possible, can only be built on motives of enlightened self-interest, enlightened internationalism and altruism. While these motives are often referred to in Administration and Congressional speeches, the effect is vitiated by an overriding emphasis on anti-Communism and an uncritical and unjustified faith in military solutions.

The clearest, best understood basis, for most U.S. citizens, is the moral obligation of a rich nation to help the poorer nations. In his famous Rose Garden Speech of April 21, 1964, President Johnson eloquently stated this basis for U.S. aid:

"We are waging an all-out war against poverty here at home. . . . But we are also engaged in that same battle on 100 different fronts around the world, in 100 or more nations.

"We do this for two reasons: First, for the first time in history, man has the real power to overcome poverty. We have proved that by the wise application of modern technology, the determined labor of skilled men and women can ultimately produce enough food and clothing and shelter for all mankind. The possession of new abilities gives us new responsibilities and we want to live up to those responsibilities. That is our Christian duty.

"Second, we now know that the progress which others make in satisfying their own desire for a better life will ultimately affect our own future and our own prospects, for we are now a part of a single world community. . . .

I have no doubt that the American people would respond affirmatively if the President made these our guiding principles and discarded sterile anti-communism as a chief motivating factor for U.S. aid A positive program based on a desire to help others help themselves can make U.S. aid both more effective in recipient countries and more acceptable to the American public in the long run.

2. WHAT AMOUNT OF U.S. AID?

A benchmark of 1 per cent of the gross national product from the developed countries for long term financial aid was set by the United Nations in 1961, as part of the Decade of Development. But in mid-1965 the developed countries were committing only some .7 per cent. In 1965 the U.S. Congress appropriated about $5 billion for all U.S. nonmilitary aid programs. This is only about three-quarters of one per cent of the U.S. gross national product. This half-a-loaf U.S. aid effort is especially disappointing because it comes at a time when the developing countries have formulated more worthwhile investment projects than the industrial countries are willing to finance.

These contributions from the developed countries are intended to help the developing countries reach the goal of 5 per cent growth, per year, in their gross national product. Secretary General U Thant reported in July 1965 on the "UN Development Decade at Midpoint" that "The growth in developing countries as a whole slowed down from an average annual rate of 4.5 per cent in 1955–1960 to 4 per cent in 1960–1963." Population pressures, rapid urbanization and low agricultural productivity have all contributed to the failure to meet the 5 per cent goal.

The UN's goals of 1 per cent giving by the "haves" and 5 per cent growth by the "have nots" are absolutely minimal. Under the 5 per cent growth goal it is estimated it will take the developing countries 80 years to reach Western Europe's per capita income level and 120 years to reach the U.S. level. This is morally intolerable and politically dangerous. The developing nations are increasingly impatient, and rightly so, at the widening gap between their needs and U.S. affluence.

A U.S. contribution of 1.5 per cent of its GNP per year for economic assistance to the developing world is clearly feasible. At the current annual U.S. growth rate of more than 5 per cent (some $40 billion a year) this amount could be taken out of the annual increase in U.S. wealth without any sacrifice in U.S. living standards. Even more could be spent if the developing countries were able to absorb it effectively. Put another way, the United States is spending more than 8 per cent of its GNP annually in a search for national security through arms. How much more constructive and realistic would be an expenditure of 1.5 per cent of the GNP to raise living standards around the world and to begin to create stability and hope where there is currently so much chaos and despair.

Much of the increase in U.S. aid should be in the form of outright grants instead of long or short term loans. Interest is now becoming a major charge on development programs. In 37 developing countries, according to the International Bank, public and governmental guaranteed debts rose from $7 billion in 1955 to $18 billion in 1962, interest payments nearly quadrupled, and amortization payments tripled. By 1963, the servicing of the external debt absorbed 13 per cent of the export receipts of those countries.

3. THROUGH WHICH CHANNELS?

U.S. economic aid is now predominantly bilateral—about 75 per cent. But key Senators like Chairman FULBRIGHT of the Senate Foreign Relations Committee are urging that more be channeled through multinational institutions. The argument is now in midstream. Last year the Senate approved language in the foreign aid bill saying that "Congress further urges that the United States and other free world nations place an increasing portion of their assistance programs on a multilateral basis." The House refused to accept this language, though it did agree tentatively to increase the amount of U.S. bilateral funds which could be channeled through international institutions.

Bilateral aid has several advantages for U.S. policy makers from the short term point of view. It can be dispensed more quickly than other kinds of aid. It can be placed under complete U.S. control and tied to current political or military objectives. It can be ended or expanded in order to persuade or retaliate. All these mean that it has advantages as a cold war tool. But it also means that recipients may look upon U.S. aid with considerable skepticism or as an opportunity to spend money on uneconomic projects or to play off one cold war antagonist against the other.

Multilateral aid has many values if the basic objective is world economic development rather than anti-communism. International development organizations can often require economic, social or political reforms as a condition to aid, while such pressure is more difficult for the United States to apply in its bilateral programs. Contributions in dollars and technical experts come from many countries in international programs. Often technicians from a recently developed nation can be of more real assistance in an underdeveloped area than a highly skilled U.S. expert. The UN is now carrying on effective educational and technical programs through its Economic Commissions for Latin America, Africa, Asia and the Far East, and Europe. The use of international institutions strengthens internationalism, increases cooperation, and lessens the divisiveness and competition often accompanying rival bilateral programs.

Presently, U.S. assistance is channeled primarily through those multinational agencies where the United States has a strong voice in decision making—the World Bank, International Development Association, International Monetary Fund, and Inter-American Development Bank. Other international institutions are also open for business or in preparatory stages: the European Development Fund created by the Common Market countries, the African Development Fund, the African Development Bank created September 15, 1964, and the Asian Development Bank, to which the United States is ready to contribute up to $200 million, 20 per cent of the initial capitalization.

The United States continues to support the UN Technical Assistance Program and Special Fund, which have been merged into the "UN Development Programme." The U.S. contribution is now at the level of 40 per cent, and there seems to be a temporary lull in Senatorial pressure to reduce the U.S. level to 33 per cent of the total program.

On the basis of the 40 per cent limitation, U.S. contributions to EPTA/Special Fund have risen from $33 million in 1960 to $65 million in 1965, indicating the increasing contributions of other countries to these efforts.

Larger UN Role. While supporting the modest UN technical assistance programs, the United States and other developed countries have for years resisted creation of SUNFED, a large UN capital investment program. U.S. opposition is based on the fact that it would be called upon to contribute a great deal of the money but have relatively little to say regarding its disposition. But years of pressure for SUNFED have had some by-products. Such pressure helped create the UN Special Fund where pre-investment surveys are a halfway house between technical assistance and capital development. It also seems fair to say that such pressures for SUNFED helped bring into being the International Development Association.

The developing countries are continuing to press for a UN capital program, however. The 1962 General Assembly and the 1964 UN Trade and Development Conference called for a United Nations Capital Development Fund, though these recommendations have not been supported by the developed private enterprise countries.

In order to further strengthen the UN, as well as to create another channel for international aid especially open to Soviet bloc participation, it would seem particularly appropriate for the United States to reverse its stand and support the creation of the UN Capital Development Fund.

4. WHAT U.S. ROLE ON POPULATION AND FOOD?

Better medicines, food and education have caused rising life expectancies and lowered death rates in poorer countries around the world. Coupled with continued high birthrates, these have meant a startling population growth. From 1960 to 1980 the world's population is expected to increase 43 per cent—22 per cent in the more developed areas, 53 per cent in the less developed areas. In Latin America the increase will be 76 per cent in this 20 year period. In 35 years, at the end of the century, world population, according to UN figures, will have doubled to some 6 billion.

While food production in the developing countries has risen impressively in the last 10 years, the increases were virtually wiped out by population growth. Figures by the Food and Agriculture Organization show that food production *per person* in the developing countries rose only 1 per cent during the last decade. To provide an adequate diet for people in the developing countries, food supplies must be increased four-fold in the next 35 years, according to Dr. B. R. Sen, FAO Director General. "We know that the technical means by which this immense task might be accomplished are available. But it cannot be accomplished . . . unless the leaders of the nations are alive to the issue at stake, and are prepared to devote a large share of the world's resources to meet the looming crisis."

The United States can provide some assistance on the *population* issue through continuing research and providing advice and supplies on request. President Johnson has indicated that the United States is prepared to move rapidly to supply such help. But the major job must be done within each developing country through an intensive education program at the village level, often working against tradition, religious practices, taboos and ignorance.

In the area of *food production,* the United States is facing some major policy decisions. There is a worsening world food shortage. Reserves of U.S. agricultural surpluses are falling. More than 50 million U.S. acres have been taken out of production. In a world threatened by famine the United States must reorient its basic agricultural policy, step up its own agricultural production, and begin a crash program to help the less developed countries increase their food production rapidly.

The "Food for Freedom" program recently submitted to Congress by President Johnson is an enlightened and far reaching approach. It would nearly double the amount of "food for freedom" products moving to other countries over the next five years. It would also stimulate world food output through AID assistance and otherwise. The new program would abandon the "surplus" concept by bringing land back into production, permitting donations of foods not in surplus and enriching some foods distributed abroad.

Food is a healing, life giving resource. U.S. abundance could be used as a reconciling bridge to the food deficit Communist areas. But in the past restrictions in the law have tended to make it a cold war tool. The President's proposal moved away from this concept, but Congress is insisting on reinserting some of the anti-Communist provisions.

5. WHAT ROLE FOR U.S. AID IN A REVOLUTIONARY WORLD?

Institutions, traditions, personalities and ideologies vary tremendously in the developing world. Perhaps one of the few generalizations which can be made is that the "have not" nations are in turmoil and are likely to remain so for a generation or more. Into the ferment created by the "revolution of rising expectations" have come the great powers seeking influence and support, often using hapless peoples as pawns in the struggle between the "free world" and the Communist world.

In this ideological battle the United States has the advantage of greater financial and technical resources to share with the developing world, but it also has the mixed blessing of working largely through existing governments. While this may give it a temporary advantage, the forces with which the United States may thus find itself allied make for uncertain companions over the long run. These forces are likely to include the military establishment, often the most stable institution in the nation, and the political and economic elite, who may be quite reluctant to share their advantages with those less privileged. U.S. officials may thus find themselves in the frustrating position of seeing the absolute necessity for such fundamental changes as land reform or steeply progressive taxation, but being unable to persuade the nation's leaders to adopt the program which would accomplish the desired result. Popular reform movements may be viewed with deep suspicion. If popular discontent grows, the government may impose repressive measures and move toward more military control. The reform movement shifts increasingly to the left and becomes identified as anti-American, the latent fears of U.S. officials and Congressmen are felt to be realized, and the stage is set for another tragedy in which the United States is identified with the forces of reaction against the interests of the mass of the people.

Senator FULBRIGHT, in his Senate speech of September 15, 1965 posed the question sharply regarding this hemisphere, pointing out that we cannot successfully advance the cause of popular democracy while at the same time aligning ourselves "with corrupt and reactionary oligarchies." The direction of the Alliance for Progress is toward social revolution in Latin America, he said, but U.S. intervention in the Dominican Republic shows a tendency to suppress revolutionary movements supported by or suspected of being influenced by Communists.

The Senator went on to say:

"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. . . .

"We must try to understand social revolution and the injustices that give it rise because they are the heart and core of the experience of the great majority of people now living in the world."

It is not at all clear yet whether the U.S. government and the American people are prepared to support the kind of policies which will be necessary to realize a peaceful but dynamic social and economic revolution in the developing world in the generation ahead.

A desirable foreign aid policy, it seems to me, lies in the direction of (a) identifying U.S. goals with those of the mass of the people; (b) supporting and actively promoting fundamental reforms, where necessary, even though these may be inconsistent with U.S. free enterprise patterns; (c) taking risks on the side of supporting popular governments with democratic tendencies; (d) recognizing the inevitability of a certain level of anti-Americanism as natural and inescapable in newly developing countries; and (e) promoting U.S. goals increasingly through international institutions which can require necessary reforms and turn down unsound projects more easily than the United States can acting alone.

6. FINDING NEW ANSWERS

In his Senate speech, Senator FULBRIGHT said:

"It is not surprising that we Americans are not drawn toward the uncouth revolutionaries of the non-Communist left. 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; our institutions are stable and old and even venerable. . . ."

How can the average American in his affluent society feel a sense of identification with the world's needy? How indeed, when we find it difficult to identify even with those in our own nation, or in our own community, of different color or economic status?

Yet ways *must* be found, so that our circle of concern can include the whole world. Service with the Peace Corps, AID and international program can help. The emphasis in the American Friends Service Committee's VISA program on giving oneself in addition to material aids is certainly in the right direction. Increased travel and exchanges are necessary. Visual aids can help, too. The county to county and state to state relationships in AID's "Partners of the Alliance" program are also useful.

Much more must be done to develop a general national consensus in support of massive U.S. assistance. We need to understand better the process by which people identify and sympathize with those they do not see daily or even occasionally. Our social scientists and psychologists must help us devise ways to increase our understanding of and appreciation for people in the process of economic development.

And we need to develop better ways of harnessing and challenging the idealism and desire for service of American young people. Our affluent society can afford to support its youth in service projects abroad and at home for at least a two-year period. Instead of merely accepting those who are already motivated in this direction, real efforts should be made through our educational systems, religious institutions and society as a whole to inculcate the concept of service as an exciting part of every young person's life. Then the variety of existing governmental and non-governmental channels for such service can be expanded to accommodate those wishing to serve on a *voluntary* basis.

If American young people as a whole can be touched and involved in the gigantic task of service in the developing world, they can make a real contribution. When they return home their experiences will also help them to educate their parents and society at large to U.S. responsibilities in a needy world.

Little has been said here about the crucially important and extremely complex issue of international trade which the UN General Assembly has indicated it believes is actually the primary instrument for economic development. The very significant 1964 Conference on UN Trade and Development showed that 75 nations with diverse ideologies, economies and political systems could act together in international councils to try to overcome their common bondage of poverty. The 55-member Trade and Development Board will now carry on the work.

Nor has enough been said about the overarching East-West struggle which permeates domestic attitudes and foreign policies to the detriment of sound economic and social development. This struggle is also preventing the effective functioning of the United Nations and cooperative East-West multilateral efforts. A major effort must be made to expand the detente with the Soviet Union and to begin the painful but essential process of rapprochement with the People's Republic of China. Then the log jam preventing real progress toward world disarmament can be broken. Reduced tensions would enable developing nations to concentrate on economic and social progress. Resources freed by cuts in military spending could provide badly needed capital.

The future of American foreign aid offers cause for both optimism and deep frustration. There is one overall impression which emerges from a survey of the many international, national, and non-governmental efforts now underway, and that is the impressive amount of skill, ingenuity, and human understanding which men and women of goodwill are already devoting to their fellowmen. The task of raising living standards around the world has already rallied the noble hearted from all lands. We are at the beginning of a period of challenge which will take us at least to the end of the century. There is much to be done, and it can be done if the world's leaders can avoid a major war, cool off national, ideological, racial and economic antagonisms, and give the common people of all lands time to knit together the human family and build a world community.

ESTABLISHMENT OF AN INSTITUTE FOR REHABILITATION OF CHILDREN AND ADULTS IN INDIA

Mr. CARLSON. Mr. President, at the request of the Minister of Health of the Government of India, the late Dr. Martin F. Palmer, Director of the Institute of Logopedics in Wichita, visited India with a view of cooperating with the Indian Government in the establishment of an institute for the rehabilitation of children and adults with communication and allied disorders.

Several conferences have been held by our AID people with representatives of the Government of India. It is hoped that the recommendations of Dr. Palmer and the acceptance of the program as expressed by the Government of India might receive full cooperation and approval by our AID people.

I ask unanimous consent that a letter, dated July 15, 1966, signed by Charles W. Wurth and addressed to Mr. William Gaud, AID Administrator, be printed in the RECORD at this point.

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

JULY 15, 1966.

Mr. WILLIAM GAUD,
AID Administrator, Department of State, Washington, D.C.

DEAR MR. GAUD: At the request of the Minister of Health of the Government of India, the late Dr. Martin F. Palmer, the Director of the Institute of Logopedics in Wichita, with Mrs. Palmer, visited India for the purpose of exploring the possibilities of starting in an appropriate place in India, an Institute for the rehabilitation of children and adults with communication and allied disorders. Dr. Palmer and Mrs. Palmer were given a warm welcome by the then Prime Minister of India and the Minister of Health, Dr. Sushila Nayar who deputed one of her officials to go around with Dr. Martin Palmer to the Important centers in India. His Highness, the Maharaja of Mysore, who was then the Governor of the State of Mysore, also recorded the necessary information. The Vice-Chancellor and the Chancellor of the University of Mysore had expressed their interest in linking up with the University of Wichita. In the proposed plan, after Dr. Palmer visited the different parts of India, he made certain recommendations in a report to the Government of India.

The following are the summarized observations/recommendations of Dr. Palmer as recommended to USAID by the Ministry of Health in seeking support for this urgent project:

A. There exists a tremendous need for qualified Logopedists in Hospitals, institutions, and schools of India.

B. Neglect of this large segment of the population is economically as well as sociologically a tremendous burden to the State.

C. Qualified persons exist in such small numbers in India that they constitute a virtual zero on which to start building.

D. The need is for a professional education and research Institute of Logopedics where intelligent students may be trained to three levels (1) Technicians, (2) Fully qualified clinicians, and (3) Research investigators.

E. In order to staff this with Indian nationals as soon as possible, selected students should be sent at once to the States for training.

F. In the meantime, a staff of American experts will be sent to the new Institute for the first three through possible five years to get this project on its foot. Here Indian nationals will receive training also as rapidly as possible.

G. After studying possible locations, and administrative problems from every point of view, Mysore City and the University of Mysore is by far the best. This should be a project of the State of Mysore.

H. It is probable the project as estimated by Dr. Palmer is as under:

(a) Institute of Logopedics:	
1st year	$5, 95, 225
2d year	8, 47, 400
3d year	12, 47, 549
Grant to Mysore University:	
1st year	1, 04, 610
2d year	75, 783
3d year	1, 27, 132
1st year total	6, 99, 835
2d year total	9, 23, 183
3d year total	13, 74, 681

Cost of building—Rs.10 lakhs.

(b) The assistance anticipated will include:

(i) Free gift of 20 acres of land by His Highness of the Maharaja of Mysore.

(ii) Use of two buildings which could be used temporarily during the construction of the permanent Institute.

(iii) The Institute of Logopedics and Department of Logopedics, Wichita to meet the salaries of foreign consultants to India amounting to Rs.2,19,462 for three years.

(iv) Expenditure at Wichita for planning—Rs.50,000.

(v) Cost of fellowships for Indian Nationals at Wichita—Rs.4,09,536 for three years.

In addition to the above, the Government of India wishes to seek assistance for the travel within India of the American specialists, travel of Indian nationals in the United States, and required specialised equipment in the following amounts:

1st year	Rs.1,85,085
2d year	Rs.1,57,640
3d year	Rs.1, Rs.1,61,981

The Government of India may have to provide funds as follows: Non-recurring: Rs.5 lakhs (likely to be about 10 lakhs; Recurring: first year, Rs.5,14,750; second year, Rs.7,65,543; third year, Rs.12,12,800.

The above estimates are in terms of 12 months period. Since the project would only be in effect for approximately three months of the fiscal year 1964–65 April, 1, it is anticipated that only architectural and planning expenditure would be involved, and thus a grant of Rs.1,00,000 will probably suffice. For fiscal year FY. 1965–66, it is estimated that approximately Rs.7,00,000 will be required. The expenditures during subsequent years are estimated as follows: 1966–67, Rs.12 lakhs approximately. 1967–68, Rs.12 lakhs approximately.

The recommendations of Dr. Palmer and the acceptance of the program as expressed by the Government of India through its Minister of Health in New Delhi is very well summarized in the request made by the Minister of Health to the Director of the USAID Mission in New Delhi, seen above. The complete copy of recommendations for ready reference are attached.

Since the date of this letter, much work has been accomplished in bringing the center into existence. The Government of India appointed two of its top people, Dr. Dharmaraj and Dr. Rathna to head this program and these men are currently working in this behalf in Mysore. The Institute of Logopedics in Wichita has recruited a team of experts that are now ready to go to India if certain minimal financial assistance can be made available as outlined in the request of the Minister of Health. I am also attaching a most exciting recent letter regarding the progress by the Indian government and wish to point out that the cornerstone for the clinical building will be laid by the President of India, Dr. Radhakrishnan, and that the center will be dedicated on October 2, 1966, the birth date of Mahatma Gandhi, the Father of India.

This letter, spelling out the building of the clinic and the beginning of the clinical program again mentions the need for external financial assistance, in order to get this program in complete operation. The Institute of Logopedics wishes to again request the review of USAID of this program and asks that immediate attention be given to the approval of the necessary funds to get this most worthwhile project underway. Everything is in readiness. The approval of the request and the interest of the Government of India is well known and clearly stated. The institute of Logopedics—Wichita State University stands ready to supply the necessary professional and research personnel to assure its success. This project, although small by some standards, will be of major importance to the professional community in India and will serve many of its people, now handicapped, by these disorders.

Time is always of essence, but in this project that has had a history of delays, time is now of paramount importance. If we can

get the sufficient financial approvals from you, we propose to send our team to India late in August in time for October 2 dedication date.

I shall look forward to hearing from you on this project.

Most sincerely,

CHARLES W. WURTH,
Executive Director.

Enc. July 6, 1966 letter from Dr. J. J. Dharmaraj, December 29, 1964 letter from Ministry of Health of India.

Cc: Senator FRANK CARLSON, Dr. Moseman.

THE ASIAN DOCTRINE

Mr. FULBRIGHT. Mr. President, during the past week, on various occasions I have made references to certain statements that I think represent the emergence of a new policy on Asia. I wish to take a few minutes of the time of the Senate to bring these remarks together in one place.

Except for the Monroe Doctrine, the United States has traditionally rejected policies of unilateral responsibility for entire regions and continents. In the 19th century the United States played almost no part in European politics and only a marginal role in Asia, preferring to regard itself as an example of progress and democracy which others might imitate or not as they saw fit. For example, in the opium wars with China, we stood aside and let the British carry the load of the fighting, while we did business with the Chinese. In the 20th century events beyond our control brought us into two world wars and imposed upon us responsibilities far beyond our borders. Until quite recently, however, our policies for meeting those commitments have been guided by two extremely important qualifying principles: First, that these responsibilities were limited to certain countries and certain purposes; second, that they would be discharged collectively either under the United Nations or in cooperation with our allies.

The emerging Asian doctrine about which so much is currently being said and written represents a radical departure in American foreign policy in that it is virtually unlimited in what it purports to accomplish and unilateral in its execution. Without reference to the United Nations and with only perfunctory reference to the nonfunctioning SEATO treaty, the United States on its own has undertaken to win a victory for its protegés in the Vietnamese civil war and thereupon to build a "great society" in Asia, whatever that might turn out to mean. I think it extremely important that the Senate, which used to be asked for its advice and consent on major foreign commitments, consider some of the sweeping implications of the Asian doctrine before it becomes an irrevocable national commitment undertaken without the consent or even the knowledge of the Senate.

American policy in Europe after World War II consisted of collective measures for the containment of Soviet power. Though financed by the United States, the Marshall plan was shaped and largely executed as a cooperative program for European economic recovery. Although American military power was preeminent, NATO was created as and remained a system for the collective defense of Europe and the North Atlantic. We did not talk in those days of a New Deal or a Fair Deal for Europe; we were satisfied to support economic reconstruction and to restrain Soviet power.

The Korean war was fought under the auspices of the United Nations for an ultimately limited purpose. The United States provided most of the forces from outside, but a great many others, members of the United Nations sent troops and the United Nations itself took part in the direction of the war. After the abandonment of the disastrous attempt to occupy North Korea, which brought hundreds of thousands of Chinese soldiers into the conflict, the war was fought for the limited purpose of repelling a clear act of aggression which had been incited by Stalinist Russia.

In Vietnam we are fighting virtually alone and for undefined purposes in a war which is not an international conflict but an insurrection in one part of a divided country supported by the other part. Aside from the token forces provided by Australia and New Zealand for their own political purposes, the only other outside force in Vietnam besides the American army of 300,000 is a Korean force of 25,000 heavily subsidized by the United States.

Except for peace proposals offered by the Secretary General, the United Nations plays no part in the war and is generally ignored by the belligerents; many members of the United Nations are extremely critical of the American involvement in Vietnam and it is most unlikely that if a vote were taken, the United States could muster a majority in the General Assembly in support of its policy.

As for the SEATO treaty, ignored until a few months ago but recently hauled out as the source of an American military obligation to Vietnam, four of its seven members do not support the American military effort and at least one, France, is extremely critical of American policy.

American war aims have escalated with the fighting. A few years ago a handful of American advisers were committed to support a South Vietnamese counterinsurgency effort with the clearly stated stipulation that it was up to the South Vietnamese themselves to win or lose their battle with the Vietcong. When they had virtually lost, the United States changed its policy and sent its own army to take over the war. Since early 1965 our military effort has expanded from counterinsurgency to a large-scale ground and air war and our political commitment has grown into an Asian doctrine.

Under the emerging Asian doctrine the United States is taking on the role of policeman and provider for all of non-Communist Asia. Defining Asia as "the crucial arena of man's striving for independence and order," the President, without reference to the United Nations or the obligations of other countries, recently declared "the determination of the United States to meet our obligations in Asia as a Pacific power," denounced those—whoever they may be—who hold to the view that east is east and west is west and never the twain shall meet, and laid down certain essentials for peace in Asia, all requiring a predominantly American effort for the shaping of a "Pacific era."

In a television interview last April 19, the Vice President defined the Honolulu declaration resulting from the President's meeting with General Ky as a Johnson doctrine for Asia, "a pledge to ourselves and to posterity to defeat aggression, to defeat social misery, to build viable, free political institutions, and to achieve peace." Acknowledging these to be "great commitments," the Vice President went on to say:

> I think there is a tremendous new opening here for realizing the dream of the Great Society in the great area of Asia, not just here at home.

All this must come as a big surprise to Senators who have not even been informed of these sweeping commitments, much less asked for their advice and consent, but the President's close friend and biographer tells us that the Asian doctrine has been in the President's mind for 5 years, and Mr. White should know.

It is ironic that at the same time that the vestiges of the Monroe Doctrine are being fitfully liquidated, the United States should be formulating a similar doctrine of preeminent American responsibility for Asia. One wonders whether the Asian doctrine will reap for the United States as rich a harvest of affection and democracy as has the Monroe Doctrine. One wonders whether China will accept American hegemony as gracefully as Cuba and the Dominican Republic have accepted it. And one wonders whether anyone ever thought of asking the Asians if they really want to join the Great Society.

Mr. President, those are some of the reasons why I have such grave reservations about expanding our commitments through programs authorized by this bill.

Mr. MANSFIELD. Mr. President, I have listened to the distinguished chairman of the Foreign Relations Committee with great interest. This is the first I have ever known that the President had inaugurated, either through himself or his subordinates, associates, or colleagues, a Johnson doctrine or an Asian doctrine.

I do know that the President is interested in the economic development of certain parts of Asia, and has shown his good faith in helping to bring about the creation of the Asian Bank, the members of which are mostly Asian, and the Asian members of which have contributed most of the capital.

I know that he is interested in developing the Mekong, so that the countries extending from Burma and Laos down through Vietnam have some hope for the future.

I am somewhat surprised at the allegation made by a columnist to the effect that an "Asian doctrine" has been in the mind of the President for the past 5 years. I would assume that this columnist is referring to the fact that in 1961, the late beloved President Kennedy sent his Vice President, Lyndon B. Johnson, to Asia for the purpose of finding out what the situation was there.

If I recall correctly, at that time the President of the United States, who was

then the Vice President, came back and reported that much could be done in the way of economic development for the southeast Asian area; and I believe at that time he advanced the idea of cooperation in the Mekong River development.

That has now been put into effect in a limited sense, and it does offer hope to the people of that area.

Frankly, Mr. President, I never have looked upon the United States as an Asian power. I do not look upon it as an Asian power now. I do look upon it as a Pacific power. I think we have interests in Asia, and I do think that those interests are legitimate and should be given every consideration.

I would point out that as far as our major commitments in Asia are concerned, they are unfortunately primarily military. Those commitments are the basis of mutual security agreements and treaties and the like, and they extend all the way from Iran on the west around through the southeast Asian area, up into the confines of Korea.

I do not think the President at any time has ever considered the possibility of a Monroe Doctrine for Asia. I think it would be inadvisable. I do not feel he has given it any consideration.

But I do think that he has emphasized that we are, not an Asian power, but a Pacific power; and I, of course, am in wholehearted agreement with him in that respect, just as we are an Atlantic power in relation to our position vis-a-vis the European Continent.

As far as the statements made by the Vice President are concerned, which are quoted from a speech—and I just saw this speech before the distinguished Senator spoke—I do not think that he has made pledges which are concrete and which can be set down and examined. It appears to me that he made a general statement relative to defeating social misery, building viable, free political institutions, and achieving peace.

Those are generalizations which we would all be in accord with, but we are—at least I am of the opinion that this is the primary responsibility of the nations themselves, and what assistance we give should be on the periphery, should be on the margin, so to speak.

These "great commitments" have never been brought before the Senate, to my knowledge, and I am certain that if anything on the scale envisaged in the quotations were to be undertaken, that it would be brought before the Senate for its advice and consent, or at least I would hope that would be the case.

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

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. I wish to be a little more specific about some of my sources, to complete the record, because I believe this is an extremely important matter. We have seen how commitments grow from statements by officials over the past decade or so; they become official policy, and we consider that we have a moral commitment.

Let me cite, for example, an official communique, which normally would have been cleared by the officials of this Government, and by that I mean the Secretary of State; and certainly he is acting as a major agent of the President.

This communique is dated February 15, 1966. When it came to my attention, for the first time I had an uneasy feeling that we were drifting—through such pronouncements—into the adoption of a Monroe Doctrine for Asia.

I shall not read all of the communique, although I shall ask unanimous consent that the full text be printed in the RECORD. I do not want anyone to think I am reading out of context, and purely in the interests of time I will summarize it. All of it is not entirely pertinent.

This is the Vice President's communique of February 15 from Bangkok following talks between Vice President HUMPHREY and Prime Minister Thanom of Thailand.

He was there, I may say, as a representative of the President of the United States.

I read the significant part of the communique:

> He emphasized the determination of the United States to provide all necessary assistance to enable Thailand and the other countries of Southeast Asia threatened by Communist aggression to defend themselves and to achieve in peace their just economic and social aims.

What are their just economic and social aims? I read further:

> Recognizing Thailand's commitment to defend itself against Communist aggression both from within and from without, the Vice President reaffirmed the United States pledge to assist in programs for the improvement of individual well-being and security in Thailand.

These are gradual expansions of what I conceive to be any commitment under SEATO or under any other pledge to Thailand.

Later on it said:

> The Vice President recalled President Johnson's pledge in April 1965 of a one billion dollar American contribution to such a program following its organization by Asian leadership. In this context the Vice President noted the visit of Mr. Eugene Black for discussions with the Prime Minister, which have resulted in the necessary engineering or other survey actions for all the 13 projects proposed by the Prime Minister.

Mr. President, I ask unanimous consent to have this communique printed at this point in the RECORD.

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

JOINT COMMUNIQUE ISSUED IN BANGKOK FEBRUARY 15 FOLLOWING TALKS BETWEEN VICE PRESIDENT HUMPHREY OF THE UNITED STATES AND PRIME MINISTER THANOM OF THAILAND

The Vice President of the United States and the Prime Minister of Thailand have concluded a most useful discussion and review of the common struggle against Communist aggression in Southeast Asia, including the results of the recently concluded conference in Hawaii.

The Vice President paid tribute to the strong and unhesitating stand which Thailand and her leaders have taken against the many forms of Communist aggression, the disguised as well as the blatant ones. He expressed the gratitude of his Government for Thailand's initiatives in seeking a larger regional framework for the peaceful achievement of social and economic progress. He emphasized the determination of the United States to provide all necessary assistance to enable Thailand and the other countries of Southeast Asia threatened by Communist aggression to defend themselves and to achieve in peace their just economic and social aims.

The Prime Minister concurred with the principle underlying the Declaration of Honolulu: that the war in Southeast Asia must be waged on two fronts simultaneously—the military front and the struggle to improve the social, economic, and physical well-being of the people.

Recognizing Thailand's commitment to defend itself against Communist aggression both from within and from without, the Vice President reaffirmed the United States pledge to assist in programs for the improvement of individual well-being and security in Thailand. Despite the progress already made in the development of rural areas, a need was clearly identified for greater efforts to provide more ample water supply, further expansion of rural credit for agriculture and related small industry, irrigation of farmlands, expansion of rural electrification, an expanded road system to connect outlying areas to markets, better medical care extended to presently isolated villages, and the provision of more schools to educate the populace and to insure that they will be better equipped to share in the progress of their country and contribute to its strength and stability.

It was agreed that the stops taken to improve the security in certain areas had proved their worth, but that further strengthening of security forces was an urgent necessity. Both governments would provide additional resources to achieve this end, so that villages would be freed from the threat of Communist terrorism and harassment. At the same time further assistance beyond on-going programs for the improvement and modernization of the Thai armed forces was a pressing requirement which would be met by the United States with the flexibility and promptness required by the current emergency.

Thailand's present contributions in regional affairs were jointly reviewed with specific reference to the constructive role Thailand has played in the Mekong Committee, its leadership in the recent regional educational conference, its strong support for the Asian Development Bank, and leadership in forming a highly competent regional council for exchange and coordination of development plans. The Prime Minister stressed the need for Asian initiative and innovation in achieving more rapid progress in economic development so as to improve the lives of the Asian peoples. This is one of the objectives underlying the renewed interest in the Association of Southeast Asia. The Vice President recalled President Johnson's pledge in April 1965 of a one billion dollar American contribution to such a program following its organization by Asian leadership. In this context the Vice President noted the visit of Mr. Eugene Black for discussions with the Prime Minister, which have resulted in the necessary engineering or other survey actions for all the 13 projects proposed by the Prime Minister.

It was agreed that organizations such as the Association of Southeast Asia could play a valuable role in fostering new cooperative institutions and stimulating the ideas that would make dramatic transformations possible.

Mr. FULBRIGHT. The Vice President was quoted again in an article by Mr. Philip Geyelin in the April 20 issue of the Wall Street Journal. Mr. Geyelin has, I believe, written a book concerning the President's foreign policy.

The headline is "A Johnson Doctrine: HUMPHREY Says Meaning of Honolulu

Talk Is a Sweeping U.S. Commitment for Asia."

Mr. President, I ask unanimous consent to have this article printed at this point in the RECORD.

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

[From the Wall Street Journal, Apr. 20, 1966]

A JOHNSON DOCTRINE: HUMPHREY SAYS MEANING OF HONOLULU TALKS IS A SWEEPING U.S. COMMITMENT FOR ASIA

(By Philip Geyelin)

WASHINGTON.—Vice President HUMPHREY had stunning news for those in the U.S. Senate and elsewhere who have been bitterly condemning this country's past commitment to Vietnam and sharply questioning the future Asian role of the U.S.

Even while debate on these issues was raging before the Senate Foreign Relations Committee two months ago, it seems, President Johnson was propounding a new "Johnson Doctrine" as sweeping in its implications for Asia as was the U.S. commitment to Europe almost two decades ago. Or so the Vice President reported in a transcript issued in advance of a television interview to be aired last night on the Columbia Broadcasting network. Mr. HUMPHREY was discussing the results of the Honolulu meeting between Mr. Johnson and South Vietnamese leaders in early February.

"I would never want anyone to underestimate the meaning of the Honolulu conference or the Honolulu declaration," the Vice President declared. "If that is studied carefully, I think it has as much significance for the future of Asia as the Atlantic Charter had for the future of Europe."

At the time, no such interpretation was read into the joint statement issued by Mr. Johnson and the South Vietnamese. Mr. Johnson didn't talk of an Asian "doctrine" and neither did the document itself, whose precise terms dealt strictly with Vietnam. But it actually was intended as "a much broader declaration," the Vice President insisted last night. "It was directed towards an Asia, a modern Asia, an Asia at peace, an Asia with tremendous programs of social, economic betterment."

ILLUSTRATIVE EXCERPTS

Excerpts from the exchange that immediately followed are illustrative, at the very least, of how "doctrines" come into the geopolitical lexicon. But they also bear heavily on the very question currently disturbing Senator FULBRIGHT (Democrat, of Arkansas), Foreign Relations Committee chairman: How is it that the U.S. gets committed to large international undertakings with hardly anybody being aware of it. In the CBS interview, which was taped last Wednesday, Mr. HUMPHREY says it would have been obvious if "more attention (had) been given to that declaration and a little less attention to the personalities involved."

This, then, was the "articulation of a Johnson Doctrine for Asia?" Mr. HUMPHREY was asked. "Yes, I think it was," he replied. "I hadn't heard it put quite that way, but as you have said it, that would be as I would envision it and see it." The Vice President noted that the declaration pledged the U.S. in general terms to "defeat aggression, to defeat social misery, to build viable, free institutions and to achieve peace." These are "great commitments," he went on. "I think there is a tremendous new opening here for realizing the dream of the Great Society in the great area of Asia, not just here at home. And I regret that we haven't been able to dramatize it more."

Q. (from CBS commentator Eric Sevareid). Mr. Vice President, there are immense implications, it seems to me, in what you are saying here.

A. Yes.

Q. You seem to me to be saying that the Johnson Doctrine, if we may call it that, is proposing a relationship between this country and Asia, far away as it is, and sprawling and diverse as it is, a relationship as fundamental, as long-lasting, intimate and possibly expensive as our historic associations with Europe. Is it of this scale, of this magnitude?

A. I think so.

REGIONAL APPROACH

The Johnson Administration's plans for exporting the Great Society to Asia and elsewhere, with emphasis on a regional approach to Asian economic and social development, aren't new. The U.S. played a major role in promoting the recently created Asian Development Bank, subscribing $200 million in capital out of the $1 billion total. The President has talked up plans for joint development of the Mekong River Basin in Southeast Asia and pledged heavy U.S. outlays to that end, too. Next week, former World Bank President Eugene R. Black is off on another Asian tour as the President's special representative to examine new projects on which the U.S. and Asian nations might collaborate; yesterday, Mr. Black conferred with the President on plans for this excursion.

But nothing as formal and high-flown as the Vice President's "Johnson Doctrine" concept had yet been put forth. Nor had the U.S. mission in Vietnam ever been described in quite the terms used by Mr. HUMPHREY last night—terms certain to sharpen the Congressional debate over this country's future Asian policy.

Vietnam, Mr. HUMPHREY declared, is "almost like the first voyage of an explorer into a new land. The ship has almost been storm-tossed on the shore, but we are there." And he added:

"We are going to be in Asia for a long, long time."

That, of course, is what the debate in Congress and in the public arena has been all about. Senator FULBRIGHT and others have been arguing heatedly that the U.S. had no business getting bogged down in Vietnam in the first place, that it ought to disentangle itself as rapidly as possible, and that it shouldn't take on similar commitments in the future, especially in Asia.

Earlier this week, in committee hearings on foreign-aid legislation. Chairman FULBRIGHT hammered hard at the need to put foreign aid on an "impersonal" basis through wider use of multilateral agencies, just to avoid having broad political and military obligations grow out of seemingly narrow commitments to economic assistance. Senator FULBRIGHT contended this was how the U.S. got drawn into Vietnam, and he and others argued that it shouldn't be allowed to happen again elsewhere.

Yet, if the Vice President's statements are to be interpreted as firm policy, the enunciation of a Johnson Doctrine can only "personalize" the U.S. role. As for the thought advanced by Senator FULBRIGHT and many other critics of the Vietnam War—that the U.S. has no real business being so deeply entangled in Asia—the Vice President seemed almost to be inviting argument. "That is what the (Senate) hearings are all about," he declared in stating categorically that "we can't be a world power with a half-world involvement."

It was impossible to determine precisely how much of a hand, if any, Mr. Johnson may have in the Vice President's declarations. Late yesterday, officials who might have been expected to know professed ignorance. Some of them also conceded to some surprise that Mr. HUMPHREY had gone as far as he did in challenging the critics of current Asian policy.

"This will really make FULBRIGHT explode," said one who feared a rapid heating of Congressional and public debate as the result of the Vice President's remarks, whatever the President's role may have been.

Controversy is likely to be all the more inflamed by the Vice President's claim that "great commitments" to all of Asia were contained in a document that seemed to deal almost exclusively with the war in Vietnam.

EASE OF COMMITMENT

Already, deep concern is apparent about the ease with which the U.S. Government gets itself committed, as in Vietnam, by such seemingly innocuous documents as former President Eisenhower's original promise of economic assistance to the government of former South Vietnamese Premier Ngo Dinh Diem just after the signing of the 1954 Geneva accords. For years, the U.S. involvement in Vietnam was founded on this pledge, which included no reference to military support.

The Honolulu declaration, on its face, is equally innocuous, as far as mentioning the rest of Asia is concerned. Its four parts include a brief preamble, in which the governments of the U.S. and Vietnam jointly declare their "determination in defense against aggression," their "dedication to the hopes of all the people of South Vietnam," and "their commitment to the search for just and stable peace."

The next two parts are devoted to defining, respectively, Vietnamese and U.S. purposes in the war. The U.S. statement makes general reference to U.S. "pledges" to the principle of self-determination and to playing "its full part in the world-wide attack upon hunger, ignorance and disease," in explaining what the U.S. is doing in Vietnam.

In the fourth section, the two governments subscribe jointly to a common commitment to "defense against aggression, to the work of social revolution, to the goal of free self-government, to the attack on hunger, ignorance and disease, and to the unending quest for peace."

It was in this last declaration, apparently, that Mr. HUMPHREY saw a "Johnson Doctrine"; his March report to the President, on his return from an Asian tour after the Hawaii meeting, did make vague reference to something grander in scope than a commitment to Vietnam. In that report, Mr. HUMPHREY said the Honolulu declaration "could represent a historic turning point in American relationships with Asia." He argued that Asian leaders were taking the Honolulu goals "very seriously."

But the notion that this amounts to a "doctrine" or a "great commitment" is new, and almost certain to raise the question of whether the Administration isn't once again reading profound obligations retroactively into documents that weren't billed as obligations, commitments or high policy at the time.

One practical effect could be more far reaching than the anticipated difficulty for the Johnson foreign-aid program. Mr. FULBRIGHT has already threatened to oppose it. The Foreign Relations Committee's second ranking Democrat, Senator MORSE of Oregon, has promised to battle for deep reductions, centering on funds for Vietnam. Conscious of this developing opposition, atop the usual Congressional resistance to foreign aid, most Administration officials have been taking a low-key, once-removed approach to Asian aid, playing up multilateral methods and the importance of Asian self-help. The Vice President's pronouncement last night make this line somewhat more difficult to maintain.

Mr. FULBRIGHT. Mr. President, I shall read certain parts of the article. I read:

Even while debate on these issues was raging before the Senate Foreign Relations Committee two months ago, it seems, President Johnson was propounding a new "Johnson Doctrine" as sweeping in its implications for Asia as was the U.S. commitment to Europe almost two decades ago. Or so the Vice President reported in a transcript issued in advance of a television interview to be aired last night on the Columbia Broadcasting network.

I continue to read:

This, then, was the "articulation of a Johnson Doctrine for Asia?" Mr. HUMPHREY was asked. "Yes, I think it was," he replied. "I hadn't heard it put quite that way, but as you have said it, that would be as I would envision it and see it." The Vice President noted that the declaration pledged the U.S. in general terms to "defeat aggression, to defeat social misery, to build viable, free institutions and to achieve peace." These are "great commitments," he went on. "I think there is a tremendous new opening here for realizing the dream of the Great Society in the great area of Asia, not just here at home. And I regret that we haven't been able to dramatize it more."

Q. (from CBS commentator Eric Sevareid). Mr. Vice President there are immense implications, it seems to me, in what you are saying here.

A. Yes.

The Vice President agrees that they are. I agree that they are too. All I am trying to do is to alert the Senate to this development before this commitment goes beyond the point of no return. We would then be called upon to implement a commitment which would have been made without protest or consideration by the Senate.

For the information of the Senate, I have the complete transcript of that broadcast referred to by Mr. Geyelin.

I ask unanimous consent that the entire transcript of the CBS special news report of April 19, 1966, be printed at this point in the RECORD so that there will be no room for misunderstanding about what was said.

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

A CONVERSATION WITH HUBERT HUMPHREY

(CBS news special report as broadcast over the CBS television network and the CBS radio network, April 19, 1966)

Guest: Honorable HUBERT H. HUMPHREY, Vice President of the United States.

CBS news correspondents: Eric Sevareid and Martin Agronsky.

Producer: William J. Small.

Associate producer: Sylvia Westerman.

Director: Robert Vitarelli.

Mr. AGRONSKY. This is the desk of the Vice President of the United States in the Executive Office Building. From this desk he can see the White House across the way.

A view of the West Wing which contains the office of the President.

The office of HUBERT HUMPHREY has the expected memorabilia, photographic reminders of a busy political career spanning several Presidents, F.D.R. on the entrance wall, Johnson, Kennedy, Truman and photographs of the family, Mrs. Humphrey, his parents, his children, grandchildren, and a wry bit of philosophy.

Sometimes I grow tired of a dedicated people, community minded people, great endeavors, things that some things should be done about, eager beavers. And when I grow tired of such things I look with fondness on gentle philosophies, the light of heart, children.

ANNOUNCER. From Washington, CBS News presents a conversation with HUBERT HUMPHREY. With him are CBS News Correspondents Eric Sevareid and Martin Agronsky.

Their discussion with the Vice President begins after this message.

Mr. SEVAREID. Mr. Vice President, this administration seems to have given the American people several explanations as to why we are in Vietnam, beginning with the letter from Mr. Eisenhower about aid, and all the way up to the SEATO Treaty.

Do you think this has been well done in terms of persuading the people that there is a clear and consistent policy?

Vice President HUMPHREY. It is always easier, of course, to persuade people, or to get a message to the American people, if there is a sudden development.

For example, it did not take much persuading of the American people when Pearl Harbor happened. And, indeed, it didn't take a great deal of persuading of the American people after Dunkirk. These were dramatic events that compelled everyone's—well, that compelled everyone to know what was going on, the information was there, the drama was there. It was rather—it was simple, even though horrible. And a declaration of war, for example, surely compels people to know what is going on.

In this situation, though, it is much more complex. The war is different itself. It is a political war. It is a guerrilla war. It is an area of the world that is in revolution—instability of government, the fragility of the—the fragile nature of the political institutions. All of this makes it very complicated to find any simple, direct answers to the problems in Southeast Asia, or to give simple, direct, understandable statements as to what we are seeking to do.

And it is, as you have indicated—we sort of approached the Vietnamese situation by walking up and putting our toe into that trouble—into those troubled waters, and then going in just a little deeper, starting back in 1965, where we made some commitments, economic commitments at that time.

But I think our objectives are rather clear—to defeat the aggression, to stop the aggression, to prevent the success of aggression, we have said, and to give the peoples of South Vietnam their opportunity to make their own choice, to design their own government, to have free elections for the establishment of their own government, and ultimately to make a decision as to whether or not they wish to unite in one country or to have two countries.

Mr. AGRONSKY. Mr. Vice President, to use your own figure of speech, we began by putting our toe in the water, and certainly now we are in it up to our neck.

How wise and how fair is it for the American people to be involved to that extent without a declaration of war?

Vice President HUMPHREY. I personally believe that a declaration of war would only exacerbate the situation. I think it would create a highly emotional fever in this country that would truly escalate the struggle.

Mr. AGRONSKY. Why do you think that?

Vice President HUMPHREY. Because the whole attitude of the people changes. The organization of your country changes.

The activities of your government change.

One of the things that we have tried to do in this period is to continue to operate an economy on a rather normal basis without the strict controls that come in by the declaration of war on a national emergency.

Furthermore, you trigger a whole series of events once there is a declaration of war. It is a matter of telling the rest of the world—join up. It really is putting up a signal that you are not only in trouble, but trouble is everywhere, and you may want to join in that trouble.

Mr. SEVAREID. It looks to a lot of people as though the troubles of Marshall Ky in Saigon more or less date from the Honolulu Conference, when he came to see President Johnson. Is there a direct connection?

Vice President HUMPHREY. Not at all. I wouldn't think there was any direct connection. There, of course, this is the sort of a base line for American journalism, because Prime Minister Ky took on added significance in the American mind, in the American communication media, from the Honolulu Conference. He had high visibility at that particular time because the President of the United States was at the conference, and because the conference was a very important conference.

There had to be some identification with individuals because individuals make up government and the only government that was available at that time in Saigon was the government representatives that the President met with in Honolulu.

I would never want anyone to underestimate the meaning of the Honolulu Conference, and the Honolulu Declaration. If that is studied carefully, I think it has as much significance for the future of Asia as the Atlantic Charter had for the future of Europe.

Mr. AGRONSKY. What do you have in mind when you say that?

Vice President HUMPHREY. Because the Honolulu Declaration that came from that conference, while in terms of current history was directed towards Vietnam, it was a much broader declaration. It was directed towards an Asia, a modern Asia, an Asia with abundance, an Asia with social justice, an Asia at peace, an Asia with tremendous programs of social, economic betterment. That is the way I read the Honolulu declaration. And I have studied very carefully and frankly have been very much moved by it.

I regret that more attention has not been given to that declaration, and a little less attention to the personalities involved.

Mr. AGRONSKY. This was the articulation of a Johnson doctrine for Asia?

Vice President HUMPHREY. Yes, I think it was. I really believe that, sir. I had not heard it put quite that way, but as you have said it, that would be as I would envision it and see it.

Now, what was said in this declaration was a pledge to ourselves and to posterity to defeat aggression, to defeat social misery, to build viable, free political institutions, and to achieve peace.

Now, those are broad terms, but these are great commitments. And then you add onto this, sir, our relationships with India and Pakistan, but particularly now India, where the discussions between our two governments have gone far beyond just food; they have gone into the whole matter of development of the economy, the social, political structure.

I think there is a tremendous new opening here for realizing the dream of the Great Society in the great area of Asia, not just here at home. And I regret that we have not been able to dramatize it more.

Mr. SEVAREID. Mr. Vice President, there are immense implications, it seems to me, in what you are saying here.

Vice President HUMPHREY. Yes.

Mr. SEVAREID. You seem to me to be saying that the Johnson doctrine, if we may call it that, is proposing a relationship between this country and Asia, far away as it is, and sprawling and diverse as it is, a relationship as fundamental, as long-lasting, intimate, and possibly expensive as our historic associations with Europe. Is it of this scale, of this magnitude?

Vice President HUMPHREY. I think so.

Mr. SEVAREID. Then the American people have not really been told that we are taking

on another half of the world as our intimate and chief responsibility.

Vice President HUMPHREY. Well, I don't think they ought to be called that, because that is not the case. It is not our responsibility. I think the American people have been told, again by the cruel facts of war in Vietnam, that we are involved in Asia. Whatever one may think about the struggle in Vietnam—and there are honest differences of opinion about how it ought to be conducted, whether we ever should have been there and how we are going to get out—and I don't want to spend my time arguing the details of that.

We have our problems there; but I do know this, that we are there and that it is almost like the first voyage of an explorer into a new land. The ship has almost been cast, has almost been tossed—storm tossed on the shore and on the beach, but we are there. And we are going to be in Asia for a long, long time. That is what these hearings are all about, about our relationship with Communist China. There is no way that we can really ignore this part of the world, or should we.

We can't be a great power like America with a half world or, as I have said so many times, a world power with a half world involvement, or a world power with a half world knowledge.

Our first objective, it seems to me, should be to be better acquainted with this part of the world in depth, to know more. And I suppose one in public life should not admit his own inadequacies, but it is very difficult for anyone to conceal them, so you might just as well admit them. How little we know, how regrettably how little I have known about Asia—even though I thought I was a student of government and of international politics, if not a good practitioner, at least a student of it. But now Vietnam has compelled us to take a good look at where we are and whether we—and what we are going to do about this part of the world.

It does not mean that we manage it. The one thing that I learned on my visit to Asia, the one impression that I came back with was that Asians themselves want to make Asian policy, they want to take their own initiatives, they want our help, they want our cooperation, they desperately need it. They need our know-how. They need our technical assistance.

When I returned I said to many of my associates in government, this is going to really challenge us. This will be the test of our leadership capability. We have great military men in our nation. We have powerful weapons. I think we can be very proud of their achievements and their competence. The question is do we have the same statesmanship quality to help build nations.

We are literally being called upon to help a people build a whole new society. And I have said to many of my good liberal friends in government—I said, "Look, we ought to be excited about this challenge, because here is where we can put to work some of our ideas of how a—nation building, of new concepts of education, development of local government, the improvement of the health standards of people, and really the achievement and the fulfillment of social justice."

Mr. SEVAREID. This Vietnam war seems to have become a kind of a measuring rod for a person's general political philosophy in this country, and we are told now, in the press and by many speakers around the country, that you are losing your liberal identification and your liberal following, after a lifetime of enjoying it, because of your support of this war.

Vice President HUMPHREY. Did you say a lifetime of enjoying it?

Mr. SEVAREID. You have enjoyed their support. No doubt much pain with it.

Do you feel this is true?

Vice President HUMPHREY. I think it is fair to say that a number of my old friends disagree with me on my position on the struggle in Vietnam. I respect their right to do so and I respect their point of view.

But I must say in all candor that if a lifetime—and you are right—if a lifetime of service to progressive and liberal causes and legislation is to fall by the wayside because of a disagreement over an action in Vietnam, then the reliability of friendship is found wanting.

I have disagreed with many a man in public life on a particular issue, and yet joined with him again with great respect and admiration in another stuggle.

I used to lose friends because I was for medicare. I lost a lot of them. I lost many good supporters. They called me all kinds of things. I lost a host of friends when I advocated civil rights. But I was right, and I felt it deeply. It was not politically popular. I want to make it quite clear, that was a political albatross for years. I carried a heavy load but I felt it.

Mr. AGRONSKY. You feel it is unfair, then, to take away your liberal credentials as a result of the Vietnam—

Vice President HUMPHREY. Well, I don't think a man ought to say it is unfair. Everybody is entitled to their own peeve. But I have not really found too many people that dislike HUBERT HUMPHREY for one particular issue. There are apparently quite a few that are not too fond of him, both conservative and liberal.

Mr. SEVAREID. I think we might interrupt at this point, Mr. Agronsky and Mr. Vice President; we will be back with this discussion with Vice President HUBERT HUMPHREY in just a moment.

Mr. AGRONSKY. Do you and the President feel, as so many seem to feel, that abroad the whole American policy system seems to be unraveling, with the NATO problem which you have mentioned, with the crisis in Vietnam? Are we going to be forced to reevaluate our whole foreign policy position, are we in the process of doing that?

Vice President HUMPHREY. I heard the Secretary of State say the other day, gentlemen, that there had been in the past I think two years over fifty changes of government. This necessitates constant reevaluation of your policies, a readjustment of your relationships, new forces come into being—the situation in the Congo, for example—two years ago it was entirely different than it is today. The situation in Rhodesia today is entirely different than it was even six months ago. Obviously the situation in Brazil is much different than it was two or three years ago.

All I am saying is that a big power such as the United States, or a large power such as the Soviet Union, constantly has to readjust and re-evaluate its endeavors, its diplomatic, its economic programs, and its overseas endeavors.

Mr. SEVAREID. Mr. Vice President, you make these changes sound more or less like a normal process. But surely the change in Europe is a breakup of the fundamental patterns of European power and its balance as we have known it for twenty years. I am at a loss to see what conception this government has of the new Europe that is going to arrive, what we want to see.

Vice President HUMPHREY. Well, I don't suppose that I am capable of giving you a blueprint of the kind of new Europe that will arise, and I must say that I doubt that you build—I doubt that societies are created out of blueprints. They generally come out of the pragmatic approach of experience and sometimes even sad experience.

We learned a great deal out of the sadness of and the tragedy of war, and out of depression.

Mr. AGRONSKY. What are we going to do about living in a Europe without France, which is deliberately excluding itself from participation in Western European life and policy and defense?

Vice President HUMPHREY. I think what the Secretary of State has indicated is that it is possible to have a NATO, that is, a North Atlantic Treaty Organization, without France. And, of course, it is. The other fourteen members can have an integrated command, can have political consultation, that is, the NATO consultative body or the NATO Council. These things can be.

Now, if you ask me, will it be as strong as if you had France within it, my answer would be, in candor, no. Western Europe with France an integral part of a Western European alliance or a Western European treaty organization like NATO, is a better Western Europe—that is, it is a stronger one. It is stronger politically, it is stronger militarily, and I think it is stronger economically. But I don't think we ought to say that if any one country drops out, that this is the end of the road.

I do think it is fair to say that NATO without France will make Germany a much more significant power. It will place a greater power emphasis upon Germany. But we are going to move ahead, to preserve NATO, if France—and France will, under de Gaulle, pursue its independent course.

France wants, under President de Gaulle, wishes to pursue an independent policy, but at the same time to have the umbrella of American power and Western European integrated power as her protection. She wants total defense without total commitment.

Mr. AGRONSKY. Would it be fair to say, Mr. Vice President, that the American view of France today might be predicated on the feeling that de Gaulle, after all, is not immortal?

Vice President HUMPHREY. It is my view that France will come back into a Western European alliance, an integrated alliance. I think France is needed. As long as President de Gaulle is the leader of the French Republic, she will pursue a very independent course. And I think we have to be prepared for that.

By the same token, I do not expect France to be unaware of her own defense, and she knows that her relationships with the United States are very important. She will want to have bilaterals, that is, treaties with the several European countries. She just doesn't want to have her so-called sovereignty touched.

Mr. SEVAREID. What kind of a treaty do you think de Gaulle wants with the Russians?

Vice President HUMPHREY. I don't think we have any real evidence yet as of this moment what the President of the Republic of France will do. But I am sure of one thing, that he will attempt to convey to all of Europe his idea and his dream of a Europe between the Atlantic and the Urals, a Europe of peace, and as he thinks of it, a Europe more closely allied, more closely—not integrated—that word doesn't fit into his picture or pattern—but a Europe of non-aggression. There has even been talk of non-aggression pacts.

These things are not particularly frightening to anyone. I think that you ought to look with some favor upon creative thought about political arrangements in Europe.

Mr. SEVAREID. Is this a time for President Johnson to go to Europe?

Vice President HUMPHREY. The President has never suggested that I should be his tour director or to outline his travel program. I think it would be better to put that question to the President, and you will have that opportunity some day, I am sure.

Mr. SEVAREID. I make the personal assumption that you would like to be President some day and on that assumption, may I ask you, wouldn't you have a freer and easier track towards that ultimate ambition, assuming it is yours, if you were still a Senator and not Vice President?

Vice President HUMPHREY. There are those that feel that way and have said so.

Mr. SEVAREID. I was asking about your feelings.

Vice President HUMPHREY. I am the Vice President. I wanted to be Vice President. I feel that I can offer something to my country in this position. I am at the center of the decision-making processes of our government. I make some contribution. I would not want anyone to think that the Vice President is a man of great power. He has responsibility without authority. He has prestige without power.

I would like to believe, gentlemen, that I have read history and studied American government. I used to teach it. And I want to say that there are very few professors of political science that spend one lecture on the Vice Presidency. And maybe that is all it deserves.

But I think from here on out—not from the day of HUBERT HUMPHREY, but going into the 20th Century, particularly the—starting of the thirties, that the office of the Vice President will command much more attention.

Mr. AGRONSKY. Mr. Vice President, Eric has raised the question of your own personal ambition for the Presidency, which we do not ask that you accept or deny.

But there is a consensus in the country that the major obstacle in the path of that personal ambition—and we speak now of course in terms of 1972—would be the Senator from New York ROBERT KENNEDY.

Now, what do you think of the press preoccupation with that particular issue? How does it affect you? Does it damage you in any way politically? Is it important?

Vice President HUMPHREY. Well, you men of the media must have something to write about and talk about, and there is nothing better than people.

Of course, the Senator from New York is an extremely able man, a fine family, well-known American family.

The Vice President is a political officer.

I am somewhat flattered, I might say, because most Vice Presidents didn't get written up quite that much.

But to predict 1972, that is really quite a ways off. And I venture to say that both the Senator from New York and the Vice President cannot make any safe predictions about what will happen by 1972. There may be many other people on the political horizon that will over-shadow us all. That is entirely probable.

Who knows what those days ahead will offer.

Now, to answer your question—how does this affect me; it interests me. But it really does not upset me. It surely does not impede my activities. And, quite frankly, I don't sit around day and night plotting and planning how I am going to better my political position.

Mr. SEVAREID. Perhaps part of your problem, a continuing one, is that one-half the American population is about twenty-five years of age or under, and memories are short.

Vice President HUMPHREY. That is right. I am young of heart. I understand that fully well.

Mr. SEVAREID. And the young heroes are the popular heroes.

Vice President HUMPHREY. Well, heroes come and go.

I must say that one of the observations of politics is to remember that popularity is sometimes short-lived. Also that your stand on a particular issue can change your acceptance or can give you acceptance or rejection.

I don't think you can make long-term predictions.

Mr. SEVAREID. Mr. Vice President, you have given us a lot of time. You have been very responsive. We are very grateful.

Vice President HUMPHREY. Thank you.

Mr. SEVAREID. I think this might be the point to terminate the conversation.

ANNOUNCER. A Conversation with HUBERT HUMPHREY was prerecorded and edited under the supervision and control of CBS News.

Mr. FULBRIGHT. Mr. President, I want to say that I have had very serious conversations with Mr. Rostow on this subject. I do not wish to appear to quote him off the cuff. I can only say on my authority that my impression is that he believes it is the proper role for this country to become a major Asian power, to create a balance there as opposed to China and Russia.

I am not saying this policy is necessarily wrong. It comes as a great shock to me to think that this concept of our role could be contemplated without consideration by the Senate. I do not say that I would oppose such a policy, but I would like to study the matter thoroughly before I would be willing to support commitments to take this country into Asia in that fashion.

That is my position on the views of Mr. Rostow. I think it is of sufficient importance to warrant bringing it to the attention of the Senate.

Mr. President, a very enlightening and interesting article, written by Clayton Fritchey, appears in today's issue of Newsday. I believe the article has great merit, and I commend a reading of it to my colleagues in the Senate.

Therefore, I ask unanimous consent that it may be printed in the RECORD at this point.

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

STATE OF AFFAIRS

(By Clayton Fritchey)

WASHINGTON.—If President Johnson is saying what he seems to be saying, in adumbrating or proclaiming a new Asia First policy, the U.S. is about to embark on the most grandiose undertaking in its history.

One disturbing aspect of this extravagant ambition is that it has a kind of Thurber quality about it—a Walter Mitty dreams-of-glory fantasy—for the whole idea seems so far removed from real life and the logic of the future.

Washington correspondents have learned the hard way not to take all the Johnson rhetoric too literally, for often it is full of sound and fury, signifying only the mood of the moment. But a careful examination of both the text and context of his recent statements on the future U.S. role in the Far East suggests that they were not made off the cuff.

This sense of deliberation is fortified by collateral but little noticed statements which Vice President HUMPHREY and Secretary of State Rusk have been making since the Johnson meeting with South Vietnam leaders in Hawaii.

The Vice President was the first to assert that the Honolulu Declaration was not limited to Vietnam, but really constituted a new "Johnson Doctrine" for all of Asia, involving enormous commitments for the future.

"I would never want anyone," said HUMPHREY, "to underestimate the meaning of the Honolulu Conference or Declaration. If that is studied carefully, I think it has as much significance for the future of Asia as the Atlantic Charter had for the future of Europe."

Now comes the President himself announcing the "Pacific Era." Asia, he says, "is now the crucial arena of man's striving for independence and order—and for life itself." He coupled this with what he called "the determination of the U.S. to meet our commitments in Asia as a Pacific power."

In short, the commitment is no longer just to Vietnam, but to a whole continent. The U.S. is going to be Mr. Big in Asia, whether most Asians like it or not, and irrespective of how this affects our relations with Russia and our own allies.

In his most recent statement, Secretary Rusk made it clear that worsening relations between Russia and America would not deflect the U.S. "We are going to meet our commitment," he said, "and if there are those who don't like it, it's too bad."

The Administration's proprietary attitude toward Asia is exemplified by Rusk's warning to Russia and other Warsaw Pact countries against sending volunteers to fight in Vietnam.

Rusk himself has been constantly prodding our allies in both NATO and SEATO to send troops to Vietnam, and several have grudgingly responded but the Secretary now says that "it would be very unwise" for Hanoi's friends to do the same.

Does all this add up to a policy or to megalomania? There has always been a lot of dubious talk about America's "Manifest Destiny," but if it has such a destiny there are few, if any, geopoliticians who believe it is in Asia.

We are talking about a vast area that is 10,000 miles from Washington, and one that reason tells us is going to be dominated in the long run by China and Japan on the one hand, and by India and Indonesia on the other.

Japan, with 100 million determined, hard-working people, is already the third or fourth greatest industrial power in the world, but even so it will be dwarfed by the rapidly growing might of China, with its endless resources and 700 million disciplined people. Can there be any doubt that in a decade or so China will also be a major nuclear power?

Since, China, Japan, India, and Indonesia refuse to accept U.S. hegemony even in their present state of development, is it likely that they will defer to us when they are much stronger? There is not the slightest evidence that they share Johnson's new Asian vision. Quite the contrary.

The U.S. economy and military establishment are already straining under the burden of Vietnam alone; we could not sweepingly magnify our Asian effort except at the risk of seriously imperilling our position elsewhere in the world, which, in fact, is what we already are in the process of doing.

If the U.S. attempts to extend the Monroe Doctrine to the eastern as well as western hemisphere, it will find itself isolated, except for a handful of small satellites and dependents who have to play ball with us.

Before this becomes the irreversible policy of the government, perhaps there had better be a new round of Senate hearings so that Americans clearly understand what is involved. Now is the time to find out—before, not after, the Johnsomagne Pacific era begins.

Mr. MANSFIELD. Mr. President, as always, the distinguished chairman of the Committee on Foreign Relations gives food for thought. I was not aware that Mr. Rostow was either the Secretary of State or the President of the United States, nor was I aware that the Vice President has taken over the Presidency.

Everyone is entitled to his personal views, and we may agree or disagree with them. As far as Mr. HUMPHREY is concerned, I would assume that what he was doing was not giving out official information at the time of a television interview, but was rather expressing his views

as to what he envisaged to be the panoramic setting for the development of southeast Asia.

The distinguished Senator from Arkansas quoted Mr. Geyelin, who did write an autobiographical book on the President. He quotes him as follows, referring to the Vice President:

It seems he was proposing a Johnson doctrine.

Whether it is a Johnson doctrine in fact, or seems to be one—involves a set of different factors which ought to be considered.

The Senator has raised the question of our assistance to Thailand and what the Vice President had said when he was in Bangkok earlier this year.

If I remember correctly, we do have a security agreement with Thailand. We certainly are very closely allied to them in military terms.

We have a number of airbases which are operational. And I would say that the Vice President's reference to other countries probably takes in the countries with which we have commitments and which have, in effect, been agreed to by the Senate in a proper procedural form.

Then the statement is brought up that Mr. Eugene Black, a man whom we all admire and who, I know, is a very close friend of the distinguished chairman of the Committee on Foreign Relations, was in Bangkok around the same time for the purpose of bringing the countries in the area together to form an Asian Bank, and to bring about the development of the Mekong Delta.

I think that both ideas are good. A bank which would be largely appropriated for by Asians living in that part of the universe is an excellent idea. Most of the money happens to come from those countries, including Cambodia which, in the meeting in Manila of December 1965, raised its appropriations from $1.5 million to $3 million.

I believe that Eugene Black is an excellent man to help bring about not only the creation of an Asian Bank, which is now happily in existence, but also the development of the Mekong, which will furnish, in an exceptional sense, some security and hope to the people who live in that area, including the Cambodians, the Laotians, the Vietnamese, the Thais, and, I would hope, in time the Burmese, because the Mekong also borders Western Laos and Eastern Burma.

But as far as an Asian doctrine is concerned, I really know of none. As far as this country is concerned, I repeat that we are not an Asian power, we are a Pacific power, with interests along the Asian coast.

Mr. FULBRIGHT. Mr. President, will the Senator yield for a question?

Mr. MANSFIELD. I yield.

Mr. FULBRIGHT. Just for the purpose of clarifying my mind with regard to the Senator's view, assuming, for the purpose of illustration, that there is such a doctrine as I have described, would the Senator favor it?

Mr. MANSFIELD. I would think that if there is such a doctrine as the Senator has described, it ought to be brought before the Senate for its consideration, at least.

Mr. FULBRIGHT. Does the Senator not believe that this evidence of statements by people who, while they do not have the last word—the President does—who are advisers of the President—and certainly the Vice President is a spokesman in an official capacity on numerous occasions, gives sufficient warning that there ought to be a discussion of this matter, consultation, a confiding by the executive in the Senate?

Mr. MANSFIELD. Yes; I would agree with the Senator in that respect.

Mr. FULBRIGHT. That is what I really am trying to elicit from the Senator. I believe that the President's speech to the Alumni Association in West Virginia, and other references, would indicate that he is very strongly committed to Asia and to this area at the moment, even beyond the war itself.

Mr. MANSFIELD. Yes; I would say that that is a statement of fact, on the basis of reading the speech. I would only hope that the commitment would not go too far or too deep.

We do have peripheral areas with which we are allied and to which we have to give consideration. Whether or not we personally agree with that proposition is beside the point. But once a government gives its word, regardless of our personal feelings, we have to do the best we can to uphold what we have pledged.

I repeat, I hope we do not go too far in. I hope that we do not consider ourselves an Asian power. I am sure that nobody would disagree with the President's statement that we are a Pacific power, just as we are an Atlantic power, but there are limits beyond which we should not go.

Mr. FULBRIGHT. I agree with the statement of the Senator from Montana. I have nothing to quarrel with. If that is the case, I would like to be reassured about it. I agree with what the Senator has just said.

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

Mr. MANSFIELD. I yield.

Mr. SALTONSTALL. I have listened to this discussion with a great deal of interest. I speak extemporaneously, because I did not know the Senator from Arkansas was going to make this speech.

I look at the situation from the military point of view. I have been on the Committee on Armed Services and the Committee on Appropriations for a number of years. The Senator from Arkansas and the Senator from Montana speak about an Asian policy. I have looked at the matter from the point of view of a policy of security to ourselves, for the safety of our country in the days ahead, and keeping our agreements.

I call to the attention of Senators the problems that existed in the Mediterranean in the administration of President Eisenhower. Also, we went into Korea as a member of the United Nations. We bore a great deal of the effort in that situation. We had agreements through SEATO with Thailand.

We have now gone into South Vietnam, perhaps more heavily than we ever intended. We have gone in there to protect our own security as well as to help a country retain its freedom. We know that if Australia, New Zealand, and those other countries come under other influences, it will affect our security and safety.

I do not say that there may not be policies looking to the future; but certainly a number of us—I speak only for myself—have carried forward our obligations as part of the effort of the United States to bring about greater security and greater safety for our citizens and an opportunity for peace in the world.

I agree with both Senators that if we go into these broader policies, certainly the Members of the Senate should have more factual information concerning those policies than is provided by discussions of them in various speeches by the President and the Vice President.

As I have said, I speak now as one who has followed this matter from a military point of view, essentially, with the safety and security of our country as major considerations. Of course, we have to keep our agreements.

I call attention to the situation that existed in the Sea of Formosa, at which time the Senate supported almost unanimously the so-called Eisenhower doctrine, as I think it was called, to keep the Sea of Formosa free; because if we did not do that, the Communists would come over to Formosa, and that would make it more difficult for us in the channel, the Philippines, Japan, and so on.

Before that, we went into Korea, as part of the United Nations effort. There was some question as to whether that situation involved our security and safety as much as some of the other places did. It is my understanding that we have gone into Vietnam because we made an agreement—perhaps wrongly—back in 1954 to help protect those people and to give them an opportunity to establish a government of their own. Perhaps, as I have said, we have gone in further than we had intended.

But I look at all that we have done today, as Members of the Senate and as members of the U.S. Government, as an attempt to build up our own security and safety and to increase the opportunity for greater peace in the world. In the future we can look forward, perhaps, to something different; and if changes are under consideration, then we ought to be consulted.

I speak, as I say, to the two distinguished Senators—without having known that this speech was coming up—without an opportunity to reflect on all its implications.

Mr. MANSFIELD. Mr. President, I did not know that this speech was going to be given, until it was given, when I received a copy of it just before the Senator from Arkansas stood up.

The Senator from Massachusetts mentioned the Mediterranean. Of course, we have the 7th Fleet in the Mediterranean and we are a member of NATO. That does not mean that we are a European power. Because we are in Korea, Taiwan, and Vietnam does not mean that we are an Asiatic power. We are not. We are an Atlantic power on one side, with interests in Europe, and we are a Pacific power on the other, with interests in Asia, but we are not an Asian power.

Mr. SALTONSTALL. I agree 110 percent with what the Senator from Montana has said, and he has expressed it better than I could.

Mr. McCARTHY. Mr. President, I do not believe the chairman of our committee has really raised a new question, but he has called to the attention of the Senate a most serious matter which has been developing over a rather long period of time.

The Senator from Montana has said that we are not a European power. I believe that in a significant measure we are a European power. I believe that one of the matters of concern to many Members of the Senate is whether or not there is an Asian doctrine—if it can be called a doctrine; at least there are indications that there are some thoughts and beliefs that we should have an Asian doctrine. It does not have to be a Monroe Doctrine, but a doctrine which commits us in somewhat the same way as we are and have been committed in Europe.

I do not know whether we ought to attribute official status to statements made by the Vice President, except when he is acting directly as the official agent of the President. This disposition to give official status to the statements of the Vice President began, I believe, under the Eisenhower adminstration, when there was talk that a new meaning was being given to the office.

If new meaning is being given, I believe it is a meaning just short of official, and we ought not create, in debate here, a disposition to accept interpretations or statements by Vice Presidents with reference to Presidential policies or administration policies, unless those statements are in relation to an assigned responsibility, an official responsibility, which is outside that which is ordinarily carried under the Constitution by the Vice President of the United States. That official responsibility is limited, as the Senate knows, to presiding over the Senate.

I believe the Vice President has more power in the Senate than has generally been used by a Vice President in recent years, when debates on Senate rules are under consideration. Beyond that, the Vice President has clear authority to vote in the event of a tie in the Senate. To go beyond those two defined responsibilities, one must judge the Vice President's remarks on the basis of how intimately the Vice President may know the mind of the President or anyone else whom he quotes.

Mr. President, I send to the desk an amendment, and ask that it be stated.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 3, strike out lines 22 through 24.

(At this point, Mr. PROXMIRE assumed the chair.)

Mr. McCARTHY. Mr. President, this amendment has the effect of leaving the interest rate on development loans at the rates which now exist and at the rate which was recommended in the bill which the administration sent to the Senate.

The Committee on Foreign Relations discussed this question at some length and, as I recall, by a relatively close vote decided to increase the rate for the second stage, that period 10 years beyond the time the loan is made, from 2½ to 3 percent.

I opposed the amendment in committee and I urge that the Senate now act to leave the interest rate at its present level.

I believe this action is particularly justified now, since the Senate supported the Dominick amendment which increases the interest rate on the so-called 10-year grace period, from 1 to 2 percent.

To take that interest rate increase and carry it on with the interest rate raised from 2½ to 3 percent in the time beyond the first 10-year period would be, in my judgment, too great a burden on the development loan program.

On the floor of the Senate and in committee, I have supported amendments which dealt largely with procedures and proposals designed to give Congress greater control over the foreign aid program. Members of the Senate, on the floor and in committee, have voted to cut certain programs. I have not always agreed, but the cuts were specific and the cuts could be determined. But I do not believe there is anyone who can fully interpret or make any kind of forecast or judgment as to what consequences these across-the-board increases in interest rates will have on countries that we are trying to help.

A number of Senators have been speaking during the last 3 or 4 months about the great consequences of the increase in interest rates in the United States and how this increase has disturbed, upset, and caused disruptions in our economy, which is the most productive economy in the world, and which has great internal strength. These Senators are greatly disturbed about consequences of interest rate increases which not even the experts could have foreseen.

Yet we are moving to increase interest rates in programs designed to help countries which are marginal and struggling, and on the edge of collapse. We proceed as if they were countries of great strength and vitality.

I suggest that this is a highly improper and dangerous way to proceed in connection with the program.

If it is dangerous in the United States, certainly this should serve as a warning to us to go slowly in dealing arbitrarily with interest rates in underdeveloped and struggling countries around the world.

The Senator from New York [Mr. KENNEDY] and the Senator from Ohio [Mr. LAUSCHE] addressed the Chair.

Mr. McCARTHY. Mr. President, I yield to the Senator from New York [Mr. KENNEDY].

Mr. KENNEDY of New York. I commend the Senator from Minnesota [Mr. McCARTHY] in the effort he is making in this matter, and the amendment he has offered. I think it is most worthy and can be beneficial. We face these difficult problems round the world. I want to associate and identify myself with the Senator.

Mr. McCARTHY. Mr. President, I yield to the Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, to carefully analyze the proposal made by the Senator from Minnesota [Mr. McCARTHY], and to obtain information about the interest rates charged by our country and other countries, such as Great Britain, Italy, Germany, and France, I direct the attention of the Senator to page 322 of the transcript of hearings. On that page there are two tables, one for the year 1962 and the other for the year 1963.

I merely wish to point out to the Senator that for the year 1962 our Government made loans of $988 million at an interest rate of less than 1 percent, or completely free of interest. In 1963 it made loans of $1,040 million, also at a rate of less than 1 percent, or interest free.

If Senators will study these tabulations and compare our interest charge with that of France, Italy, Great Britain, and Germany, and other nations of the world, it will be found that even though we raised our interest rate for the first 10 years, and the balance of the tenure of the loan, we are still tremendously below the rate other nations are charging.

I recommend that he study the table, to see what the comparative statement is.

Mr. McCARTHY. I thank the Senator from Ohio for stating that point. However I am not going to refer to 1962 and 1963 but about 1964, 1965, and 1966.

Mr. LAUSCHE. I did not talk about them because they are not in the RECORD.

Mr. McCARTHY. The Senator would not have said quite what he said had they been in the RECORD, because the case would have been much clearer. I shall have something to say about what happened in 1964, 1965, and 1966. It does not altogether destroy the Senator's case, but it definitely weakens it.

This change may seem minor, since it reduces the rate from 3 to 2½ percent, but the effects are highly important. The proposed increase to 3 percent would move us one step further in the process that has been taking place since 1963, a period of 3 years. The interest rate charged by the United States on AID development loans will have increased by 300 percent—a threefold increase in the interest rates that were charged in 1961 and 1962.

The minimum interest rate was set by Congress in 1961 at three-fourths of 1 percent. In 1963, it was raised to 2 percent. In 1964, it was raised to 2½ percent. Now it is proposed, by the amendment adopted by the committee, to raise the rate to 3 percent.

In 1964, the Committee on Foreign Relations, I remind the committee, suggested that the executive branch make a thorough study of loan terms and report to Congress. Now it is proposed that another study of foreign aid be made, presuming that it would be helpful to us.

The study directed to be made in 1964 was made, and a report was submitted. The report stated:

> Hard loan terms are incompatible with the goal of helping developing countries achieve self-sustaining growth in the shortest time with the least amount of aid.

That recommendation was made by the study group which the Committee

on Foreign Relations recommended. The report went on to say that:

> AID minimum loan terms are already hard enough—if they are not to hard. They should not be hardened further.

Now it is proposed that we proceed to harden them and to make it more difficult for those countries to repay their development loans.

Last year, Congress held the minimum at a level of 2½ percent. This year, by committee action, the rate has been raised to 3 percent. There is no question that this action will add greatly to the debt burden and debt service burden of the developing countries; and it may well reverse the promising trends toward softer loans on the part of other nations.

Let me speak first as to the debt burden. Congress should decide whether we are conducting an AID program or whether this is a commercial venture. We should decide whether we want to create a heavy burden of debt and encourage default. because that certainly will happen. We can provide assistance on reasonable terms and encourage true and productive development, or we can continue to raise our minimum rates, turn the AID program into a commercial operation, and slow down and perhaps destroy the hopes for progress in many countries of the world.

Last year the World Bank, to which continuing tribute has been paid on the floor of the Senate, reported that outstanding public and publicly guaranteed indebtedness of the developing countries had increased from $9 billion in 1955 to an estimated $33 billion at the end of 1964—a compound rate of interest of something like 15 percent a year. No doubt it has further increased by a substantial amount during the past year and a half.

Moreover, these figures present only part of the picture. They exclude nonguaranteed private debt, commercial arrears, and direct private investment with its attendant obligations for remittance of dividends, royalties and managerial fees.

Taking into account that a high proportion of this mounting indebtedness is of short and medium term maturity, it becomes apparent that the rate of increase in debt servicing obligations of the developing countries has been even more rapid. The IBRD has estimated that aggregate debt service payments in 1964 by the developing countries were probably well over $4 billion. They absorbed something like 12 percent of export earnings, compared with an estimated 4 percent as recently as the mid-1950's.

Currently interest and amortization payments received by the developed country members of the Development Assistance Committee on official loans to the less developed countries are running close to 20 percent of loan funds disbursed to those countries. With the approaching end of grace periods on development loans made in recent years, the debt servicing burden can be expected to increase still more sharply, posing a serious threat to the determination and capacities of the developed nations through new loans to continue to contribute a net flow of resources to the investment capabilities of the less developed countries.

The problem of debt is a very serious matter. Mr. George Woods, President of the World Bank, spoke frankly in a recent article in Foreign Affairs, saying:

> These levels of debt service are dangerously high. They mean that a good part of the countries' foreign exchange resources must be devoted to servicing previous obligations rather than to new productive development. Indeed, when all amortization, interest and dividend payments are taken into account, the backflow of some $6 billion from the developing countries offsets about half the gross capital inflow which these countries receive. These payments are continuing to rise at an accelerating rate, and in a little more than 15 years on present form, would offset the inflow completely. In short, to go on doing what the capital-exporting countries are now doing will, in the not too long run, amount to doing nothing at all. More finance is needed, and on terms more appropriate to the facts of life in the underdeveloped countries.

An increase in AID interest rates would serve only to aggravate the problem—to increase the total debt burden of recipient nations and increase the yearly costs of their debts.

The committee action would increase the total appropriations from the Congress that would be required to do the same job. The AID study shows that the proposed Senate amendment would mean that Congress would have to appropriate $100 million per year to do the same job. We can do the job faster at less expense with lower rates.

If Congress approves the committee action, it will increase the burden to be imposed on the less developed countries.

The World Bank itself has moved to meet the problem of mounting debt by establishing the International Development Association, which extends loans of low interest with a long-term repayment period. And under the leadership of Mr. Woods, the Bank has been encouraging all donor nations to take every possible step to head off the crises which can now be foreseen.

Mr. President, it is neither in the U.S. national interest nor in the interest of the developing countries themselves for us now to adopt an amendment which would further aggravate the debt problem.

The second problem raised by the committee amendment is its effect on the increasingly successful efforts to persuade other donor nations to lower their interest rates. I address this to the Senator from Ohio [Mr. LAUSCHE], who has raised the point: The United States has been a leader in this effort and in recent years we have been more and more successful.

On the average, the loan terms of other aid-giving nations are still harder than our own, and harder even than ours would be if the proposed increase of one-half of 1 percent were enacted. However, over the last few years, there has been a significant trend towards softer loan terms by these other nations. Whereas U.S. terms, including Export-Import Bank loans, on the average hardened from 2.5 to 3.3 percent between 1962 and 1965, the average terms of other members of the Development Assistance Committee in the aggregate softened from 5.3 to 4 percent over the same period.

Mr. LAUSCHE. These are Export-Import Bank loans?

Mr. McCARTHY. This includes all the loans, including the Export-Import Bank. For France the weighted average interest rate over this period decreased from 4 percent to 3.7 percent; for Germany from 4.4 percent to 4.2 percent; and for the United Kingdom from 5.8 percent to 3.3 percent. They should, of course, do better, but at least the trend is downward.

I do not say that their interest rate should be higher than ours but, with the example of U.S. persuasion which we have been able to exert upon them because our rates were lower, it has had the effect of inducing them to reduce their interest rates.

Mr. LAUSCHE. It is a fact, however, in spite of their reduced rates, that ours are still substantially lower?

Mr. McCARTHY. In the case of the United Kingdom, this aggregate rate would be roughly the same—that is, 3.3 percent for the United Kingdom and 3.3 percent for the United States. In the case of France it is slightly higher—that is, 3.7 percent as against 3.3 percent, and in the case of Germany it is even higher, 4.2 percent as against 3.3 percent. The idea has been to get them to reduce, and they have been reducing their rates. Thus, it is dangerous for us to continue to press for this increase to what I believe would be the danger point, as we might discourage the efforts they have been making.

Mr. FULBRIGHT. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. FULBRIGHT. Would the Senator's amendment affect the interest rate during the grace period?

Mr. McCARTHY. The amendment would have no effect on the interest rate during the grace period, which is now 2 percent, by virtue of the amendment offered by the Senator from Colorado [Mr. DOMINICK], and agreed to by the Senate yesterday.

Mr. FULBRIGHT. In other words, the Senator is not seeking in any indirect way to undo what the Senate did yesterday with regard to the interest rate during the grace period?

Mr. McCARTHY. That is right.

Mr. FULBRIGHT. There is a misunderstanding on that, which I wanted clarified.

Mr. McCARTHY. The interest rate in this amendment applies only after the grace period. We seek to reverse the action taken by the Foreign Relations Committee, which did not anticipate that the interest rate would be raised from 1 to 2 percent in the grace period.

Mr. FULBRIGHT. In the committee I did not vote for the increase in the interest rate. I disapprove of increasing it in the grace period. As long as we are going to make loans, I think they should be made under conditions which are reasonable. The matter does not deal with the overall amount available for loans, so I wanted to make clear that the Senator is not dealing with the interest during the grace period, only that in the

committee we increased it one-half of 1 percent.

Mr. McCARTHY. The Senator is quite correct. In fact, the adoption of the committee amendment which raises the interest rate from 2½ to 3 percent after the grace period, which is 10 years, plus the increase which the Senate adopted in accepting the amendment of the Senator from Colorado from 1 to 2 percent, means, in effect, that we will have increased the interest rate by three-fourth of 1 percent over a 20-year period. That does not check out quite to that amount, but it is 100 percent more in the first 10-year grace period and one-half of 1 percent more in the period following that. I may have an amendment to offer dealing with the amendment of the Senator from Colorado, but this particular amendment applies only to the interest rate following termination of the grace period.

Mr. MILLER. Mr. President, will the Senator from Minnesota yield?

Mr. McCARTHY. I yield.

Mr. MILLER. I should like to ask this question: As a result of action taken on the Dominick amendment, as I understand it, the interest rate for the first 10 years is now 2 percent.

Mr. McCARTHY. That is right.

Mr. MILLER. If the Senator's amendment is adopted, that would be following on the interest rate, and it would also be 2 percent?

Mr. FULBRIGHT. Two and a half percent.

Mr. McCARTHY. The existing law calls for a maximum rate of 2½ percent. The committee raised it to 3 percent.

My amendment would restore it to 2½ percent, which is the current rate. It is not intended to have any bearing on the interest rate during the grace period of 10 years.

Mr. MILLER. Then where is it reduced, if the Senator's amendment is adopted, so that the grace period amounts to only one-half of 1 percent for 10 years?

It does not look very much like there would be much of an advantage if 2 percent is to be charged if, on the follow-on, there will be a charge of only one-half of 1 percent more.

Mr. McCARTHY. I would be inclined to agree. I think we have practically destroyed the grace period. The reference to the grace period is only on the principal.

Mr. MILLER. I understand——

Mr. McCARTHY. There would be a little difference between the two periods. In the grace period the interest was increased by 1 percent.

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

Mr. McCARTHY. I yield.

Mr. MORSE. The Senator's amendment would eliminate from this section of the bill all the interest rates that have been changed. He would end up with the interest rate in the present law. That means the amendment would in effect repeal the 2 percent for the 10-year grace period that we adopted yesterday. The Senator is not only asking to change the 2.5 to 3 percent beyond the grace period, but automatically, by his amendment, he would eliminate that part of the bill which refers to the grace period. I am opposed to both. I do not think the Senator should——

Mr. McCARTHY. I have consulted the Parliamentarian.

Mr. MORSE. Consult him again.

Mr. McCARTHY. That is the language I thought he recommended in that place in the bill. If what the Senator has said is the case, perhaps we can ask him.

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

Mr. McCARTHY. I yield.

Mr. LAUSCHE. Is the amendment offered by the Senator from Minnesota parliamentarily in order, in view of the fact that it contemplates changing the Dominick amendment?

Mr. McCARTHY. It was not intended to change the Dominick amendment, but upon the advice of the Parliamentarian, we can change it, if necessary.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the amendment is in order because it is broader than the Dominick amendment.

Mr. McCARTHY. I discussed it with the Parliamentarian. I did not have in mind changing the interest rates in the grace period which was affected by the Dominick amendment.

Mr. LAUSCHE. But the amendment does change the Dominick amendment, because it strikes it.

Mr. McCARTHY. Mr. President, I ask unanimous consent to change the wording of the amendment, if, on the advice of the Parliamentarian, it does change the Dominick amendment.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the amendment would have the effect of striking out the Dominick amendment.

Mr. McCARTHY. If I may have unanimous consent, I modify my amendment to conform with the advice of the Parliamentarian.

The PRESIDING OFFICER. The Senator may modify his amendment. It is not necessary to obtain unanimous consent.

Mr. McCARTHY. If the Parliamentarian will suggest language to accomplish the purpose that I intended, I shall be appreciative.

Mr. MORSE. Mr. President, for the record, it is important to the Senator from Minnesota, and certainly to the Senate, that we understand what the Senator is doing.

I understand the issue the Senator is seeking to address himself to is to make the interest 2½ percent beyond the grace period, instead of the 3 percent the Foreign Relations Committee recommended. If we can get that understanding and get the amendment put into that form, then we can meet the Senator from Minnesota on the merits of his proposal.

I think it would be an unwise position for the Senate to take. The Senate is too lenient even with the 3 percent. The American taxpayers are entitled to the cost of interest rates, which is far beyond any such amount as 3 percent. I think the record should be made on any such proposal before it comes to a vote.

Mr. McCARTHY. Mr. President, may I have the clerk read the amendment as modified?

The PRESIDING OFFICER. The amendment of the Senator from Minnesota, as modified, will be stated.

The legislative clerk read as follows:

On page 3, strike out lines 22 through 24 and insert:

"(b) Sec. 201(d), which relates to interest rates, is amended by striking out: '1 per centum' and substituting '2 per centum'."

Mr. McCARTHY. Mr. President, may I have a statement from the Chair that the amendment the clerk has just read will have a bearing only on the interest rate that applies beyond the grace period and would not in anyway affect the action the Senate took on the Dominick amendment?

The PRESIDING OFFICER. That is the Parliamentarian's interpretation.

Mr. McCARTHY. There is no appeal beyond the Parliamentarian at this point.

Mr. MORSE. Mr. President, may I make a parliamentary inquiry?

Mr. McCARTHY. I yield for a parliamentary inquiry.

Mr. MORSE. It is my understanding that the amendment offered by the Senator from Minnesota would have the effect of eliminating from the bill subsection (b) of section 201 which relates to interest rates, as amended, by striking the 2½ percent and substituting 3 percent, and by striking out 1 percent and inserting 2 percent, and he is now offering to put back what was in the Dominick amendment. But the amendment as the Senator offered it did have the effect of eliminating the Dominick amendment.

My parliamentary inquiry is whether the amendment that came to the floor of the Senate from the Senator from Minnesota is one that had the effect of eliminating the Dominick amendment.

The PRESIDING OFFICER. The Senator is correct, but the amendment has been modified.

Mr. MORSE. It was modified so that it only reduces the interest rate from 3 to 2½ percent after the grace period.

The PRESIDING OFFICER. That is correct.

Mr. MORSE. I appreciate the modification, because now we can go to a discussion of the issue on its merits.

Mr. McCARTHY. If the time comes when the Senator from Oregon wishes to be the Parliamentarian, I shall vote for it.

Mr. MORSE. I would be a bad Parliamentarian.

Mr. McCARTHY. The Senator would be a good one. I like his rulings.

As I pointed out, the other countries have been moving their interest rates down. This has been suggested by the World Bank in a report which was before the Foreign Relations Committee. It has been national policy to encourage their interest rates to move somewhat closer to ours.

This trend has reflected a number of policy changes in virtually every other member country of the DAC changes designed to increase flexibility in granting softer terms. The policies introduced included new soft loan programs, extended grace periods on interest and principal, interest rate subsidies, waivers of interest, the increasing use of current budgetary funds in the place of borrowing at high rates on domestic capital

markets, and the blending of soft loans or grants with credits at harder terms.

The United Kingdom introduced in 1962 a policy of waiver of interest charges on selected loans during the grace period which resulted in effective interest rates significantly below the nominal rates. This was followed in 1965 by the introduction of a policy allowing completely interest-free loans in certain cases. It is expected that a high proportion of future British loans to developing countries will be interest-free.

In other words, they have provided a grace period in which there is no interest charged at all by the United Kingdom.

Contrary to that, we have just decided here on the floor of the Senate to impose a 2-percent grace period interest rate on loans made by the United States.

Canada introduced in 1964 a soft loan program for development purposes under terms similar to the IDA; that is, 50-year repayment, 10 years grace period on repayment of principal, and three-fourths of 1 percent per year service charge during the grace period.

On the 20th of July, if I could particularly have the attention of the Senator from Ohio, the Canadian Government announced, at a meeting of the Development Assistance Committee of the OECD in Washington, that it was softening even further its development lending terms. While we are increasing ours, they are softening theirs. They have been charging three-fourths of 1 percent during the 10-year grace period. The Canadians have announced that on most future loans, they will abolish the service charge altogether. The Canadians will now join the British in making loans available during the grace period at no interest rate and no service charge whatsoever.

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

Mr. McCARTHY. Yes, I yield to the Senator from Oregon.

Mr. MORSE. Does the Senator know whether or not the Canadian Government has a disaster loan program for the benefit of Canadian farmers, in case of some disaster, when they are about to have their property foreclosed on as the result of disaster?

Mr. McCARTHY. I am sure they do. I think they have a rather comprehensive program of crop insurance.

Mr. MORSE. Does the Senator know what interest rate Canadian farmers are charged in such a situation?

Mr. McCARTHY. I do not know. Does the Senator from Oregon know? I assume they charge interest at some rate.

Mr. MORSE. I want to know whether the Senator knows the interest rate charged to American farmers for disaster loans.

Mr. McCARTHY. Well, it is higher than this 2½ percent.

Mr. MORSE. It is 3 percent.

Mr. McCARTHY. That is right.

Mr. MORSE. Does the Senator think it to be a proper protection of American taxpayers' money, if we charge our own farmers 3 percent for disaster loans, in order to help them save their property from foreclosure and try to get themselves back into production, but charge people abroad only 2½ percent?

Mr. McCARTHY. I would be quite happy, if the circumstances are properly defined, to make not only interest-free loans but grants to farmers who are disaster victims in this country.

I do not think we help solve the problems of developing countries by raising their interest rates. Perhaps it would help solve the problem of the American farmers to reduce theirs; but I do not see how any good could be accomplished abroad.

Mr. MORSE. I respectfully suggest that we ought to take care of our own farmers first.

Mr. McCARTHY. Perhaps we can set an example. As the Senator knows, the only way we have been able to do anything about migratory workers in America was by making an issue of the way in which foreign migrants were treated in the United States. It might be that by doing something about the underdeveloped areas of the world, on proper terms, we might set an example which Congress might follow with reference to domestic problems.

Mr. MORSE. That would be an example for further waste of millions of dollars of the taxpayers' money.

Mr. McCARTHY. Not necessarily.

Mr. MORSE. What the Senator's proposal really amounts to is an indirect method of increasing the amount of money available under this aid bill by a good many millions of dollars.

Mr. McCARTHY. I say to the Senator, I think the first judgment we have to make is whether the programs are good.

Mr. KENNEDY of New York. Mr. President, will the Senator yield?

Mr. McCARTHY. I am quite prepared to say, as I have disagreed on some of the specific cuts, these are hard, specific judgments that get to a particular point. When you begin to deal with the problem of interest rates, as I said earlier, you do not know what the consequences will be. We have seen the consequences in the United States, where we have a great and strong economy, of the increase in interest rates in the last 6 months, and the dislocations and disturbances and the slowing down in the economy. These are the effects of imbalances created by virtue of an interest rate increase, which was thought would have, automatically, a good effect. It has not had that effect.

With reference to the struggling economies of the world and increasing the interest rates, while some good may come of it, I believe the total effect would be otherwise.

Mr. KENNEDY of New York. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield to the Senator from New York.

Mr. KENNEDY of New York. When we talk about these programs, we are talking about something other than interest rates; we are talking about programs aimed at helping individuals in the fields of education, housing, agriculture, or clean water, so that the high death rate among young children in Peru or Chile or Venezuela or Kenya, or wherever it might be, might be reduced and those lives might be saved.

Is it not true that by agreeing to the amendment the Senator from Minnesota has offered, a great deal more money would thereby be available in those countries, which desperately need this kind of help? Could the Senator tell a little bit about the kinds of programs that would be possible, under the program we are discussing today?

Mr. McCARTHY. I think the Senator has really covered the whole field. These are not just loans to bail out governments and forestall inflation. There are such loans, which are made under some supervision. But these are loans to meet what are considered vital needs for these countries' development.

Mr. KENNEDY of New York. Commenting on the statement of the Senator from Oregon, I would be completely in favor of lowering interest rates for those who need that kind of help here in the United States under the terms the Senator has described so eloquently, to farmers who need disaster aid and disaster assistance; but it does not seem to me that it makes any substantial difference here in the United States, with the economy as it is, with the growth of our economy, the tremendous gains we have made economically here in the United States, to start penalizing people all over the world, just because of the fact that perhaps we have an inadequate or insufficient program here in this country. Again, to go back to the terms, in which I spoke yesterday, it does not seem to me to make any sense not to permit children to obtain an education in Latin America or Asia because we are upset about the war in Vietnam.

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

Mr. KENNEDY of New York. I yield.

Mr. MORSE. Those are the words of the Senator from New York, not mine. I am simply saying I do not think we can justify granting them the 2½-percent money the Senator from Minnesota proposes, when our own farmers in this country, for emergency disaster loans, have to pay 3 percent.

The Senator from New York says he would be perfectly willing to support less; so would I. But we ought to do that first, because if we do not, those of us who are really friends of the foreign aid program are going to find ourselves meeting so much opposition in public opinion in this country that we will be unable to do the things we ought to do in foreign aid even in connection with these humanitarian programs.

I know of no reason why the governments concerned should not understand that they ought to be required to pay at least 3 percent interest on the money. This constant giving away and giving away has not won for us friends in the countries to which we have made the giveaways. We ought to face up to that.

The 3-percent proposal that the committee has made is reasonable. It is comparable to the charges we make in our own country to people who also are suffering great hardships, and I do not think we ought to go below it.

We should have, from the Senator from Minnesota, the figure as to the amount of increase in dollars that his

proposal will result in, by adding it to this bill.

Mr. McCARTHY. It would have no direct effect on the increase in dollars. As a matter of fact, in view of the action of the Senate in cutting the amount of the development loan program funds, I do not know what the Senator means by "increase in dollars."

Mr. MORSE. It means, if we get 3 percent instead of 2½ percent, we have protected the American taxpayer to the extent of the difference. More dollars will be returned in interest, if the same amount is lent.

Mr. GRUENING and Mr. McGEE addressed the Chair.

Mr. McCARTHY. I yield to the Senator from Alaska.

Mr. GRUENING. Are the Senator from Minnesota and the Senator from New York aware that the countries to which we make these loans relend the money at rates as high as 10 percent?

Mr. McCARTHY. Oh, yes, we are aware of that.

Mr. GRUENING. Is that not a pertinent fact?

Mr. McCARTHY. Yes, we know it. We have taken it into account fully.

Mr. GRUENING. Would the Senator support an amendment which would say that this money should not be reloaned at interest rates in an amount more than 5 percent greater than the amount we have charged? I would think that would be a desirable amendment.

If we would control that kind of gambling with our money, I think that it might encourage those who would be willing to vote for low-interest rates. Otherwise, it would be very difficult to reconcile that with the fact that we are raising the interest rate for Americans. It is very difficult now to get a loan for housing or for any other purpose. I find the dual standard is very intolerable.

Mr. McCARTHY. Mr. President, if we were to do that, in view of the increase in interest rates proposed here, I believe that the pressure would be on them to raise their rates to get money to pay back the United States. We seem to be working at cross purposes and putting great pressure on countries which I understand are operating under conditions urged upon them by our officials.

Mr. McGEE. Mr. President, the Senator from Minnesota is one of the recognized experts in the Senate on financial matters as well as on general policy.

Mr. McCARTHY. I appreciate the remarks of the Senator. Perhaps he should say one of the newly recognized experts in the Senate.

Mr. McGEE. He is not recognized enough in my judgment for his competence in these fields. However, here we are wedding the matter of policy with the matter of international finance.

I wonder whether the Senator from Minnesota would agree with me that, in many of the suggestions submitted here in the last few minutes, we are tending to penalize the economic capability and growth capacity of our whole program by focusing on the commas and the semicolons in the program itself. Are we not tending to put our cart before the horse, to borrow another cliche?

Mr. McCARTHY. I quite agree with the Senator. I think the basic purpose of the foreign aid program is to stimulate economic development and to help those in need of help.

In this case, the proposal is to put these loans on some kind of hard banking base.

Mr. McGEE. Is it not called into question whether economic development is wise or unwise? We are starting with the assumption that this is a wise way to proceed to assault some of the problems of the world economic development. It seems to me that we begin to take precedence over this basic measure, the yardstick, by the comparison of an interest rate that would imply in the economic intrastructure of a country overseas with one which would operate in our own country, or that could have an entirely different impact overseas on capital generation. That is an entirely different question in areas like Vietnam or Burma or some of the other developing areas of the world in which they have very few capital generating institutions in their economy.

For that reason, I commend the Senator for keeping the focus on the main sections of the program, rather than on minutia. Any minutia lifted out of context and applied in our setting could be demonstrated to be unwise by our standard. But when we are accused of a double standard, those who make the accusation accuse us of applying another standard. They say that we operate in a foreign economy and the details of this foreign economy are used to compare unfavorably with standards that we take for granted in our capital enterprise system at home.

Mr. McCARTHY. The Senator is quite correct. This is really the substance of the amendment. We had to make our case with reference to the interest rate question which perhaps should not have been raised. The substance of the argument for the Alliance for Progress is the very argument made by the Senator from Wyoming.

I think that I have made the case as clearly as I can for the return of the interest rate to 2.5 percent. It would have no bearing on the balance of payments since most of the countries have an unfavorable balance as against the United States. The problem of outflow of money from the United States would be in no way affected by the interest rate.

Mr. KENNEDY of New York. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. KENNEDY of New York. In addition to the argument made in the exchange between the Senator from Wyoming and the Senator from Minnesota, must we not also consider the fact that we are doing this in the interest of our own national security? Obviously, while we still have people in the United States who do not have adequate education, who do not have adequate housing, who do not have enough to eat, considering the various areas of poverty that we have across the country, any time we deal with foreign aid, we can argue that we should not take any of these steps until we rectify the problems in our country.

We do it because we think we have a moral responsibility, because we are far ahead of the other countries. However, we also do it because it is in the interest of the national security and the interest of the United States that there be stability in Latin America, so that we do not have any other Cubas and so that we will have some stability for the next generation of Americans, and so that we will have some stability in Africa and in the rest of Asia.

That is why we help other countries. We also want to assist these other countries. We get into an argument about the 2.5 percent interest rate, and the fact that the farmers of the United States do not have this kind of program, that their interest rate is 3 percent. We are losing sight really of one of the major issues involved in the whole program, one which has been in the law for the last 20 years.

Mr. McCARTHY. Ever since the end of World War II, the same argument could have been made against every other program we have had. It is not a compelling argument.

There is another consideration to be taken into account. The changes in the Public Law 480 program as recommended by the administration and as approved by the House of Representatives will link the interest rates on "sales for dollars on long-term credit"—title IV sales—to the terms for development loans under the Foreign Assistance program. In effect, if we adopt a 3-percent rate, we set a precondition under which the rate with reference to these sales under the Public Law 480 program would operate.

It can be changed, of course. The disposition is to have the same interest rate apply on both types of loans. If we increase the rate to 3 percent, it could be argued that we are likely increasing the interest rate under Public Law 480 loans in the same amount. We do not have to do it.

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

Mr. McCARTHY. I yield.

Mr. LAUSCHE. Mr. President, I point out that in attempting to determine the mercifulness of the interest rate or its cruelty, we also have to take into consideration the tenure or the time in which the debt must be paid.

On that subject, on page 321 of the testimony, there are two tabulations, one for the year 1962 and one for the year 1963.

In 1962, the U.S. Government made loans of $921 million, payable in 40 years or more. Britain made none. In the 30 to 40 year range, Britain made none.

In 1963, we made loans in the amount of $998 million, payable in 40 years or more.

The point I want to make is that if we make a loan payable in 20 years, the interest rate is lower than that which we are charging. Think of how much lower it is when we have 20 years in which to pay the debt. Twenty years at 3 percent I would say is tremendously higher than 40 years at 2 percent.

I submit that, both on the rate of interest charged and on the time within which the debt has to be paid, the United

States has bordered practically in the position of being a grantor or donor in all of these instances compared to what the other nations of the world have done.

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

Mr. McCARTHY. I was not quite sure of the argument the Senator from Ohio made.

Mr. LAUSCHE. I just pointed out that we have suggested what Britain is charging.

Mr. McCARTHY. I said that they are reducing their interest.

Mr. LAUSCHE. Yes, but it has not extended its time of payment at all. We have allowed 40 to 50 years for repayment, and our interest rate is below that of all the other countries in the world, practically, unless Britain has come up in 1965 or 1966.

I repeat: In 1963 we made $998 million in loans, payable in 40 years or more. In 1962, $933 million, payable in 40 years or more. The interest has been three-quarters of 1 percent for the first 10 years, with full grace on the payment of principal, and then 2½ percent for the period beyond the 10 years.

I do not believe that anyone can argue that we have not been humane and merciful. We have practically given away the money, and that is the way these recipient nations have construed our loans.

Mr. McCARTHY. I say to the Senator from Ohio that if one pays 2½ percent for 10 years, one pays the same amount. The amount paid is the same each year, whether 2½ percent a year for 20 years or 2½ percent a year for 30 years.

I do not say that we have not been humane. I believe that in most instances we have acted in the name of justice rather than in the name of charity. We have been urging the other nations to extend the period, and already the British have been extending the period. The Canadians now go to 50 years, which is 10 years longer than we go.

We are arguing in a relative area of what one nation does as compared with another.

Mr. LAUSCHE. Two and a half percent a year in 10 years, with the full amount payable at the end of 10 years, enables the lender at the end of 10 years to fix a new rate of interest.

Mr. McCARTHY. The Senator is correct.

Mr. LAUSCHE. Two and a half percent in 20 years prevents the lender from changing the rate of interest at any time until the 20 years has expired. We tie ourselves down for 50 years and say that it ought to be 2½ percent.

Mr. McCARTHY. The interest might be higher or lower at the end of the period. In the case of the British and the Canadians, the interest rate has been going down as they have renewed loans. In the case of the United States, they have not begun to mature, and the disposition would be for them to go up. I do not believe we need to pursue the interest rate in Canada. The trend has been a proper trend.

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

Mr. McCARTHY. I yield.

Mr. MORSE. There has been a great deal of discussion about what this money is used for, and the countries under the Alliance for Progress program have been mentioned several times.

As my colleague on the committee, the author of this amendment, knows, this matter came up under considerable discussion in committee.

I wish to take the Senate to page 496 of the hearings, at which page appears a table which I ask to have printed in the RECORD.

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

Breakdown of total fiscal year 1966 development loan program funds

	Amount (millions)	Percent
Basic education	$3.2	(1)
Technical training in industry and agriculture		
Natural resources development-land reform	[2] 111.4	22
Commodity imports (nonproject)	305.0	[3] 62
Other	73.5	15
Total	493.1	100

[1] Less than 1 percent.

[2] Includes loans for supervised agricultural credit; livestock, agricultural, and mining banks; access roads; fertilizer imports; and related activities.

[3] Local currency counterpart also programed in many cases for education, agriculture, and other natural resources development.

Mr. MORSE. This is headed "Breakdown of Total Fiscal Year 1966 Development Loan Funds." That is what we are talking about. Basic education, $3,200,000; less than 1 percent.

The footnote states that local currencies from nonproject loans are programed in many cases for education, agriculture, and natural resource development.

But the breakdown of proceeds from program loans to Chile, recipient of huge program loans, shows that about 9 percent of the 1963 loan went for education, 5 percent of the 1964 loan, and 16 percent of the 1965 loan. I do not have the breakdown for the other uses, but I submit that this is a very meager allotment to education, relative to need.

Yet, the discussion would lead us to believe that a lot of this money is going into so-called human welfare causes. Well, that is not borne out by the statistics in the record itself.

Technical training in industry and agriculture none. Natural resources development-land reform—which includes such public works as farm access roads—22 percent. General commodity on nonproject loans—62 percent. Other—15 percent.

This money is not going into the so-called human resource and natural resource programs that are supposed to help increase food supply and provide for the training and education of people.

Under the amendment proposed by the Senator from Minnesota, it is proposed to give them 2½-percent money for what will amount in many instances to capital investments.

Mr. President, the record does not bear out the allegation here that this money will go into expenditures for human development. To the contrary, I see no reason why large sums of this money, for what amounts to public works programs, should be made available at 2½ percent, when I have to put up a terrific struggle every time I desire public works development in my State—not only with high interest rates, but also I have to show a cost-benefit ratio. I should be required to show it, and to pay interest at a fair rate. I am not quarreling about that.

In closing, I wish to say that I do not forget the purpose of this form of government, as set forth in the Preamble to the Constitution:

> We, the People of the United States, in Order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare, and secure the Blessings of Liberty to ourselves and our Posterity, do ordain and establish this Constitution for the United States of America.

That was meant to promote the welfare of this country. I am perfectly willing to be of help in promoting the welfare of other countries, when it promotes our interest to do so. But not on the basis of discrimination against our own country in the field of interest rates for capital investments, for public works programs, and where less than 1 percent goes to education.

No, I am sorry. I love the Senator from Minnesota, but I shall leave him on this one.

Mr. McCARTHY. I hope the Senator from Oregon is not called upon very soon to vote on the question of the interest rate for REA loans, which is now 2 percent, after the fight to raise interest rates in this case.

Mr. MORSE. When a particular program goes through a developing stage and I fight for its development, that does not mean I shall continue to vote for a particular part of it in perpetuity.

Mr. McCARTHY. I know that.

Mr. MORSE. I will look at the evidence.

Mr. LAUSCHE. On that score, may I point out that I have a measure pending that would lift the interest rates to REA.

Mr. McCARTHY. The Senator from Ohio, I believe, would be consistent on this matter.

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

Mr. McCARTHY. I yield.

(At this point Mr. HART assumed the chair as the Presiding Officer.)

Mr. GORE. Mr. President, perhaps it would be helpful to the Senate to take an actual example of a development loan. I do not ask Senators to take a fictitious example. I do not ask Senators to take one that I have particularly selected. I ask Senators to take the example which the administration used in presenting this program to the Committee on Foreign Relations.

On page 47 of this large brochure, which is not available for general distribution because it contains certain confidential or classified information—I shall not read any classified information—I shall read from the administration presentation:

> For example, AID recently made a $40 million loan to a private electricity distribu-

tion system. The borrower will make repayments in Brazilian cruzeiros at 5.5 per cent interest for 18 years, including a three-year grace period. Brazil will repay AID in U.S. dollars, with interest at 1 per cent for ten years and two per cent for the next thirty years.

I was not quite satisfied with that brief information. I inquired the identity of the private concern that received the loan. This is not a loan of a few American dollars to a child whose health is broken, who is poverty stricken, ill clothed and ill housed.

This is a $40 million loan to Rio Light S.A. and São Paulo Light S.A.

What are these two concerns? When I inquired, I found that they are subsidiaries of a Canadian corporation. So this lower interest rate was made to a Canadian corporation, although in large part owned by interests in New York City, to expand its electrical plant in Rio and São Paulo. I am not saying that that is wrong, Mr. President.

I would that I could join the bleeding hearts on the floor of the Senate this afternoon about this program. My heart bleeds, too, for these worthy causes, but how come the American taxpayer is called upon under presently prevailing interest rates to pay the interest cost on U.S. bonds at approximately 4.5 percent, and then lend it to a Canadian corporation to spend in Brazil?

The distinguished senior Senator from Minnesota [Mr. McCARTHY] talked about how hard it was going to be upon the countries to repay. Let us examine this burden. Let us take this exact case. Remember that the money has been loaned to this subsidiary of the Canadian corporation. How does the administration say that this corporation is going to repay it? At 5.5 percent interest to the Government of Brazil.

I shall read again:

AID recently made a $40 million loan to a private electricity distribution system. The borrower will make repayments in Brazilian cruzeiros at 5.5 per cent for 18 years, including a three-year grace period.

What does this mean? It means for 3 years this Canadian corporation, or the subsidiary of this Canadian corporation, will have a grace period on both interest and principal. Then, the loan will be repayable in 15 years to the Brazilian Government, in Brazilian currency, whatever inflation has done to that meanwhile, at 5½ percent.

How does 5½ percent interest compare with the rate of interest in Brazil? I had the staff of the committee inquire about this. The going rate of interest in Brazil on first rate commercial bank loans is 2 percent per month. We are not exactly being hard on this Canadian corporation to require them to pay 3 percent, although the Brazilian Government gets repaid, though it did not advance the loan in the first place—the principal in 15 years after a 3-year grace period at 5½ percent.

When does the United States get repayment, using the example the administration uses?

Brazil will repay AID in U.S. dollars with interest at 1 per cent for 10 years, and 2½ per cent for the next 30 years.

The committee thought it wise to increase this 2½ percent to 3 percent.

I thought in case of loans, such as this, at least they should pay the going rate of the cost of money to the U.S. taxpayer. The committee decided upon 3 percent. Does the Congress wish to vote on that basis to undo what the committee did and lower the rate of interest?

I would like to cite other cases, Mr. President. There are many other cases here. I became interested in the subject and, as the senior Senator from Oregon [Mr. MORSE] pointed out, although in the public mind these development loans have the very worthy purpose of education, health, and welfare, they are actually development loans for hard purposes, worthy purposes, yes. But they are purposes which we have a right to consider here on the basis of merit and not on an emotional basis.

I have a whole sheaf of these loans that I would like to go through. Here is one in Turkey for $2.5 million. The loan is made to Goodyear Lastikleritas. This is a corporation owned 75 percent by the Goodyear Tire & Rubber Co. I do not criticize the Goodyear Tire & Rubber Co. I am only saying that we are lending money from the Treasury of the United States, in many instances, to corporations that have vast treasuries.

Why do they not issue their own debentures and borrow their own money? Why should the American taxpayers be called upon to subsidize a development of Goodyear Tire & Rubber Co. in Turkey? I am glad to see the development in Turkey. Perhaps it is a sound investment. Why must we extend such terms to it?

I shall cite some other examples.

Here is the Valco Aluminum Co. They received a loan of $55 million under preferential conditions. Who owns that? Valco is 100 percent owned by two U.S. corporations: Kaiser Aluminum and Chemical 90 percent, and Reynolds Metals 10 percent.

Mr. KENNEDY of New York. Mr. President, will the Senator yield?

Mr. GORE. I yield.

Mr. KENNEDY of New York. Does not the last loan which the Senator referred to deal with the Volta Dam?

Mr. GORE. The Senator is correct.

Mr. KENNEDY of New York. Was it not determined, first back in 1958, and again in 1961, that that kind of investment for the development of that area would be very worthy for the people living in Ghana and West Africa?

I suspect that it was also thought that it would be better to have an American company that had know-how and experience to carry out that kind of work.

Mr. GORE. Undoubtedly these determinations have been made. I am not now complaining about the rectitude of that determination.

I know that at the time it was under consideration the junior Senator from New York [Mr. KENNEDY] was in another capacity, and he, like I, opposed the making of that loan. But that is done. What I am discussing here is the interest rate.

Mr. KENNEDY of New York. I should like to inform the Senator from Tennessee that I am familiar with that loan, and that I opposed it. Looking back on it now, however, in retrospect, I was wrong. I felt then that the relationship of the United States to Mr. Nkrumah was so difficult that it was not a good investment. But I do not think that anyone questions the fact that the loan was made on the basis of some stability in that country, that the people of Ghana and the people of West Africa would greatly benefit by the construction of this dam. That was the basis of it. That was the reason the loan was made and the guarantees were made by the United States. It was an effort to try to develop a kind of TVA in that part of the world. I think that in retrospect, looking back on it now, I was wrong in 1961 when I opposed it. What has happened to Ghana and what has happened in that part of the world has indicated clearly that the investment was worthwhile.

Could I just mention the situation in Turkey and——

Mr. GORE. I wish, first, to comment on the Senator's point. I do not wish at the moment to discuss the merits or demerits of this project or any other project. What we are discussing here is an interest rate structure. What is the proper level of interest that should be charged on these loans? The Senator has said that he opposed this loan when it was made. So did I. I think that when the ultimate story is written, both of us will have been proved to be right. However, that is beside the point. The question is: Why should the taxpayers of the United States be called upon to subsidize Valco, owned 90 percent by Kaiser Aluminum and 10 percent by Reynolds Metals?

Mr. KENNEDY of New York. If the Senator will yield, could I answer that question for the Senator?

Mr. GORE. I am happy to yield to the Senator for that purpose.

Mr. KENNEDY of New York. It is as simple as possible to answer: Because they would not do it otherwise. They could make investments in a much more attractive country. They would not make these kinds of investments unless the United States came in and helped.

When we talk about the question of interest rates, I think that the Senate begins to sound like "Scrooge." But we make the investment in projects not only for others but also for our own future interest and security.

Mr. GORE. Would the Senator make the same statement with respect to a loan to a Canadian corporation to make an investment in Brazil? I just do not know how far this bleeding heart will go——

Mr. KENNEDY of New York. It is not a question of a bleeding heart.

Mr. GORE. I will join the Senator in low-interest rate loans for education, health, welfare, highways, sewage system, water systems, but I do not know why we should have to subsidize a Canadian corporation or a great American corporation such as the Goodyear Tire & Rubber Co., Reynolds Metals, or Kaiser Aluminum. It seems to me that we are mixing impoverished children

with giant corporations when they do not quite belong in the same bed.

Mr. KENNEDY of New York. The Senator said that he would be glad to help in sewage and water systems——

Mr. GORE. Yes, I would.

Mr. KENNEDY of New York. Is it not possible that in order to put in an adequate sewage or water supply system, we might need electricity?

Mr. GORE. That is possible.

Mr. KENNEDY of New York. But the development in São Paulo and the development in——

Mr. GORE. The two are not necessarily tied together. I would not say yes or no to that.

Mr. KENNEDY of New York. But I think that the development in São Paulo and the development in Rio de Janeiro are undoubtedly in connection with trying to develop the economy of those cities and construct adequate electrical plants so that the city, the community, and the surrounding area can build up so that part of the country, which is part of the undeveloped world, will expand. I think that is what we are interested in. That is, I think, a clear and simple answer to these problems.

Mr. GORE. I think the Senator might find it very interesting to inquire a little further as to what the dividends have been from the Brazilian subsidiary of the Canadian corporation. Some of the Senator's constituents in New York State have reaped a rich reward from their investments. I do not criticize them at all, but I doubt that the American taxpayer should not be called upon to subsidize further investments from which they are enriched.

Mr. McCARTHY. Mr. President, will the Senator from Tennessee yield at that point?

Mr. GORE. Not just now. I want to make a point, Mr. President.

The foreign aid program has, in large measure, come to be a subsidy for American business and American exporters, just as Public Law 480, and the Food for Peace program, is primarily to subsidize American agricultural exports.

I have instincts which I believe to be charitable. The committee studied the problem and found that many of the development loans were being made to subsidiaries of American corporations and other corporations, such as Canadian corporations, at unreasonably low interest rates, in view of our domestic situation. I wish that we could separate the two—the profit motive from the eleemosynary motive, the selfish motive from the charitable motive.

I will go with my friend from New York down the bloody path, as far as he will go, for crippled children, the impoverished, the diseased, and the ill educated. I will join the senior Senator from Wyoming in importuning the Senate from spending its time with minutia. But $40 million is hardly minutia.

Another angle to which we should give thought is the effect upon the American economy. I read a headline this morning that there was a right sharp increase in the cost of living. Senators make declarations that 80 percent of this money is spent in the United States. Is that all to the good? Does that establish our charitable purpose beyond question or does it show the slip of exports a bit? Let us examine that. In the first instance, the money is borrowed in the United States, further tightening money and further pushing interest rates up. It is borrowed in competition with seekers of credit for other purposes, some worthy. When we spend these large sums in our economy, it further places inflationary pressures upon goods and commodities.

I am not saying this by way of opposition to the program. I said only yesterday that I expected to support it. But it seems to me that that Members of the Senate need to consider this program on the basis of facts rather than on the basis of emotion and catch phrases.

We are talking about an interest rate for development loans. What should that interest be? Should we relate it to the cost of money to the Treasury of the United States? That cost of money has undergone a drastic increase. I expressed my views yesterday in opposition to the policies that have permitted and brought this about. But, be that as it may, the Government of the United States is forced to pay around 4.5 percent now for long-term money.

The committee has recommended that it be loaned for a grace period of 10 years at 1 percent, and thereafter at 3 percent. This still leaves the American taxpayer subsidizing a loan according to the current rate of approximately 1.5 percent.

Mr. KENNEDY of New York. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. In just one moment I will. For instance, I read another: A loan of $5 million to the Bank of Environmental Development on the Ivory Coast. Who owns that? One of these poor impoverished institutions? No, the Chase International Investment Corp., and Lazard Freres.

Now, Mr. President, why must the taxpayer be called upon to subsidize an investment in a branch for the Chase Bank? This is not one for our impoverished children.

I yield to the Senator from New York.

Mr. KENNEDY of New York. I go back again to the speech made by George Woods, which I placed in the RECORD yesterday. I commend it to the Senator. Mr. Woods is President of the World Bank Group.

A central fact of life in the less developed countries is the existence of increasing debt burden and debt service burden. The total external debt of the developing countries increased from $10 billion at the end of 1955, 7 percent of their total gross national product, to over $30 billion at the end of 1964, 15 percent of their gross national product. The annual debt service charges have risen from less than $1 billion in 1955 to $4 billion in 1964.

Mr. George Woods recently stated that:

> These levels of debt service are dangerously high. They mean that a good part of the countries' foreign exchange resources must be devoted to servicing previous obligations rather than to new productive development.

I think, finally, I come back to the fact that if we are to have an aid program, we should have an aid program which will be effective, which can help these countries develop their economy.

In the Ivory Coast and some of the other countries they do not have large industrial complexes to perform the necessary functions, so they have to go to Canada, the United States, or Great Britain. I think it would be better if they could go on their own.

I do not think any company should make exorbitant profits from the taxpayers of this country, but until these countries develop their own resources, until their people are able to get on their own feet, we in the Western world should provide this help.

It may not be direct, but the table the Senator from Oregon [Mr. MORSE] put in the RECORD indicates that, although funds are used for industrial purposes, the counterpart funds that are thereby made available are used for educational purposes, for agricultural purposes, for the construction of roads. So the country gets the double use of these funds, instead of only the initial use of them.

A number of statements have been made about the foreign aid program. If this is not the best program, as has been suggested by the Senator from Oregon [Mr. MORSE] and other senators, then I think we should go into it, but we cannot stand still for the next 2 or 3 years until the time when recommendations can be made.

And may I say to the Senator from Tennessee [Mr. GORE], who has had much experience in his field, that the program is not without fault, but I think the Senator has visited places where it has been said that this is an attempt to subsidize our own farmers. I think the food-for-peace program is one which has resulted in helping tens of thousands of children. They have been able to build schools. They have been able to buy books that the children can read now. So it has been a worthwhile program.

I would be willing to support the distinguished chairman of the committee [Mr. FULBRIGHT], the Senator from Oregon [Mr. MORSE], and other Senators who have made suggestions to improve the program which would make it a satisfactory program and would be protective of the American taxpayer and the U.S. Government; but until that study is made, until there is an opportunity, in every way available, to look into the matter, I shall vote in support of the program.

Mr. GORE. Mr. President, I agree almost 100 percent with what the Senator from New York has just said. I do not have to keep reminding Senators that I have supported the foreign aid program. I expect to do so again. But I am not terribly impressed with the extent of the sentiment that has prevailed in the Senate over the development loan funds. I think the interest rates, if we are to make loans, must be related to the cost of money. We cannot relate it to the interest rates prevailing in other countries. The going rate for a commercial loan in Brazil is 2 percent a month.

One of the conditions of the Alliance for Progress is economic, monetary, fiscal, and social reforms. I supported

the program. I expect to continue to support it.

I would like to see a reduction in the interest rates in those countries so that companies could build capital reserves and the sooner operate upon their own resources.

I am willing to support the development loan fund, but I think loans should be made at interest rates that are related to our own cost of money.

I do not like to advocate high interest rates. I regret our own high interest rates. I shall have something to say about it later. I expressed myself rather vigorously yesterday. However, it is nearly 6 o'clock, and I understand the chairman of the committee wishes to postpone further consideration of this matter.

Mr. FULBRIGHT. I would appreciate that very much, because, obviously, we cannot vote tonight. If the Senator will allow the Senator from Minnesota [Mr. McCARTHY] to withdraw his amendment, so that we can proceed to two or three other matters, I would appreciate it. We have not accomplished much today. We have had only one vote. We can proceed to two or three other matters without disposing of the McCarthy amendment at this time.

Mr. McCARTHY. Mr. President, in view of absence of Senators who would vote in opposition, which I consider an admission of weakness, I believe a request was made by the Senator from Oregon that further debate on this amendment be withheld until Monday.

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

Mr. McCARTHY. For a question.

Mr. MORSE. I merely wish to state why I made the request. I deeply appreciate the cooperation that I would expect from my friend from Minnesota. He knows I would be a pretty poor private in the parliamentary ranks if I did not try to help the other privates who have gone and will not be back until Monday. I would not want them to miss a rollcall on an issue so close to their feelings on this matter. That was the reason for my request.

Mr. McCARTHY. Let me point out that only 3 percent of the loans that have been made have benefited U.S. subsidiaries; but we can discuss this in greater detail when we resume Monday.

Mr. President, I ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER. Does the Senator desire that the amendment be printed?

The Senator from Minnesota withdraws his amendment.

Mr. HICKENLOOPER. Mr. President, the Senator has the right to withdraw his amendment, but can the amendment be withdrawn so we can adjourn until Monday?

Mr. FULBRIGHT. The Senator's colleague [Mr. MILLER] has an amendment, and there are several others, on which we can act.

Mr. HICKENLOOPER. I did not catch the significance of the request.

Mr. FULBRIGHT. The Senator's colleague is part of the significance.

The PRESIDING OFFICER. The bill is open to amendment.

Mr. MILLER. Mr. President, I call up my amendment No. 655, and ask that it be stated.

The assistant legislative clerk proceeded to read the amendment.

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

Mr. PASTORE. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the reading of the amendment (No. 655), which is as follows:

On page 20, after line 3, insert the following:

(f) Section 620 is amended by adding the following new subsection:

"(o) In the case of the government of any nation which is more than one year in arrears in its payment of any assessment by the United Nations for regular budget or for peace and security operations, assistance under the provisions of this Act may nevertheless be furnished upon a determination by the President that the particular assistance to be furnished is in the national interest of the United States and transmittal by him of a report to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives setting forth the assurance given by the government concerned of paying (independently of such assistance) all of its arrearages and placing its payments of such assessments on a current basis, or an explanation of the unusual and exceptional circumstances which render it economically incapable of giving such assurance."

Mr. MILLER. Mr. President, Americans have always been a generous people. This basic characteristic has been demonstrated in the massive support of charities and nonprofit foundations and similar institutions. Long before the Marshall plan, millions of our citizens were helping less fortunate people in other lands through lend-lease and foreign missionary activities. Foreign aid, financed by the taxpayers of our country, is a natural development in keeping with our national character. Since 1945, the United States has spent more than $116 billion in foreign aid in efforts to help the people of other nations.

This is not to say that a certain amount of self-interest has not been present in our foreign aid programs. With only a limited amount of national resources available, foreign aid must be limited—although I would venture to say that many taxpayers of this country are convinced that our policies dictate and draw on what appears to be unlimited foreign aid funds. Our limited resources compel priorities, and it would be self-defeating if priorities were not measured according to factors other than need. Limitations on resources for foreign aid require a choice of countries to which aid is to be extended; and, as between those countries to which aid can be extended, a choice often must be made regarding relative amounts and types of aid. Assuming an equal need as between India and Red China, it would be unreasonable to ask the taxpayers of this country to pay for foreign aid to Red China, whose national policy is hostile to ours, instead of to India, whose national policy is genuinely neutral and, in many respects, consistent with ours.

The United States is not self-sufficient. This being so, if there is competition with the Soviet Union, for example, in winning the good will and trade of a country from which certain strategic materials are required, it would be expected that the United States, as a matter of self-interest, would seek to compete.

In the last few years, we have evolved an increasingly stronger policy of requiring self-help and internal reform on the part of those nations receiving assistance from our taxpayers. This has made its most dramatic appearance in the program and administration of the Alliance for Progress, although there are indications that even this may be faltering because of a lack of consistency. It is generally recognized that with the population explosion, our foreign aid can at best prove to be only a stopgap between the present and the future, when the developing nations must be able to provide most if not all of their own requirements.

Additionally, the passage of the Trade Expansion Act of 1962 emphasized the need of not only the United States but of the nations of the world to increase foreign trade. Developing nations cannot become good customers for United States exports unless their economies are greatly improved. And so our long-term foreign aid objectives include improved export trade with these countries which are now receiving our assistance.

It was found during the earlier years of our foreign aid programs that grant aid was not bringing about the necessary initiative, reform, and self-pride desired on the part of the recipient nations. Accordingly, the emphasis in our foreign aid programs has moved from grant-aid to long-term development loan assistance. This has not only had greater acceptance on the part of the people who are paying the bill—the American taxpayers—but it has resulted in improved administration of the assistance on the part of the recipient governments.

In my opinion, there is still a fundamental defect in our foreign aid policy. It has to do with the United Nations. Our national policy has long been to support the United Nations and, particularly the charter and its principles. Unfortunately, the United Nations is in serious danger of bankruptcy. Its financial condition is so severely strained that it can scarcely pay for the relatively modest cost of a peacekeeping force on Cyprus.

The reason for this deplorable situation is that a majority of the members of the United Nations are delinquent in paying their dues and assessments. As of February 8 of this year, delinquencies totaled close to $155 million—$29.4 million in the regular account, $43.6 million in the emergency force account, and $81.6 million in the Congo force account. As of that date, 109 members of the 116-member world organization were delinquent, in one form or another. And there is an increasing number of these nations which are more than 2 years in arrears and which are, therefore, subject to the loss of voting rights under article 19 of the charter—31 countries in all. Of

the 31, 20 received aid from us during fiscal year 1965.

During fiscal year 1965, 93 members of the United Nations received foreign aid from the United States—and 89 of these were behind in payments as of February 8, 1966.

The focus of my amendment is the 46 countries which received more than $1.7 billion in foreign aid from the United States in fiscal year 1965. This amendment calls for cutting off U.S. aid to nations over 1 year in arrears in their assessments to the United Nations. These 46 owe close to $43 million in back assessments with $40.3 million due from 1964 and prior years.

If, indeed, we are as strongly in support of the United Nations as we say we are, it would seem consistent to tie in a requirement to our foreign aid programs that recipient nations keep current in their payment of dues and assessments to the United Nations. The scale of dues and assessments has been set by a U.N. committee on the basis of relative ability to pay; and so there is little room for complaint on the part of the delinquents that their dues and assessments have been unfairly determined. Such a requirement as I have advocated could be coupled with a provision giving the President discretion to waive the requirement in those limited cases where special circumstances warrant it. As matters now stand, those nations receiving our foreign aid and paying their dues and assessments are treated the same as those who are delinquent.

Added to the $155 million in delinquent assessments should be nearly $40 million owed on a headquarters loan, an estimated $1.3 million owed on the old League of Nations Building in Geneva, and an estimated $140 million owed on bonds. This amounts to more than $336 million—a condition which amply demonstrates that the United Nations is in danger of being emasculated by the very nations which are insisting on the "one nation, one vote" principle.

These nations, which are so insistent that their vote should weigh as heavily as that of the larger nations, are giving only lipservice to the United Nations concept.

It would seem to me that these nations should face up to the realities of the financial situation and that they do not deserve to receive our aid and do not have the right to vote, if they fail to pay their just and fair share of the costs of operations.

There is much being said, in the newspapers, of the new "hard look" being taken by the United States at the financing of the United Nations.

It is reported that the United States is considering withholding certain financial support if the derelict nations do not pay their share.

The latest on this was in the form of a speech in Atlanta on April 2 by Joseph J. Sisco, Assistant Secretary of State for International Organizations.

In the course of his speech, Mr. Sisco quoted a memorandum sent to the Secretary of State on March 15 by President Johnson. In this memorandum, Mr. Johnson declared that "if we are to be a constructive influence in helping to strengthen the international agencies so that they can meet essential new needs, we must apply to them the same rigorous standards of program performance and budget review that we do to our own Federal programs."

Mr. Sisco also declared that "we are convinced that more of the needs can be met by assuring that the United Nations and its family of agencies are operating at maximum efficiency, that sound and systematic budgetary procedures are followed."

This all sounds nice. It looks well when the United States warns that it will take a "hard look" at the financing if nations do not pay up.

Yet I would suggest that this is a repeat of an old record—a record of the United States alternating between a hard and a soft line, between firmness and giving in, between threats and pulling back. If one is to examine this record in detail, it is likely that the administration will not apply hard action to its tough words. Therefore, it is up to the Congress to assert itself and in doing so, save the United Nations from itself.

The history of the hard and soft lines only serves to confuse the member nations, and, because of this, only creates in their minds a conviction that the United States will not follow through; that they do not have to pay their fair share of the assessments.

Let us look at that record of statements by the United States.

On March 31, 1964, Charles W. Yost, Deputy U.S. Representative to the U.N., said:

> Of course, if they (the Soviet Union) are more than two years behind in their payments to the United Nations when the next Assembly opens, they will automatically lose their vote under Article 19. That is not something that the United States or the United Nations itself decides. It is up to the Soviet Union.

Secretary Rusk, in a letter dated August 17, 1964, to the chairman of this committee said:

> Reference is made to your request for a report regarding Senate Concurrent Resolution 93 with respect to the enforcement of the provisions of Article 19 of the United Nations Charter . . . The United States supports the vigorous and impartial application of Article 19 . . . I consider it useful for the Congress now to take the additional step proposed in the concurrent resolution . . . The resolution would serve as a clear indication of the united support of the Congress and the American people for the vigorous and impartial application of the Charter, and would demonstrate our determination that the obligations of the Charter shall be given effect.

A U.S. Government memorandum, dated October 8, 1964, and delivered to Secretary General U Thant for circulation in the General Assembly said:

> The consequences of not applying Article 19 would thus be far worse than any conjectured consequences of applying it . . . Could the United States agree that Article 19, despite its plain terms, should not be applied against a great power in support of General Assembly assessments, simply because it is a great power? The United States does not see how, without violating the Charter, anyone could or should agree to any of these propositions.

On January 26, 1965, the late Adlai Stevenson, our U.N. Ambassador, declared:

> We cannot have two rules for paying assessments for the expenses of the organization—one rule for most of the members, and another for a few. If the Assembly should ignore the Charter with respect to some of its members, it will be in no position to enforce the Charter impartially as to the others, with all the consequences which will follow with respect to the mandatory or voluntary character of assessments.

Those are examples of the hard line—a hard line which should have been followed and adhered to.

Let us look further at the record:

On February 10, 1965, Ambassador Stevenson said:

> The United States has not been inflexible. While we believe the constitutional integrity of the Charter must be preserved, and with it the principle of the General Assembly's power to tax and its residual authority to recommend peace-keeping operations where the Security Council is paralyzed by a veto, we have not insisted that the delinquents adopt our legal interpretation. We have not insisted that they pay up; we have long since agreed to a "voluntary contribution" sufficient to satisfy Article 19, without prejudice to anyone's legal position. We have indeed suggested that we too would make a voluntary contribution to help the organization restore its financial stability.

On March 12, 1965, Ambassador Stevenson said:

> It was not the U.S. which decided that there should be no confrontation—no showdown—on Article 19. It was the Assembly which decided that there should be no voting and that it should transact only such business as could be transacted without objection, while negotiations proceeded in search of a solution.

At this point, this was the tip-off that the United States was ready to back down, despite its tough words, its belief in the charter of the United Nations.

On April 22, 1965, Ambassador Yost said:

> Let me be clear on this point. We would prefer to have full collective financial responsibility applied to all member states and we believe the principle of full collective financial responsibility should continue to be the presumptive one for United Nations peacekeeping operations. But if others feel a modification of this sort is necessary for the preservation of the basic principle of collective financial responsibility for United Nations peacekeeping, we would be willing to consider it.

On April 29, 1965, Ambassador Yost said:

> I would therefore venture to suggest that far from adding further paragraphs on Article 19 to the draft resolution before us, the best course would be to delete the reference to Article 19 in operative paragraph 1 of the draft resolution.

On July 16, 1965, Ambassador Francis T. P. Plimpton, Deputy U.S. Representative to the United Nations, remarked:

> The deadlock must be broken and it can be broken. It must be broken by a compromise, for the UN is too important for the peace and the future of the world to be shackled by insolvency and dissension.

On July 17, 1965, President Johnson said:

Well, that is a matter (financial condition of UN) that deeply concerns us. We don't want to see the UN wrecked on account of a dollar. At the same time, we recognize the responsibilities of the member nations and there are differences of opinion there . . . we have great hopes for the UN and we think it would be tragic if because of a relatively minor amount of money compared to the total budgets of the various nations, the UN should become less effective because of that.

On July 28, 1965, Ambassador Arthur J. Goldberg said:

I cannot give you any formulae as to how this crisis can be resolved. I can only tell you that I regard this to be my first responsibility as United States Representative here.

This brings us up to the crucial vote last fall on abiding by article 19. On August 16, 1965, Ambassador Goldberg said:

I do not intend to review here in detail the position which the United States has taken with respect to Articles 17 and 19 of the Charter. As the members of this committee are well aware, we believe in the soundness of the following straightforward principles: first, that the concept of collective financial responsibility adopted by the United Nations in 1945 is a sound principle and a landmark in the practice of international organizations; second, that Article 17 of the Charter of the United Nations is impeccably clear on the right of the General Assembly to assess and apportion among its members the "expenses of the Organization"; third, that the costs of peacekeeping operations, once they are assessed and apportioned by the General Assembly, are expenses of the Organization within the meaning of Article 17—a proposition confirmed by the International Court of Justice and accepted by the General Assembly by an overwhelming vote; fourth, that Article 19 is clear beyond question about the sanction to be applied in the case of two-year delinquents.

Our views on these matters have not represented a bargaining position, nor have they changed. They have not been based on narrow national interest, but on the clear language of the Charter and what seemed to us to be the clear interests of the Organization . . .

We regret exceedingly that the intransigence of a few of the Member States, and their unwillingness to abide by the rule of law, has led the Organization into this state of affairs.

This was the prelude to our capitulation. For Mr. Goldberg then said:

Therefore, without prejudice to the position that Article 19 is applicable, the United States recognizes, as it simply must, that the General Assembly is not prepared to apply Article 19 in the present situation and that the consensus of the membership is that the Assembly should proceed normally. We will not seek to frustrate that consensus, since it is not in the world interest to have the work of the General Assembly immobilized in these troubled days.

So with these remarks, the tough policy went out the door.

And what do we have now? A world organization with a great potential for bringing peace to the world, but one which, because of the intransigence of France and the Soviet Union refuses to act on the problem of aggression in South Vietnam and is in such critical financial condition that it could not set up a peacekeeping force there if it was so inclined.

This is why the Congress of the United States should take action which will—within its capability—encourage the delinquent nations of the U.N. to fulfill their responsibilities to keep their payments current. Our foreign aid program offers such an opportunity. Under this program, we seek to assist other nations to engage in many self-help activities, including land reform and tax reform. There is no reason why we should not seek to encourage these nations to participate in international organizations designed to help the world become more peaceful—because unless the world is at peace, these nations will never be able to realize their potentials. There is no reason why our foreign aid program should not be so administered as to point these nations in the direction of supporting such international organizations. And so, I believe, my amendment is quite proper under the circumstances.

My amendment would permit extension of foreign aid to those nations which are more than 1 year behind in the payment of their dues and assessments to the United Nations. However, such action would require a determination by the President that it is in the national interest of the United States to extend the particular assistance involved; and he would have to transmit a report to the two committees of the Congress having jurisdiction over foreign relations setting forth the assurance given by the government concerned of paying—independently of such foreign aid—all of its arrearages or an explanation of the exceptional circumstances which render it incapable of giving such assurance. I might point out that these circumstances would have to be very exceptional, because the scale of assessments and dues has been established by a committee of the U.N. on the basis of each nation's ability; and they therefore reflect the economic problems facing such nations.

These 46 nations owed close to 43 million, according to the most recent report of the Comptroller of the United Nations, and if this amount were paid, it would go a long way to helping restore the financial security of the U.N.

In conclusion, I believe that the least we ought to do for the people who are paying the bill for this program through their taxes is to provide them with assurance that foreign aid going to these 46 nations has been determined by the President to be in our national interest; and that they, the taxpayers, should receive assurances that each country will pay up its delinquencies or have a satisfactory explanation of its failure to do so.

I ask unanimous consent that four tables be printed in the RECORD at this point in my remarks.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

Countries affected by Miller amendment [1]

Country	Total U.N. arrearages	U.N. arrearages, calendar year 1964 and prior	U.S. aid, fiscal year 1965	Total U.S. aid
			Millions	*Millions*
Afghanistan	$77,115	$74,747	$33.5	$308.8
Argentina	917,199	873,623	14.3	722.8
Bolivia	129,754	93,980	15.9	430.3
Brazil	1,510,679	662,761	289.3	2,819.1
Burundi	121,899	84,286	1.1	7.1
Central African Republic	10,740	8,845	.7	2.8
Chad	57,934	20,311	2.1	4.1
Chile	366,633	353,845	143.0	1,129.9
China	10,934,448	10,733,146	174.2	4,804.5
Colombia	273,158	67,924	44.4	722.1
Costa Rica	24,194	25,765	15.6	136.8
Dahomey	9,798	7,903	1.1	8.7
Dominican Republic	153,523	116,684	90.8	205.7
Ecuador	83,087	36,333	33.0	247.9
El Salvador	23,913	22,018	19.6	99.9
France	17,031,152	17,031,152	19.2	9,428.5
Guatemala	51,622	49,727	14.2	204.3
Guinea	25,774	23,879	21.7	69.1
Haiti	130,435	93,986	2.3	102.9
Honduras	23,794	21,899	4.6	73.3
Iraq	257,601	184,179	9.6	112.8
Jordan	41,725	39,830	44.9	509.0
Lebanon	34,321	31,953	.8	88.3
Mali	24,259	24,259	2.5	16.1
Mexico	$1,393,330	$1,354,965	$200.9	$1,121.7
Nepal	7,391	5,496	12.1	85.9
Nicaragua	85,345	48,754	23.9	110.8
Panama	45,989	44,094	20.6	155.7
Paraguay	129,853	87,355	11.0	90.5
Peru	162,826	158,564	45.0	627.0
Poland	4,393,562	4,082,873	6.8	550.9
Portugal	201,673	201,673	5.7	514.6
Rwanda	18,175	16,280	.2	1.5
Saudi Arabia	138,126	134,811	4.2	138.8
Senegal	117,263	79,699	1.6	19.1
Somalia	25,062	23,167	7.8	47.5
Spain	2,009,932	1,975,356	109.0	1,931.2
Sudan	200,995	143,625	7.6	89.0
Syria	115,448	68,433	1.2	83.1
Togo	37,924	36,029	1.4	9.9
Uganda	18,175	16,280	2.5	17.4
United Arab Republic	586,295	374,313	152.9	1,096.0
Upper Volta	91,978	54,365	1.0	5.7
Uruguay	329,517	240,446	1.3	122.3
Yemen	164,743	127,130	4.8	39.4
Yugoslavia	333,269	333,269	102.1	2,687.6
Total (46)	42,921,628	40,290,012	1,722.0	31,800.4

[1] The amendment provides that U.S. assistance be withheld from any nation over 1 year delinquent in United Nations dues.

Source: U.N. Secretariat reports; State Department.

United Nations regular budget (as of Feb. 8, 1966), uncollected dues

Country	Calendar years			Total	Country	Calendar years			Total
	1963	1964	1965			1963	1964	1965	
Bolivia		$22,711	$33,879	$56,590	Paraguay	$4,885	$32,934	$35,718	$73,537
Brazil		248,031	847,918	1,095,949	Senegal	9,990	41,166	35,669	86,825
Burundi	$35,100	32,906	35,718	103,724	Sudan		57,632	53,529	111,161
Chad		3,980	35,718	39,698	Syria		8,233	44,647	52,880
Colombia		67,924	205,234	273,158	United Arab Republic		5,429	201,078	206,507
Dominican Republic	4,311	40,441	34,944	79,696	Upper Volta		25,753	35,718	61,471
Ecuador		28,550	44,386	72,936	Uruguay	16,411	85,653	84,335	186,399
Haiti	8,108	31,770	34,554	74,432	Yemen	10,764	32,934	35,718	79,416
Iraq		72,344	69,633	141,977					
Nicaragua		11,221	35,563	46,784	Total	89,569	749,612	1,903,959	2,843,140

Source: U.N. Secretariat reports; State Department.

United Nations Congo account [1] (as of Feb. 8, 1966), uncollected dues

[Calendar years]

Country	1964	1963	1962	1961	1960	Total	Country	1964	1963	1962	1961	1960	Total
Afghanistan	$4,186	$8,238	$7,949	$11,887	$5,344	$37,604	Nepal	$3,240					$3,240
Argentina	4,529					4,529	Nicaragua	3,349	$6,589	$6,366	$7,925	$9,686	33,915
Bolivia	3,349	6,589	6,366	7,925	10,604	34,833	Panama	3,349	6,589	6,366	7,925	9,686	33,915
Brazil	86,235	169,679	158,816			414,730	Paraguay	3,349	6,589	6,366	7,925		24,229
Burundi	3,349	6,589	533			10,471	Peru	8,372	16,474	15,907	21,793	26,638	89,184
Central African Republic	3,349	3,240				6,589	Poland	191,369	421,726	510,845	678,553	663,517	2,446,010
Chad	3,349	6,483				9,832	Portugal	13,396	26,358	25,431	39,624	96,864	201,673
Chile	21,769	42,831	41,372	53,492	65,383	224,847	Rwanda	3,349	6,589	533			10,471
China	382,617	752,846	1,823,774	2,481,426	548,856	5,989,519	Saudi Arabia	5,860	11,532	11,149	11,887	29,059	69,487
Costa Rica	3,349	6,589	3,977			13,915	Senegal	4,186	8,238	7,994			20,418
Dahomey	3,349	3,645				6,994	Somalia	3,349	6,589	6,396	1,111		17,445
Dominican Republic	4,186	8,238	7,958	9,905	24,216	54,503	Spain	72,002	141,674	136,816	184,250	450,417	985,159
Ecuador	4,120					4,120	Sudan	5,860					5,860
El Salvador	3,349	6,589	6,358			16,296	Syria	4,186	8,238	7,955			20,379
France	888,069	1,957,068	4,746,601	6,339,772	3,099,652	17,031,152	Togo	3,349	6,589	6,396	7,925	1,065	25,324
Guatemala	4,186	8,238	7,958	9,905	7,922	38,209	Uganda	3,349	6,589	533			10,471
Guinea	3,349	6,589				9,938	United Arab Republic	20,931	27,456				48,387
Haiti	3,349	6,589	6,366	7,925	9,687	33,916	Upper Volta	3,349	6,589	4,207			14,145
Honduras	3,349	6,589	6,239			16,177	Uruguay	9,209	18,121	17,499	23,774	29,059	97,662
Iraq	7,535	14,827				22,362	Yemen	3,349	6,589	6,366	7,925	19,373	43,602
Lebanon	4,186	7,922				12,108	Yugoslavia	31,816	62,600	60,505	69,341	109,007	333,269
Mali	3,349	6,589	6,396	7,925		24,259							
Mexico	61,956	121,906	117,801	140,664	343,866	786,193	Total	1,910,981	3,953,108	7,786,094	10,132,859	5,559,891	29,353,341

[1] No assessments since 1964.

Source: U.N. Secretariat reports; State Department.

United Nations Emergency Force (as of Feb. 8, 1966), uncollected dues

[Calendar years]

Country	Total, all years (as of Feb. 8, 1966)	1964	1963	1962	1961	1960	1959	1958	1957
Afghanistan	$39,511	$4,333	$2,821	$907	$5,584	$5,926	$9,092	$8,480	
Argentina	912,670	87,518	56,974	18,442	103,291	109,594	168,180	285,000	$40,095
Bolivia	38,331	3,466	2,256	735	7,484	3,939	6,056	12,500	
Burundi	7,704	3,466	2,256	87					
Central African Republic	4,151	2,256							
Chad	8,394	3,466	2,256	777					
Chile	141,786	22,529	14,667	4,765	25,125	26,643	35,269		
China	4,944,929	395,997	257,793	217,133	466,207	989,797	759,151	1,252,500	405,049
Costa Rica	10,279	3,466	2,256	735	3,722	1,671			
Dahomey	2,804	909							
Dominican Republic	19,324	4,333	2,821	919	9,356				
Ecuador	6,031	3,663							
El Salvador	7,617	3,466	2,256						
Guatemala	13,413	4,333	2,821	919	3,445				
Guinea	15,836	3,466	2,256	735	7,484				
Haiti	22,087	3,466	2,256	735	3,722	3,951	6,062		
Honduras	7,617	3,466	2,256						
Iraq	93,262	7,798	5,077	1,654	16,840	8,854	13,623	30,000	5,627
Jordan	41,725	3,466	2,256	735	7,484	3,951	6,062	10,000	5,876
Lebanon	22,213	4,333	2,821	919	4,653	4,938	2,181		
Mexico	607,137	64,121	41,744	13,729	132,849	70,158	107,564	138,707	
Nepal	4,151	2,256							
Nicaragua	4,646	3,466	152						
Panama	12,074	3,466	2,256	735	3,722				
Paraguay	32,087	3,466	2,256	735	3,722	3,951	6,062	10,000	
Peru	73,642	8,665	5,641	1,826	20,582	10,817	16,649	5,200	
Poland	1,927,552	226,453	121,406	60,854	256,343	135,134	207,514	380,000	229,159
Rwanda	7,704	3,466	2,256	87					
Saudi Arabia	68,639	6,066	3,949	1,297	11,227	5,915	9,087	17,500	10,283
Senegal	10,020	4,333	2,821	971					
Somalia	7,617	3,466	2,256						
Spain	1,024,773	74,521	48,512	15,720	174,013	91,643	140,826	277,500	167,462
Sudan	83,974	6,066	3,949	1,927	11,227	5,868	9,067	27,500	16,159
Syria	42,189	4,333	2,821	915				20,000	11,752
Togo	12,600	3,466	2,256	777	3,762	444			
Uganda	7,704	3,466	2,256	87					
United Arab Republic	331,401	21,663	14,102	4,574	59,876	31,477	48,432	87,500	52,883
Upper Volta	16,362	3,466	2,256	777	7,524	444			
Uruguay	45,456	9,532	6,205	2,010	11,167	11,806			
Yemen	41,725	3,466	2,256	735	7,484	3,951	6,062	10,000	5,876
Total	10,720,957	1,028,399	635,449	357,223	1,367,895	1,530,872	1,556,939	2,572,387	950,221

Source: U.N. Secretariat reports; State Department.

Mr. MILLER. The first is a table showing the 46 countries which would be affected by my amendment. It details total United Nations arrearages, the arrearages for 1964 and prior years, the total foreign aid they received from the United States in fiscal year 1965 and the total U.S. foreign aid since inception.

The second table is a breakdown by country and year of the uncollected dues for the regular budget of the United Nations. The third shows the same information for the Congo account and the fourth, for the Emergency Force account.

For the RECORD, I would like to summarize the data:

First. Under the regular budget account, 18 nations have not paid 1964 dues totaling $749,612; 7 have not paid 1963 dues totaling $89,569.

Second. Under the Congo account, 44 nations have not paid 1964 assessments totaling $1,910,981, 40 have not paid 1963 assessments totaling $3,953,108, 33 have not paid 1962 assessments totaling $7,786,094, 23 have not paid 1961 assessments totaling $10,132,859, and 20 have not paid 1960 assessments totaling $5,559,891.

Third. Under the Emergency Force account, 40 have not paid 1964 assessments totaling $1,028,399, 36 have not paid 1963 assessments totaling $635,449, 32 have not paid 1962 assessments totaling $337,223, 26 have not paid 1961 assessments totaling $1,367,895, 22 have not paid 1960 assessments totaling $1,530,872, 18 have not paid 1959 assessments totaling $1,556,939, 16 have not paid 1958 assessments totaling $2,572,387, and 11 have not paid 1957 assessments totaling $950,221.

In summary, Mr. President, the amendment is very brief. It applies, in the present state of affairs, to some 46 nations. In the case of those nations, it would require merely a determination by the President that the foreign aid is in the national interest, and a report, to the two committees of Congress having jurisdiction over foreign relations, of the assurances that those nations have given of placing their payments on a current basis, or an explanation of the exceptional or unusual circumstances which render them incapable of doing so.

I think it is a helpful amendment. I believe it is germane and relevant, and I hope that the distinguished chairman of the Foreign Relations Committee will give it his best consideration

Mr. FULBRIGHT. Mr. President, I have always opposed this kind of amendment in the past because it seeks to achieve an ulterior purpose by utilizing the aid program.

The Senator discussed his amendment with me, and made a very good case relative to the unusual increase in the number of delinquents in the United Nations. According to the information he gave me, 20 of the 31 delinquent countries receive aid.

I cannot assure the Senator that I can hold his proposal in conference, but I think it is of sufficient importance that it is worthwhile taking it to conference.

I am very disturbed that so many of these countries, which obviously are friends of ours, and are receiving aid, are unwilling to pay, not special assessments, but the regular assessments of United Nations dues. There is a difference of opinion of considerable consequence with regard to such special assessments as those growing out of the Congo; but there certainly is not any dispute as to the regular dues owed to the United Nations. I cannot understand why some of the peoples who have benefited to such great extent under the aid program are unwilling to pay the ordinary dues they owe the United Nations.

I am willing to take the proposal to conference for whatever it is worth, although to do so will violate my usual rule in this regard.

Mr. PASTORE. Mr. President, I want the RECORD to show I am opposed to this amendment. The amendment actually makes the foreign aid program a collection agency for the United Nations, and I think it is bad.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa (putting the question).

The amendment was agreed to.

AMENDMENT NO. 675

Mr. COOPER. Mr. President, I call up my amendment No. 675, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 10, strike out lines 11 through 17, and insert in lieu thereof the following:

"(1) Strike out in the first sentence the words beginning with '1963, 1965, and 1966,' through the words 'year 1966' and substitute '1967 and 1968, not to exceed $543,000,000 which sums are authorized to remain available until expended and, except for not to exceed $87,700,000'."

On page 10, strike out lines 19 through 21, and insert in lieu thereof the following:

"(3) In the final sentence, strike out 'June 30, 1965 and June 30, 1966,' and substitute 'June 30, 1967, and June 30, 1968,'."

Mr. COOPER. Mr. President, I know that many Senators are eager to leave town, and some have reservations, so I shall not be very long.

I think my amendment can be very easily understood, as it goes only to the Alliance for Progress programs of development assistance. It would provide a 2-year authorization for the program for Alliance for Progress nations, at the same level of authorization for funds as reported by the committee for a 1-year authorization. It would make no other changes.

As Senators know, the original authorization made by Congress for development loans ran from 5 years from 1961, and in 1962, a 4-year program was fixed for specific Alliance programs. That authorization expires this year, and my amendment would limit the new authority to 2 years for the programs of the Alliance for Progress under this act.

The Committee on Foreign Relations reported a bill containing an authorization for 1 year. Two days ago the Senate rejected amendments, one offered by the distinguished Senator from Wyoming [Mr. MCGEE] and one offered by the distinguished Senator from Ohio [Mr. LAUSCHE], providing for a 2-year authorization. The one offered by the Senator from Wyoming applied to all countries; the one offered by the Senator from Ohio applied to specific countries and specific programs.

I believe that even if we accept the assumption which prevailed against a general authorization of 2 years, it does not apply in this particular case and to the program of the Alliance for Progress.

The original Latin America Development Act, which was enacted in 1960 as the Inter-American social and economic cooperation program in the administration of President Eisenhower, contained the following statement:

Section 1. (a) It is the sense of the Congress that—

(1) the historic, economic, political, and geographic relationships among the American Republics are unique and of special significance and, as appropriate, should be so recognized in future legislation.

So I make the first point, which was so well stated in that act, that our relationships "are unique and are of special significance." I believe that a 2-year authorization should be provided for the Alliance for progress. But in the debate over a more general authorization of 2 years, certain arguments were made which, as I have said, I do not think are applicable to the Alliance.

First, there was questioning as to whether substantial progress has been made in many countries to which the United States furnishes aid. But in the report of the committee, page 15, third paragraph, the committee makes this statement:

The fact that the Alliance for Progress is the only major non-UN aid program which the committee did not cut demonstrates the committee's support for the program. Although the results over the last five years have not been as dramatic as we and our Latin-American partners would have liked, there has been considerable progress and the committee believes that the results justify authorization of the full amount of the budget request.

I shall not take the time of the Senate to invite attention to all the facts that show progress. They are provided by the committee report. But I should say that a careful reading of parts of the committee report dealing with fiscal reform, social reform, agricultural improvement, and industrial growth indicates that the report of the Committee on Foreign Relations is correct, and that substantial progress has been made.

Second, the committee has argued for a multilateral approach. So far as concerns the Alliance for Progress, this is a multinational program, and it is a hemispheric program. The countries of Latin America have joined together with the United States to work toward more rapid development and to bring advances in their economies and living conditions.

Third, the committee itself has written into the bill stricter controls and requirements on the countries of Latin America which are receiving aid under the alliance. It is provided that the Inter-American Committee for the Alliance for Progress, called in Latin America CIAP, must approve every national economic program before development

loans can be made to a country. Additionally, new criteria for making loans are written into the law.

So the committee itself has recognized these special features. The report also shows that in the last 5 years there has been a growing and large private investment in Latin America; further, it shows that savings in Latin America have been increased markedly, and we know that savings are the basis for the investment of the Latin American people themselves.

Other countries have, I believe because of the progress in Latin America, also joined to make loans available to Latin America. Not only international organizations, and the United Nations, but also European countries, are now making available to Latin America their own loans, and their trade is growing at a good rate.

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

Mr. COOPER. I yield.

Mr. LAUSCHE. Would the amendment of the Senator from Kentucky give a 2-year life to the program of the Alliance for Progress?

Mr. COOPER. The Senator is correct.

Mr. LAUSCHE. Is it a fact that, under the last law, the program had a 4-year life?

Mr. COOPER. The Senator is correct.

Mr. LAUSCHE. So, the Senator from Kentucky accepts the reduction of the life of the Alliance for Progress from a 4-year life to a 2-year life?

Mr. COOPER. The Senator is correct.

Mr. LAUSCHE. The bill provides 1 year.

Mr. COOPER. The Senator is correct, and my amendment would simply extend the authorization in the committee bill to 2 years at the same annual level.

Mr. LAUSCHE. I will support the amendment.

Mr. COOPER. Mr. President, I thank the Senator from Ohio very much.

Mr. President, I have pointed out the evidence of the progress that has been made, and I believe that this progress has been made because the Latin American countries have proceeded on the basis that they are joined hemispherically and should proceed toward economic and agricultural and social growth.

It is evident from reading the statements made by the three Presidents who have supported the Alliance for Progress, and from the treaties that have been entered into by the United States, that it is looked upon as a long-term program.

President Johnson spoke of the progress that could be made in a decade. Now, if the United States plans for a 1-year authorization, I think that these countries would question the intention of the United States to continue its assistance over that decade. Such a limited period of authorization could also bring about a reduction of the efforts they are making in their own self help, and that is one of the important purposes we have and which has been stated in the debate in the Senate.

I recall to the Senate these well-known facts. It was in 1960, in the administration of President Eisenhower, that the act to which I have just referred, and from which I read a section, was passed by Congress. Later in that year, under the administration of President Eisenhower, $500 million was authorized for this program. Then, when President Kennedy came into office, in a speech to the Latin American diplomats in the White House, he spelled out these programs in greater detail and gave the idea of the alliance a further meaning.

President Kennedy said that he was proposing a vast cooperative effort unparalleled in magnitude and nobility of purpose to satisfy the basic needs of the American people for homes, work, land, health, and school. The Senate and the Congress supported this concept and the program.

The Congress had authorized $500 million to start these programs in 1960. In 1961 and 1962, authority and appropriations were made for long-term programs, including the Alliance. On November 26, 1963, 4 days after the tragic death of President Kennedy, President Johnson gathered the Latin American leaders in the White House and said:

> I have come to reaffirm the Alliance and to pledge all energies of my government to our common goals.

Congress itself by its various acts has given, I think, its approval of this long-term program. As a result, the Latin American States have gathered in various conferences, at Bogotá and Punta del Este, among others, and have worked out the details of this great program.

We do have political and strategic connections with Latin America, and with all the difficulties, they have been faithful in their support of most policies of the United States. Beyond that, the two great revolutions of the world, after the French Revolution, were in our hemisphere, and this country was the first to recognize those two independent countries and to give them help and encouragement as they became independent.

We started this latest effort in 1960, and it has made progress. As the committee says, I think it has been a good effort; I think it would be in keeping with all our purposes to give this recognition of confidence in the progress that our Latin American neighbors are making. I think also it would show some nobility of purpose if we would give this small indication—and it is a small indication, a 2-year authorization—to sustain, encourage, and continue this great program of the Alliance for Progress.

I hope very much that the Senate will agree to the amendment.

Mr. MORSE. Mr. President, I appeal to the Senate not to vote on this amendment tonight. It is a basic amendment, and, in my judgment, it should not be agreed to.

The Senate needs adequate time for a full consideration of the amendment, and that time is not available tonight.

Let us face it. The Senate, I respectfully submit, has had a long, hard day. I shall not comment upon the situation for anyone else, but if I were asked to characterize the Senate at the present time, I would have to include in the characterization the word "fatigue." I do not think that tired men should consider an amendment as important as this one.

We have already rejected an amendment of a 2-year authorization. I think it is very difficult to explain to those other countries why we should select certain countries for 1 year and other countries for 2 years.

On the merits, I would be opposed to the amendment. I would like to have adequate time to discuss the provisions, because as chairman of the Subcommittee on Latin American Affairs, I want to urge the defeat of this amendment.

If we want to help our Latin American friends in Latin America, we will not do it with this amendment.

One year is a great help to democratic countries in Latin America, and a 2-year or 3- or 4- or 5-year authorization is a bonanza for the juntas, the dictators, and the other countries that would like to get commitments tied up for as long a time as possible, and the progressive, democratic countries have nothing to fear from a 1-year authorization.

They make a good case. I believe we would make a great mistake if we tried at this late hour to go into the details of the implications of the proposed amendment.

Furthermore, I happen to know that quite a number of Senators have a quasi-senatorial function to perform at an early hour tonight. I shall forgo it, if I am forced to, but I should like to be there again in my official capacity. A very important dinner is being held for the President-elect of Bolivia, and Bolivia is one of the most important of the Latin American countries. Although I am sure they would understand my absence, I should like to be there.

I suggest that the Senator from Kentucky either leave this amendment as the pending business for Monday or temporarily lay it aside until Tuesday or Wednesday, and not press for action on it tonight.

That is one of my shortest speeches, and I am ready to yield the floor.

Mr. COOPER. Mr. President, I believe the Senator from Oregon would agree that he has discussed and the Senate has discussed and debated the considerations that applied to the proposed amendment. They came into play when we talked about the amendment offered by the Senator from Ohio and the Senator from Wyoming, and they have been talked about all during the debate.

I believe all Senators know how they would like to vote on the amendment. I have been trying to obtain the floor since yesterday afternoon, in order to call up the amendment. This has been a long week, and I believe everybody understands it. I believe the Senator from Oregon would perform a great service to us all if he would let us go ahead.

Mr. MORSE. As one of the parliamentary leaders in opposition to the proposed amendment, I do not want to fail in my duty to the absentees in my ranks. I wish to bring them back, so that they can go on record in opposition to the amendment. I owe it to them. The Senator from Kentucky will be here with us next week, and there will be ample time for him to present the amendment.

Mr. COOPER. I shall have to cancel my engagements and make other arrangements, but I shall do so.

Mr. President, on my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. COOPER. The distinguished junior Senator from Texas [Mr. TOWER] has had to be away today, and I ask unanimous consent that a statement he has prepared in support of this amendment be printed at this point in the RECORD.

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

STATEMENT BY SENATOR JOHN TOWER

Mr. President, I am pleased to rise in support of the amendment of my distinguished colleague from Kentucky. The Alliance for Progress has been in most cases an effective and worthwhile program. It is the type of program which can benefit most from an extension of the authorization period for two years.

The people of Texas are familiar with the need for and close cooperation between the United States and our Latin American neighbors. Latin-American influence has given my state much of its traditions and history. The Spanish tongue is no stranger to Texas.

The people of Texas know that cooperation and coordination with our Latin neighbors is possible.

Mr. President, the Rio Grande is for Texas a border of friendship, not of discord. The Alliance for Progress does much to extend this feeling of cooperation throughout Latin America. The amendment before us now will do much to hasten that extension.

ORDER FOR RECESS UNTIL MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 11 o'clock a.m., Monday next.

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

ORDER OF BUSINESS ON MONDAY

Mr. MANSFIELD. For the information of the Senate, there will be no morning hour on Monday. The pending business will be the amendment of the Senator from Kentucky [Mr. COOPER]; and I ask unanimous consent that that be followed by amendment No. 652, the amendment of the Senator from Indiana [Mr. BAYH] to change rules regarding iron and steel procurement for Vietnam.

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

Mr. MANSFIELD. That will be followed by the amendment of the Senator from Minnesota [Mr. MCCARTHY].

Mr. COOPER. Reserving the right to object——

Mr. MANSFIELD. After the amendment of the Senator from Kentucky.

I make the request only because the Senator from Indiana left the floor briefly, with the understanding that we would complete action on the amendment of the Senator from Kentucky tonight, and that the amendment of the Senator from Indiana would be laid down and made the pending business on Monday.

RECESS UNTIL MONDAY AT 11 A.M.

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, in accordance with the previous order, I move that the Senate stand in recess until 11 o'clock a.m., Monday next.

The motion was agreed to; and (at 6 o'clock and 4 minutes p.m.) the Senate recessed until Monday, July 25, 1966, at 11 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 22, 1966:

DEPARTMENT OF JUSTICE

John W. Peck, of Ohio, to be U.S. circuit judge, sixth circuit, to fill a new position created by Public Law 89-372, approved March 18, 1966.

Irving L. Goldberg, of Texas, to be U.S. circuit judge, fifth circuit, to fill a new position created by Public Law 89-372, approved March 18, 1966.

Robert A. Ainsworth, Jr., of Louisiana, to be U.S. circuit judge, fifth circuit, to fill a new position created by Public Law 89-372, approved March 18, 1966.

John C. Godbold, of Alabama, to be U.S. circuit judge, fifth circuit.

Donald P. Lay, of Nebraska, to be U.S. circuit judge, eighth circuit.

Joseph P. Kinneary, of Ohio, to be U.S. district judge for the southern district of Ohio.

Woodrow B. Seals, of Texas, to be U.S. district judge for the southern district of Texas to fill a new position created by Public Law 89-372 approved March 18, 1966.

Ernest Guinn, of Texas, to be U.S. district judge for the western district of Texas to fill a new position created by Public Law 89-372 approved March 18, 1966.

C. Clyde Atkins, of Florida, to be U.S. district judge for the southern district of Florida to fill a new position created by Public Law 89-372 approved March 18, 1966.

William M. Taylor, Jr., of Texas, to be U.S. district judge for the northern district of Texas.

Jack Roberts, of Texas, to be U.S. district judge for the western district of Texas.

John V. Singleton, Jr., of Texas, to be U.S. district judge for the southern district of Texas to fill a new position created by Public Law 89-372 approved March 18, 1966.

Lloyd P. LaFountain, of Maine, to be U.S. attorney for the district of Maine for the term of 4 years.

Ben Hardeman, of Alabama, to be U.S. attorney for the middle district of Alabama for the term of 4 years.

Vance W. Collins, of Kansas, to be U.S. marshal for the district of Kansas for the term of 4 years.

Leo A. Mault, of New Jersey, to be U.S. marshal for the district of New Jersey for the term of 4 years.

Jesse L. Dobbs, of Texas, to be U.S. marshal for the western district of Texas for the term of 4 years.

Jackie V. Robertson, of Oklahoma, to be U.S. marshal for the eastern district of Oklahoma for the term of 4 years.

ATOMIC ENERGY COMMISSION

Samuel M. Nabrit, of Texas, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1970.

Wilfrid E. Johnson, of Washington, to be a member of the Atomic Energy Commission for the remainder of the term expiring June 30, 1967.

EXTENSIONS OF REMARKS

National Petroleum Council Excellent Example of Government-Industry Cooperation in the Public Interest—Hon. Stewart L. Udall, Secretary of the Interior, Commends the Council for 20 Years of Service

EXTENSION OF REMARKS

OF

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Friday, July 22, 1966

Mr. RANDOLPH. Mr. President, in May 1946, the President of the United States, by letter to the Secretary of the Interior, stated that he had been impressed with the meaningful contributions of Government-industry cooperation in the success of the World War II petroleum program. He commented on the importance of such close and harmonious relations between the Government and the petroleum industry, and emphasized his belief that it should be continued.

Accordingly, President Truman suggested that the Secretary of the Interior establish an industry organization to consult with and advise the Department on oil and gas matters. Pursuant to this direction, the National Petroleum Council was established by the Secretary of the Interior, Hon. J. A. Krug, on June 18, 1946.

In honor of the 20th anniversary of its establishment the Council held a dinner last Monday evening, July 18, at the Statler-Hilton Hotel, Washington, D.C. Guests included members of the Council, congressional and governmental leaders, and oil and gas industry officials. West Virginia is an important oil and gas producing State, and I was pleased to be present on this important occasion.

The purpose of the Council is solely to advise, inform, and make recommendations to the Secretary of the Interior or the Director of the Office of Oil and Gas with respect to matters which relate to the industry, and which are submitted to the Council or approved by the Secretary or Director.

Its members are appointed each fiscal year by the Secretary of the Interior. Membership is drawn from all segments of the petroleum and natural gas industries, from the production phase to the

retail marketing level. It is wholly supported by the voluntary contributions received from members.

The Council is headed by a Chairman and Vice Chairman, and the Secretary of the Interior serves as a Cochairman.

Mr. President, I am pleased to note that the first Chairman of the National Petroleum Council was the Honorable Walter S. Hallanan, of Charleston, W. Va. Mr. Hallanan, a cherished friend, served in this responsible post for the first 16 years of the Council's existence, and made many contributions in bringing it to the present level of responsive and effective action.

From 1962–64 the Council was headed by R. G. Follis, chief executive officer of Standard Oil of California. Mr. Follis was succeeded by Jake L. Hamon, an independent oil producer from Dallas, Tex., who was honored at the July 18 dinner. He was presented a citation by former Assistant Secretary of the Interior John M. Kelly. The citation expressed the appreciation of Council members for Mr. Hamon's outstanding service and leadership.

Now serving as Council Chairman, having been elected at a meeting on July 19, is James C. Donnell II, president of Marathon Oil Co.

Mr. President, there were two speakers at the anniversary dinner. Carl E. Reistle, Jr., former chairman of the board of Humble Oil & Refining Co., urged closer communication between leaders of government and industry. He pointed out that this interchange of ideas has been instrumental in building a 20-year record of effective action between the Council and the Department of Interior.

Hon. Stewart L. Udall, Secretary of the Interior, responded for Government. The Secretary expressed appreciation to the Council for its substantial assistance over the years. He pointed out that we must have the closest liaison and cooperative effort between Government and industry if we are to meet the challenges of a highly industrialized society.

It is also noteworthy that the former Secretary of the Interior, Hon. Oscar L. Chapman, was in attendance on this occasion, and was received warmly. He pioneered in the Government-industry concept.

Mr. President, the Council is a continuing means through which the American Government and our oil and gas industries can work jointly in promoting long-term national security and emergency preparedness. During its life the Council has prepared at the request of the Department of the Interior more than 160 detailed studies on the complex operations of the petroleum industry. The problems examined fall into four categories: supplies of crude oil, natural gas, and petroleum products; facilities for producing, refining, transporting, and storing oil and gas; advance planning and preparations by the Government and industry for possible national emergencies; and specialized informational and advisory studies.

I commend the National Petroleum Council and congratulate its members for lasting contributions to the public welfare. It is an excellent example of the positive results which can be achieved through a working partnership between our Federal Government and the private sector of the economy.

I request that the address of Hon. Stewart L. Udall, at the July 18, 1966, meeting of the National Petroleum Council be printed in the RECORD, together with the text of a citation presented to Jake L. Hamon on that occasion.

There being no objection, the address and citation were ordered to be printed in the RECORD, as follows:

REMARKS OF THE HONORABLE STEWART L. UDALL, SECRETARY OF THE INTERIOR, BEFORE THE NATIONAL PETROLEUM COUNCIL, WASHINGTON, D.C., JULY 19, 1966

I would like to begin my remarks with a quotation from a distinguished writer and city planner about a current problem: "If atmospheric sewage was the first mark of paleotechnic industry, stream pollution was the second. The dumping of industrial and chemical waste products into the streams was a characteristic mark of the new order. Wherever the factories went, the streams became foul and poisonous; the fish died or were forced, like the Hudson shad, to migrate, and the water became unfit for either drinking or bathing. In many cases the refuse so wantonly disposed of was in fact capable of being used; but the whole method of industry was so shortsighted and so unscientific that the full utilization of by-products did not concern anyone for the first century or so. What the streams could not transport away remained in piles and hillocks on the outskirts of the industrial plant, unless it could be used to fill in the watercourses or the swamps on the new sites of the industrial city."

Does all this sound like something you read in the Magazine section of the New York Times last week? It isn't. This was Lewis Mumford, writing in 1930 about a condition that had attended the very birth of Western industrial society, and which has steadily worsened in direct proportion to the growth of what Mumford aptly called "carboniferous capitalism."

My point is simply that the problem of environmental pollution is not new. The new feature in the story is the encouraging fact that under President Johnson's leadership we have finally recognized that we do have a problem—a national problem—and that we must find a solution as the condition for our continued survival. This is a strong statement. I believe it. I believe that we must restore our air and our water resources to some tolerable state of purity or we shall as a nation surely suffocate in our own effluvia.

For nearly three hundred and sixty years we have been steadily building a nation, organizing and exploiting an incredible inventory of natural resources to make ourselves the richest, most powerful people the world has ever known. We have buildings that rise a thousand feet into the air; planes that span the continent in four hours; automobiles—nearly one for every two people—that transport the average American family farther in an hour than George Washington could travel in a week—and in air-conditioned comfort to boot. We have poured out of our horn of plenty a flood of devices to ease the burdens of housewife and mill worker alike. This year we shall increase our gross national product in real terms by over $40 billion over that of 1965. No people on earth ever had more in the way of material comforts and conveniences; and no people on earth ever had to put forth less physical toil to enjoy them.

We have come this far in only three centuries. We are indeed an affluent society.

But as you fly at 600 miles an hour toward any one of several of our major cities, the first thing that tells you of its presence is likely to be a pall of yellow haze that floats like a blanket between the city and the blue sky.

In the largest of these cities last summer you had to ask for a glass of water to go with your dinner. The waitress risked a fine if she provided it without your specific order. In other cities the aroma of rotten cabbage and the sour taste on your tongue tell you of the proximity of a pulp mill or a chemical plant. In a hundred valleys of the Appalachians the corrosive leachings from coal mines poison the streams and everything in them. In the Great Lakes area, rivers warm to the touch, and loaded with human and industrial waste, threaten to make a second Dead Sea of Lake Erie, and seriously menace the lower portion of Lake Michigan. On our own doorstep you can admire the quiet beauty of the Potomac. But if you should fall into it, your wisest action would be to go get a typhoid shot.

We have come this far, too, in only three centuries. We are also an effluent society.

The truth is that there is a direct connection between affluence and effluents. Our material opulence is the product of an enormous conversion of natural resources to human use, accomplished through the interaction of technology and energy upon the raw products of the land. The inevitable by-product of this massive conversion is a vast amount of waste material which has no apparent economic use and which has to be disposed of in some manner. Our traditional way of disposing of the fluid portion of these wastes has been to pump it into the air or into the closest watercourse in the hope that a forgiving Mother Nature would somehow take care of it for us. And for many generations, she did. But no more. There are now so many of us, and our capacity to create pollutants is now so extensive that we can no longer trust the assimilative capacity of our air and water to absorb the unwanted residue of our industrial society.

We are very late in recognizing the seriousness of the problem we have created for ourselves, in no small measure because of the fugitive nature of our air and water resources. It was a simple matter to vent pollutants into the air or the nearby river, knowing that the next day they would be gone, borne away by the currents of wind and water. And all too few were troubled by the fact that they had simply moved their problem downstream a few miles, there to vex the lives of their riparian neighbors. Both authority and responsibility were fragmented along the course of our Nation's major streams, with the result that all could degrade and abuse them, and none could raise an effective voice of protest against what was taking place.

Slowly—very slowly—our Nation began to awaken to the fact that a river that extends for a thousand miles through a dozen states and a hundred municipalities cannot be adequately protected by any authority below that of the Federal government. The first official recognition of this truth came with the passage of the Water Pollution Control Act in 1948—the first to pass of more than 100 anti-pollution bills that have been introduced in Congress in the preceding 60 years. Although the law had no great impact, at least it represented a victory over the forces that have so consistently and successfully opposed Federal entry into this particular area.

In the years since 1948 public awareness of water pollution problems became more perceptive and the demands for their solution more insistent. But it was not until President Johnson rallied the Nation to full understanding and acceptance of the great efforts needed to correct the situation that real progress began to be made.

In Feburary of 1965 the President sent to Congress his now famous message on Natural Beauty. In it was included an assignment to me, to take the leadership in devising a clean-up program for the Potomac River. His language was blunt and clear: "Clean up the river and keep it clean, so it can be used for boating, swimming, and fishing."

Eight months later, at a ceremony at the White House, the President elaborated on his clean-up order. In equally blunt and clear terms, he deplored the use of rivers as pipelines for toxic wastes. And then he said:

"This sort of carelessness and selfishness simply ought to be stopped; and more, it must be reversed. And we are going to reverse it. We are going to begin right here in Washington with the Potomac River . . . with the signing of the Water Quality Act of 1965 this morning, I pledge you that we are going to reopen the Potomac for swimming in 1975. And within the next 25 years we are going to repeat this effort in lakes and streams and other rivers across this country."

In Feburary of this year, the President announced a reorganization plan to transfer to the Department of the Interior the Federal Water Pollution Control Administration, which was then under the Department of Health, Education, and Welfare. Last May 10 this transfer became effective. It was, as I said at the time, a "red-letter" day in my five and a half years as Secretary. The legislative authority and the administrative structure are now available for an effective attack upon the formidable problems of water pollution at a truly national level.

As a result of the Water Quality Act, we of the Federal establishment find ourselves in a new role. The water quality standards afford us an opportunity to extend our nationwide effort beyond mere correction and into the area of prevention. The battle for better environment thus moves from a rearguard action to a forward attack. The task is no longer just to clean up yesterday's mess, but to prevent tomorrow's from occurring at all.

The guidelines to the States have been established pursuant to the authority contained in the Act, and the response has been uniformly satisfactory. I have even detected a note of relief that the troublesome task of insuring equitable application of water quality standards is to be shouldered by the Federal government.

These standards will take into consideration several factors. One of particular interest to refiners and petrochemical manufacturers is your competitive position with relation to plants in other regions. In recognition of this problem, the Federal position is a reasonable one. It takes account of the economic feasibility of water quality requirements and sets up hearing procedures by which affected industries may state their cases for modification of proposed standards. We want to have full knowledge beforehand of what the likely effects of our contemplated actions will be. We do not intend for our enforcement practices to be hasty or ill-advised. We do intend for them to be effective.

In this national water clean-up effort we need—we welcome—your help. Water and oil may not mix, but they certainly have a lot to do with one another. I was amazed to learn recently of the tremendous volumes of water—mort of it saline—that oil producers must dispose of in the course of their operations: 24 million barrels of it a day; a million barrels every hour; 3 barrels of water for every barrel of crude oil produced. I was also gratified by the manner in which your industry, working with State conservation authorities, is dealing with the problem: the protection of fresh groundwater strata by drilling, casing, completion and abandonment procedures which insure that no brines or other contaminants are allowed to leak into fresh water aquifers; the reinjection of saline water into oil reservoirs to stimulate recovery—a double dividend for conservation; and the steady reduction of the amount of salt water being disposed of in surface pits. The oil industry's record of brine disposal is one of encouraging progress. But in 1963, over 2½ million barrels a day of salt waer was still going into unlined pits and another million was going into streams and rivers. You still have a way to go, but your willingness and ability to progress in this area have been demonstrated, and you need only to press to a conclusion the excellent programs you now have under way.

Oil processing operations also use huge amounts of water, with the possibility that the water returned to the streamflow may be contaminated by oil droplets, or by chemical wastes, even though in minuscule concentrations. The oil industry has done much in the past to reduce the frequency and extent of such occurrences, and the very large sums of money the refining segment has spent, and is spending, for the abatement of air and water pollution is a testament to the importance you attach to this effort. The cooperation of the refiners in the Chicago area in working with Federal, State and local officials in the effort to save Lake Michigan is another example of responsible civic action. Your initiative is appreciated. Your continued active support of and participation in pollution abatement actions is solicited.

Nobody expects the clean-up program to be cheap. Last year the people of New York State voted four to one for a billion dollar bond issue to clean up their rivers. And many more billions must be paid by other citizens in other parts of the country before we can begin to see the kind of results we are aiming for. What makes the programs appear so costly to us now is the fact that for a hundred years we have been skimping on the essential and legitimate costs of our material abundance. We have not been paying full fare. We have failed to face up to the fact that the cost of clean-up, the cost of restoring the landscape for other uses, the cost of properly disposing of waste on a current basis, are all properly chargeable items in the price we should have been paying for our goods and services for many years gone by.

From now on we shall not only have to pay the current costs of these items, but we shall have to amortize the deferred charges of the past several decades as well. It is quite a load. But there is no reason for the most prosperous nation in the world to give off the look and smell of the shabbiest. We can surely create an environment worthy of our wealth, our talents, and our technical skill. We can have again the clean air, the clear streams, the sparkling lakes, the white unblemished beaches that have been so largely lost to us through generations of shortsightedness and neglect.

We meet on the common ground of concern for our environment. From each of our sectors of society must come a sincere effort to improve the quality of that environment. Working together in a spirit of cooperation and understanding, I know we can succeed.

PRESENTED BY THE MEMBERS OF THE NATIONAL PETROLEUM COUNCIL TO JAKE L. HAMON ON THE OCCASION OF ITS 20TH ANNIVERSARY

In grateful appreciation for his outstanding leadership as Chairman of the National Petroleum Council, 1964–1966.

As a charter member of the Council, he has continued to serve this organization for 18 years. He has actively participated in over 20 major study committees of this Council, and has been a member of its Agenda Committee since 1961.

Through his abiding belief in the value of the National Petroleum Council, together with his complete dedication to its purposes, Jake L. Hamon exemplifies the principle that the American oil and gas industries can and should cooperate at all times with the Government of the United States in the interest of this Nation and its people.

Throughout his life Jake L. Hamon has worked diligently to serve the petroleum industry, of which he is a most vibrant part, through positions of utmost responsibility which he has so faithfully fulfilled. Yet he has not confined his energies solely to the oil industry, but has also given of himself unstintingly toward the betterment of his community, state and country.

The Members of the National Petroleum Council, by this Citation, wish to express to their associate, Jake L. Hamon, their deep appreciation for his warm friendship, for his devotion to those sound principles in which he believes, and love of his fellow man. Let it be known, therefore, that we, the Members of the National Petroleum Council, regard Jake Hamon as a good friend, and respect him as a true gentleman, an industry statesman, and a great American.

Presented this 18th day of July, 1966, in the City of Washington in the District of Columbia.

HOUSE OF REPRESENTATIVES

MONDAY, JULY 25, 1966

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Blessed is the nation whose God is the Lord.—Psalm 33: 12.

O God, our Father, who art the creator and the sustainer of all mankind, without whose blessing all our labor is in vain, we pray that our lives may be built not upon the shifting sands of superficial and shallow living but upon the rock of eternal truth and enduring love—so we come to offer unto Thee once again the devotion of our hearts, the dedication of our minds, and the discipline of our lives. May this moment of devotion at the beginning of this week be the open door to an increasing fellowship with Thee and with one another.

We are mindful of the experiences and the events which bind us together as a nation. By a common devotion to a common cause—the welfare of our beloved land—may we close ranks and by understanding and sympathy and good will bring together our different classes, heal the rift between races and make us a nation united in spirit, eager to do Thy will and to keep Thy commandments.

We remember with honor and affection those who are giving their lives for our country. May their devotion become our devotion, their dedication our dedication that in an unselfish spirit we may serve our Nation well this day. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, July 21, 1966, was read and approved.