Lopsided government, if allowed to continue, leads only to disaster.

Competition is the secret of American economic freedom and social progress. Competition between the two major political parties has been good for America. In 1966 this competition will be reestablished. The Democrats' stranglehold will be broken at the polls in November.

The easiest and quickest way for you to clean up Vietnam, stop inflation, bring down interest rates, and protect the lives, rights and property of us all—including all minorities—is to vote Republicans in and Democrats out. It's just as simple as that. It's not a matter of intrigue in government, or of contributing $10,000 to the President's Club, or lobbying on Capitol Hill.

Often when I ponder the great land that is America, I think of that day in Philadelphia when Benjamin Franklin left the Constitutional Convention.

"Which have you given us," a man asked him, "a monarchy or a republic?" "A Republic," Franklin answered, "if you can keep it."

That republic has endured for 177 years . . . because in every age there have been Americans who gave of their time, of their treasure, and of their faith to keep it.

It is for us, the living, to rededicate ourselves to that high purpose. And it is my deep conviction that you—all of you—will pass on the torch of freedom to your children because you dare stand up and be counted for America. Thank you and God bless you all.

FRIDAY, AUGUST 19, 1966

SENATE

The Senate met at 10 o'clock a.m., and was called to order by the Vice President.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

O Thou God of all nations and of all races, who has made of one blood all men to dwell on the face of the earth, send out Thy light and Thy truth; let them lead us, let them bring us to Thy Holy Hill.

Cleanse Thy servants who here serve the public welfare from secret faults which may mar their public service, knowing that we cannot call mankind to put aside the weapons of carnage if our own lives are blighted by impurity and are arsenals of hatred and of a selfish passion to rule. Make us all, we beseech Thee, vividly conscious of some freedoms which we may not exercise—the freedom to be self-indulgent; the freedom to satisfy our selfish greed, and leave others in need; the freedom to be soft, cynical, and self-centered; the freedom to criticize others, without accepting change in ourselves.

May Thy Kingdom of love and righteousness come within us, that we may contribute worthily to mankind's abiding peace.

We ask it in the Name which is above every name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, August 18, 1966, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Bartlett, one of its reading clerks, announced that the House had passed the bill (S. 3052) to provide for a coordinated national highway safety program through financial assistance to the States to accelerate highway traffic safety programs, and for other purposes, with an amendment, in which it requested the concurrence of the Senate.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following communication and letter, which were referred as indicated:

AMENDMENT OF SECTION 112 OF INTERNAL REVENUE CODE OF 1954, TO INCREASE THE MONTHLY PAY EXCLUSION FOR COMMISSIONED OFFICERS SERVING IN COMBAT ZONES

A communication from the President of the United States, transmitting a draft of proposed legislation to amend section 112 of the Internal Revenue Code of 1954 to increase from $200 to $500 the monthly combat pay exclusion for commissioned officers serving in combat zones (with an accompanying paper); to the Committee on Finance.

REPORT OF ARCHITECT OF THE CAPITOL (S. DOC. No. 102)

A letter from the Architect of the Capitol, transmitting, pursuant to law, his report of all expenditures during the period January 1, 1966, to June 30, 1966; ordered to lie on the table and to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. YARBOROUGH, from the Committee on Post Office and Civil Service, with amendments:

H.R. 13448. An act to amend title 39, United States Code, with respect to mailing privileges of members of the U.S. Armed Forces and other Federal Government personnel overseas, and for other purposes (Rept. No. 1484).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. 2747. A bill to authorize conclusion of an agreement with Mexico for joint measures for solution the Lower Rio Grande salinity problem (Rept. No. 1485).

BILLS AND JOINT RESOLUTIONS INTRODUCED

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

By Mr. MORSE (for himself and Mr. MAGNUSON):

S. 3746. A bill to amend the Longshoremen's and Harbor Workers' Compensation Act, as amended, to provide increased benefits in case of disabling injuries, and for other purposes; to the Committee on Labor and Public Welfare.

By Mr. DOUGLAS:

S. 3747. A bill to designate the dam and reservoir to be constructed on the Sangamon River near Decatur, Ill., as the Henry Bolz Dam and Reservoir; to the Committee on Public Works.

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

RESOLUTION

TO PRINT A COMPILATION ON "THE CLASSIFICATION OF U.S. SENATORS" AS A SENATE DOCUMENT

Mr. MANSFIELD (for himself and Mr. DIRKSEN) submitted a resolution (S. Res. 295) to print a compilation on "The Classification of U.S. Senators" as a Senate document, which was considered and agreed to.

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

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Committee on Interior and Insular Affairs and the Subcommittee on Agricultural Credit and Rural Electrification of the Committee on Agriculture and Forestry be permitted to meet during the session of the Senate today.

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

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. MONRONEY:

Statement on the supplemental REA financing bill, S. 3720, by Mr. COOPER, before the Subcommittee on Rural Electrification and Farm Credit, August 15, 1966.

By Mr. COOPER:

Statement on the supplemental REA financing proposal, by Mr. MONRONEY, before the Senate Subcommittee on Rural Electrification and Farm Credit, August 15, 1966.

LIMITATION ON STATEMENTS DURING THE 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.

DESIGNATION OF DAM AND RESERVOIR AS THE "HENRY BOLZ DAM AND RESERVOIR"

Mr. DOUGLAS. Mr. President, I introduce for appropriate reference, a bill to officially designate the dam and reservoir being built on the Sangamon River

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

near Decatur, Ill., as the "Henry Bolz Dam and Reservoir."

The dam and reservoir is destined to play a crucial role in the growth and prosperity of the city of Decatur. I have given my full support to this project. Its benefits in terms of flood control and recreation will be felt throughout the surrounding area. The moving force behind this project, for over a quarter of a century has been Henry H. Bolz. Mr. Bolz, as a private citizen, as executive secretary of the Decatur Association of Commerce, and now as councilman of the city of Decatur, has given his vision and dedicated energy to this project. His efforts are now bearing fruit, and construction on the project is expected to begin early in 1968. Last summer I informally suggested that this project should bear Mr. Bolz' name. Today I am making that suggestion in the form of legislation.

Mr. President, I think that it is fitting and proper that the efforts of this outstanding citizen of the State of Illinois be noted for posterity, and that the dam and reservoir on the Sangamon River near Decatur be named after him.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3747) to designate the dam and reservoir to be constructed on the Sangamon River near Decatur, Ill., as the Henry Bolz Dam and Reservoir introduced by Mr. DOUGLAS, was received, read twice by its title, and referred to the Committee on Public Works.

FINANCIAL INSTITUTIONS SUPERVISORY ACT OF 1966—AMENDMENTS

AMENDMENT NO. 758

Mr. TOWER submitted amendments, intended to be proposed by him, to the bill (S. 3158) to strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loan associations, and for other purposes, which were ordered to lie on the table and to be printed.

NOTICE OF HEARINGS ON ORGANIZATION OF FEDERAL AGENCIES IN COMMUNITY AND URBAN DEVELOPMENT

Mr. RIBICOFF. Mr. President, I wish to announce that the Subcommittee on Executive Reorganization of the Senate Committee on Government Operations will continue its hearings on the organization of Federal agencies in community and urban development. The hearings of the past week during which we heard from various members of the executive branch have been useful. At the beginning of today's session I made an opening statement which I ask unanimous consent to have printed in the RECORD at the end of my remarks.

Our witnesses for next week include Mayor John Lindsay, of New York, Mayor Jerome Cavanaugh, of Detroit, Mayor Samuel Yorty, of Los Angeles, Mayor John Reading, of Oakland, accompanied by his redevelopment agency director, John Williams, Mayor Richard Lee, of New Haven, Mayor Ivan Allen, of Atlanta, Mayor A. V. Sorenson, of Omaha, and Mayor Ralph Locher, of Cleveland.

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

OPENING STATEMENT BY SENATOR ABRAHAM RIBICOFF, DEMOCRAT, OF CONNECTICUT, HEARINGS OF SUBCOMMITTEE ON EXECUTIVE REORGANIZATION, AUGUST 19, 1966

The Committee will be in order.

Before hearing from our first witness I want to make a short statement.

As these hearings have progressed, I have been asked by many members of the press and others—where these hearings are going—what do we have in mind—where do we intend to end up?

As a life-long student of government and the legislative process I have always been concerned—and still am—about our preoccupation with programmatic solutions to the exclusions of a searching analysis of the problems confronting us and the techniques used to combat these problems.

We are apt to seek the answer before we really understand the problem. And too often these answers are based on inadequate data—outdated information—and outmoded techniques of operation.

We too often take for granted information and statistics that are based on outmoded experience and old statistics. Congress cannot frame policy for the future based on data from the past to be carried out with techniques of another generation. When I say I am not satisfied with what we are doing, I mean something more than we are not spending enough money. I mean I am dissatisfied with how we determine the direction of the programs in the first place. I am dissatisfied with the lack of real information we need to frame policy for today and tomorrow. While Congress must assume its responsibilities, I am dissatisfied with the overlapping and uncoordinated organization found in the executive branch without *serious* effort being made to do anything about it. We talk about it—we name deputy assistant secretaries—we have task force piled on task force to study it—we have coordinators and convenors of coordinators—we have all this, but—

We don't know, after 30 years, where public welfare recipients live;

We don't know that we have programs to curb the slum rat problem;

We have one cabinet officer tell us we spend $14 billion and another says $28 billion for our cities;

We have program piled on top of program—all intended to do good—but often working at cross purposes. We push open spaces and then pour cement to build highways. We beautify the business district and create new slums in the city.

In short, we have undertaken vast programs of good intentions without really relating all our good works one to the other.

I have no pat answers. I have no simple solution. I have no ready remedy. Only through the analysis of the problems and policies as opposed solely to programs—will some of the answers be forthcoming. We seek a discussion of national policy—not a mere recital of programs based on 1960 data. We seek a dialogue with those in a position to contribute something both from within and without the executive branch. We face a serious crisis in our cities affecting our entire national life. I believe we are strong enough to undertake the search that is needed into how this government really works—really plans—really organizes itself—to deliver the services of government to our people.

That's what these hearings are all about. It's a look inside the system rather than a defense of last year's programs and a plea for next year's appropriation.

And let me assure you of this: The men responsible for guiding this nation in these times of crisis—both at home and abroad—are as aware of these problems as any of us. They are sincere. But they cannot carry on a policy dialogue in a vacuum. It must be shared by all the people. So let us get on with the discussion. Let us understand the problems. The forthcoming solutions can then be based on knowledge.

DISCHARGE FROM THE COMMITTEE ON LABOR AND PUBLIC WELFARE AND REFERRAL TO THE COMMITTEE ON GOVERNMENT OPERATIONS OF H.R. 16407

Mr. DIRKSEN. Mr. President, on August 2, 1966, I introduced S. 3680, authorizing the Administrator of Veterans' Affairs to convey certain property to Danville Junior College, Danville, Ill. The bill, however, was referred to the Committee on Government Operations.

On August 16, the House of Representatives passed an identical bill, and that bill has been referred to the Committee on Labor and Public Welfare.

I ask unanimous consent that the Committee on Labor and Public Welfare be discharged from further consideration of H.R. 16407, and that it be referred to the Committee on Government Operations, inasmuch as that committee has already received one of three reports requested on S. 3680.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

EXECUTIVE SESSION

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

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

DIPLOMATIC AND FOREIGN SERVICE

The assistant legislative clerk proceeded to read sundry nominations in the Diplomatic and Foreign Service which had been placed on the Secretary's desk.

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

The VICE PRESIDENT. Without objection, the nominations are considered and confirmed en bloc.

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

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

LEGISLATIVE SESSION

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

THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate

turn to the consideration of Calendars Nos. 1441, 1442, and 1445.

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

INCREASING AUTHORIZATION FOR AIRPORTS AT NATIONAL PARKS

The bill (S. 476) to amend the act approved March 18, 1950, providing for the construction of airports in or in close proximity to national parks, national monuments, and national recreation areas, and for other purposes was announced as next in order.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, the pending legislative business, S. 476, is a bill designed to increase the financial authority provided in the act approved March 18, 1950, from $2 million to $3,500,000 and would permit participation of the National Park Service in development of additional airport facilities to serve our national parks, monuments and recreation areas.

As we all know, tourism and recreation are now big business in the Nation's economy. People are traveling more than ever before. Americans have more leisure time and they are searching for the majestic beauty and satisfaction of the great out of doors, most often associated with our national parks, forests and recreation areas. It is a difficult task to keep up with this trend. The tourists of today are also accustomed to faster travel and easier access to these points of interest—it is part of the modern way of life.

Many of our national parks are somewhat isolated from good public transportation. Several years ago the National Park Service was given the authority to participate in the construction of airports designed primarily to serve national parks and recreation areas. In these instances there was no municipal or county authority to provide a part of the financing under the Federal Aid to Airports program. This new authority gives the National Park Service an opportunity to participate with the FAA and the sponsoring agency.

The original authority and funding were used immediately to provide these services, it is now time to extend the authority. Perhaps the finest example of what this has done is the new airport at West Yellowstone, Mont., serving Yellowstone National Park. This new facility has been a tremendous boost to improved travel to Yellowstone and its phenomena of nature. The National Park Service and the Federal Aviation Agency provided matching funds for the construction on land provided by the Forest Service. The airport is being sponsored and maintained by the Montana Aeronautics Commission. Commercial airline service to Yellowstone is now readily available to all parts of the Nation.

The additional authority granted in S. 476 will permit the same airline services to be offered at Glacier National Park in Montana at the eastern entrance. Glacier is one of the most majestic and naturally beautiful of all our parks and there is a serious need for air service. This project is already included in the national airport plan. The State of Wyoming has a similar proposal.

This legislation has been enthusiastically endorsed by all interested Federal departments and agencies. The bill was passed by the Senate in the 88th Congress and we would like to see the bill sent to the President prior to adjournment of the 89th Congress.

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

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

S. 476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved March 18, 1950 (64 Stat. 27; 16 U.S.C. 7a–7e), is amended by striking the figure "$2,000,000" at the end of section 2 and inserting in lieu thereof the figure "$3,500,000".

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1462), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

Under the act of March 18, 1950, the Secretary of the Interior was authorized an appropriation of $2 million for the purpose of developing or participating in the development of airports in or in close proximity to national parks, national monuments and national recreation areas. As of March 15, 1966, the Secretary advised that the uncommitted balance had been reduced to $330,000. He indicated that the current need for airport facilities at national parks cannot be met with funds available under the 1950 authorization. A comprehensive survey of the current need for airport facilities to serve national parks demonstrated that an additional $1,500,000 must be authorized if the intent of the act was to be carried out. Consequently, S. 476 would amend the act so as to increase the level of authorization from $2,000,000 to $3,500,000.

BACKGROUND AND NEED FOR LEGISLATION

The act of March 18, 1950 (64 Stat. 27; 16 U.S.C. 7a–7e) authorized the Secretary of the Interior to establish and operate airports in or in close proximity to national parks, national monuments, and national recreation areas. It specified that any such airport must be included in the then current national airport plan as formulated by the Federal Aviation Agency. It also made clear that the operation and maintenance of these airports must be in accordance with the standards and rules prescribed by the Federal Aviation Agency.

In order to carry out the purpose of the act, the Secretary was given authority to enter into agreements with other public agencies to provide for the construction and operation of the airports either separately or jointly with the Department of the Interior. It authorized the Secretary to sponsor projects under the Federal Airport Act, either independently or jointly with other public agencies. The act specified that the Secretary could not acquire any land for airport purposes without the consent of the Governor of the State and the political subdivision in which the land was located. Any airports constructed and operated by the Secretary must be available for public use on fair and reasonable terms and without unjust discrimination.

As mentioned previously, of the $2 million original authorization, there now remains an uncommitted balance of only $330,000. The Secretary of the Interior has indicated the purposes of the act cannot be accomplished without an additional authorization. A comprehensive survey conducted by the Department of the Interior indicated a need to raise the level of authorization to $3,500,000. Since 1950, the number of visitors to the national park system has increased approximately 300 percent and now totals more than 110 million annually. Travel by air has grown at an even greater rate and has now become established as a popular means of visiting the rich scenic, scientific, and historic features of our park system.

In urging enactment of this legislation, the Secretary indicated a particularly urgent need to assist two projects. The first would involve reconstructing the present Jackson Hole Airport within Grand Teton National Park, Wyo. Traffic at this airport has increased sharply in recent years and further substantial growth is anticipated. The present runway, taxiway, hangar, and terminal facilities are inadequate and must be expanded and modernized. Of the estimated total cost of $959,785, approximately $495,000 will be borne by the Interior Department. The balance would be contributed by the Federal Aviation Agency. Teton County and the city of Jackson Hole will pay the costs of operating and maintaining the airport.

The second project would involve construction of an airport at East Glacier, to serve Glacier National Park, Mont. Expansion and modernization of airport facilities is essential if the airport is to keep pace with anticipated demands. The airport would provide for emergency operations and administrative needs of the National Park Service as well as the Forest Service of the Department of Agriculture, and other U.S. agencies. Of a total estimated cost of $1,030,000, $523,000 will be borne by the Interior Department, with the balance to be contributed by the Federal Aviation Agency. The Montana Aeronautics Commission will operate and maintain the airport and pay any costs in connection therewith.

After completion of the two projects cited, the Department of the Interior will have a balance of $780,000 which will be used to provide airport facilities at other park locations. Adequate airport facilities at park locations are a great service to the traveling public not only with respect to U.S. citizens but foreign visitors as well who wish the opportunity to visit our national parks and recreation areas. Ease of accessibility and convenience, which air travel facilitates, contributes significantly to encourage foreign visitors to travel to and throughout the United States.

The agencies most directly concerned, such as the Department of Commerce, the Federal Aviation Agency, and the Department of the Interior, expressed strong support for enactment. All other agencies deferred judgment to the agencies most directly involved. The committee has received no objections to enactment of this bill from any source. The committee believes that the need for this legislation has been amply demonstrated and accordingly unanimously ordered that it be reported favorably. Prompt passage is urged.

PROMOTE THE DOMESTIC AND FOREIGN COMMERCE OF THE UNITED STATES BY MODERNIZING PRACTICES OF THE FEDERAL GOVERNMENT

The Senate proceeded to consider the bill (S. 1596) to promote the domestic and foreign commerce of the United States by modernizing practices of the Federal Government relating to the inspection of persons, merchandise, and conveyances moving into, through, and out of the United States, and for other purposes which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That notwithstanding any other provision of law, inspection or quarantine service required to be performed by the United States Government, or any agency thereof, at ports and airports of entry or other places of inspection, as a result of the operation of aircraft, railroad trains, motor vehicles, pipelines, or vessels, shall be performed without reimbursement from the owners or operators thereof when such inspection or quarantine services are performed during regularly established hours of service on Sundays and holidays to the same extent as if such services had been performed during regularly established hours of service on weekdays. Reimbursement for inspection and quarantine services performed during periods other than regularly established periods of service at ports and airports of entry or other places of inspection or otherwise necessitating the utilization of additional personnel and payment of overtime compensation shall continue to be made as otherwise provided under existing law.

SEC. 2. Notwithstanding the provisions of section 1 of this Act or any other law, the owner, operator, or agent of any private aircraft or private vessel shall pay to the United States a flat fee, prescribed by the Secretary of the Treasury—one applicable to private aircraft and another applicable to private vessels—for inspection or quarantine services performed upon request of such owner, operator, or agent, when the inspection or quarantine services are performed on weekdays, Sundays, or holidays during periods other than regularly established hours of service or, when the utilization of additional personnel and payment of overtime compensation is required during periods of regularly established hours of service, in connection with the arrival in, or departure from the United States, its possessions, and the Commonwealth of Puerto Rico of such private aircraft or private vessels. Each such flat fee, which shall be prescribed by the Secretary of the Treasury by regulation after consultation with each of the other Government agencies performing similar inspection services, shall be computed by dividing the estimated annual aggregate cost of providing such inspection and quarantine services for private aircraft or private vessels by the estimated annual aggregate number of requests for such services. Such flat fee shall be collected by each agency providing services and shall be deposited into the Treasury of the United States to the credit of the appropriation of that agency charged with the expense of such services. The amount payable on the basis of the flat fee prescribed by the Secretary of the Treasury and paid to the Government under this Act, shall be in lieu of any other compensation, fees, or expenses required by any other law or regulation to be paid to the Government for the services involved. Nothing in this Act shall be construed to affect the amounts payable under any provision of law or regulations to the officers or employees who perform the services involved. The term "estimated annual aggregate cost" means the compensation and subsistence expenses paid to the officers or employees, the travel expenses, the cost of billing, and other administrative expenses related to the services provided. The term "private aircraft" means any civilian aircraft not used to carry passengers for hire or merchandise for hire and the term "private vessel" means any civilian vessel not used to carry passengers for hire or merchandise for hire or to engage in the fisheries, which aircraft or vessel is within a category which the Secretary of the Treasury determines by regulations to be private aircraft or private vessel for the purposes of this Act.

SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to reimburse the Department of the Treasury for any additional costs incurred under this Act, unless otherwise provided by law. This Act shall become effective at 12:01 ante meridian, eastern standard time, July 1, 1967.

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1442), explaining the purposes of the bill.

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

SUMMARY OF THE BILL

The bill reported by the committee is an amendment in the nature of a substitute and differs substantially from the bill as originally introduced. First, a number of agencies expressed apprehension that the original language might be interpreted much more broadly than intended and thereby burden the various inspection agencies with unreasonable manpower requirements and overtime costs. The language of the bill has been clarified and tightened considerably to allay these apprehensions. Second, the substitute bill substantially limits the scope of the original bill.

The substitute bill would accomplish two objectives: (1) Under existing law, it is mandatory, except in certain limited instances, that operators of aircraft, railroads, pipelines, and vessels reimburse the Government for any inspection services (such as provided by the Bureau of Customs, the Public Health Service, and the Department of Agriculture, etc.) performed during Sundays and holidays. The substitute amendment would permit the inspection agencies to perform free service on Sundays and holidays if justified by demand in the same manner as they now provide free service during the weekdays; and (2) the bill would permit the Secretary of the Treasury to prescribe a uniform flat fee, applicable to operators of private aircraft and private vessels, sufficient to cover any cost which the inspection agencies might incur in providing special inspection services to such operators during other than regularly established hours. The act becomes effective on July 1, 1967.

The text of the substitute bill is as follows:

"That notwithstanding any other provision of law, inspection or quarantine service required to be performed by the United States Government, or any agency thereof, at ports and airports of entry or other places of inspection, as a result of the operation of aircraft, railroad trains, motor vehicles, pipelines, or vessels, shall be performed without reimbursement from the owners or operators thereof when such inspection or quarantine services are performed during regularly established hours of service on Sundays or holidays to the same extent as if such services had been performed during regularly established hours of service on weekdays. Reimbursement for inspection and quarantine services performed during periods other than regularly established periods of service at ports and airports of entry or other places of inspection or otherwise necessitating the utilization of additional personnel and payment of overtime compensation shall continue to be made as otherwise provided under existing law.

"SEC. 2. Notwithstanding the provisions of section 1 of this Act or any other law, the owner, operator, or agent of any private aircraft or private vessel shall pay to the United States a flat fee, prescribed by the Secretary of the Treasury—one applicable to private aircraft and another applicable to private vessels—for inspection or quarantine services performed upon request of such owner, operator, or agent, when the inspection or quarantine services are performed on weekdays, Sundays, or holidays during periods other than regularly established hours of service or, when the utilization of additional personnel and payment of overtime compensation is required during periods of regularly established hours of service, in connection with the arrival in, or departure from the United States, its possessions, and the Commonwealth of Puerto Rico of such private aircraft or private vessels. Each such flat fee, which shall be prescribed by the Secretary of the Treasury by regulation after consultation with each of the other Government agencies performing similar inspection services, shall be computed by dividing the estimated annual aggregate cost of providing such inspection and quarantine services for private aircraft or private vessels by the estimated annual aggregate number of requests for such services. Such flat fee shall be collected by each agency providing services and shall be deposited into the Treasury of the United States to the credit of the appropriation of that agency charged with the expense of such services. The amount payable on the basis of the flat fee prescribed by the Secretary of the Treasury and paid to the Government under this Act, shall be in lieu of any other compensation, fees, or expenses required by any other law or regulation to be paid to the Government for the services involved. Nothing in this Act shall be construed to affect the amounts payable under any provision of law or regulations to the officers or employees who perform the services involved. The term 'estimated annual aggregate cost' means the compensation and subsistence expenses paid to the officers or employees, the travel expenses, the cost of billing, and other administrative expenses related to the services provided. The term 'private aircraft' means any civilian aircraft not used to carry passengers for hire or merchandise for hire and the term 'private vessel' means any civilian vessel not used to carry passengers for hire or merchandise for hire or to engage in the fisheries, which aircraft or vessel is within a category which the Secretary of the Treasury determines by regulations to be private aircraft or private vessel for the purposes of this Act.

"SEC. 3. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary to reimburse the Department of the Treasury for any additional costs incurred under this Act, unless otherwise provided by law. This Act shall become effective at 12:00 ante meridian, eastern standard time, July 1, 1967."

AMENDMENT OF PROVISIONS OF THE OIL POLLUTION ACT, 1961, IMPLEMENTING PROVISIONS OF THE INTERNATIONAL CONVENTION FOR THE PREVENTION OF THE POLLUTION OF THE SEA BY OIL, 1954, AS AMENDED

The bill (H.R. 8760) to amend the provisions of the Oil Pollution Act, 1961 (33 U.S.C. 1001–1015), to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended, and for other purposes was considered, ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1479), explaining the purposes of the bill.

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

PURPOSE OF THE BILL

The purpose of H.R. 8760 is to amend the provisions of the Oil Pollution Act, 1961 (33 U.S.C. 1001–1015) to implement the provisions of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, as amended, and for other purposes. Essentially, the effect of this bill would be to incorporate certain changes to bring the Oil Pollution Act into conformity with the amendments of the International Convention for the Prevention of the Pollution of the Sea by Oil, 1954, which amendments were adopted by a conference of contracting governments convened at London on April 11, 1962.

BACKGROUND OF LEGISLATION

Implementation of the international convention is important to the United States, inasmuch as, among other things, it would increase the zone in which discharge of oil waste is prohibited from 50 miles offshore to 100 miles offshore along the New England coast which has been particularly plagued by these discharges.

In addition to other provisions, the categories of existing ships that must observe antipollution measures has been increased to bring more vessels within the provisions of the convention. As a matter of practice, the amendments to enforcement and recordkeeping provisions are likely to produce more effective results in the light of experience under existing rules.

Major amendments include a definition of oily mixture and an enlargement of the categories of vessels covered by the act. The previous test that the oil in an oily mixture "fouls the surface of the sea" has been removed and the definition limited to a formula specifying 100 parts or more of oil in 1 million parts of the mixture. This is a much more realistic definition. In addition, the law will now apply to all seagoing vessels of any type except (*a*) tankers of under 150 gross tons and other ships of under 500 gross tons; (*b*) ships in the whaling industry when actually employed on whaling operations; (*c*) ships navigating the Great Lakes and tributary waters as specified; and (*d*) naval ships and ships for the time being used as naval auxiliaries.

Even though naval vessels are excepted from the convention, it is the expectation of the committee that the Department of Defense will insure compliance with this act by all U.S. naval vessels through the use of appropriate departmental regulations.

It should be pointed out in connection with the legislation that neither the amended convention nor this bill affect in any way a reservation contained in the ratification of the original convention by the United States to the effect that we do not consider the international rules to interfere in any way with our freedom of legislative action in our territorial waters. Within that area any offense against our existing statutes will be punishable under those statutes, regardless of the ship's registry.

NEED FOR LEGISLATION

Enactment of this legislation will place the United States in a position to discharge fully its obligations under the convention, as amended, and will contribute materially to the reduction of oil pollution at sea, which in turn will reduce pollution along our shores. It is not believed that it will place any appreciable burden on our shipping, and it goes far to implement our desire for international cooperation in the field of ocean shipping.

The committee is of the view that the bill is a desirable one, and accordingly recommends its enactment.

COST OF LEGISLATION

This legislation would entail no additional expenditure by the U.S. Government.

RESOLUTION TO PRINT "THE CLASSIFICATION OF U.S. SENATORS"

Mr. MANSFIELD. Mr. President, I send to the desk a resolution and ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the resolution (S. Res. 295) was considered and agreed to, as follows:

Resolved, That a compilation entitled "The Classification of United States Senators", prepared under the direction of the Secretary of the Senate, Emery L. Frazier, by the Senate Parliamentarian, Floyd M. Riddick, shall be printed with certain tables as a Senate document.

JOHN HAY WHITNEY AND THE NEW YORK HERALD TRIBUNE

Mr. SYMINGTON. Mr. President, the final decision to end the 131 years of publication of the New York Herald Tribune is a sad chapter in the newspaper history of the United States. It is also the end of a civic-minded effort on the part of one of the Nation's outstanding citizens, John Hay Whitney, to bring all sides of various questions to the people of New York and the country.

Known for his achievements in private business, known also for his outstanding war record as a member of the U.S. Air Force, Mr. Whitney later represented this country as our Ambassador to Great Britain in a manner which left permanent gratitude, not only with the British, but also with all those in this Government who knew of his extraordinary success in bringing better understanding between the people of the United Kingdom and the people of the United States.

No businessman has demonstrated a better understanding of the American system; no citizen a clearer understanding of the fact "a public office is a public trust."

Those of us who have known Jock Whitney over the years know also of his dedication to the public interest. We can only express regret at this failure of one of his many fine efforts—along with the hope that he will not be discouraged in his demonstrations of ability and character in his various public and private services.

Mr. President, an editorial published recently in the St. Louis Globe Democrat, entitled "Death of a Giant," referring to the passing of the New York Herald Tribune, describes Mr. Whitney as a "most distinguished and highminded gentleman." Those of us who know him certainly agree.

Mr. President, I ask unanimous consent to have this editorial printed in the RECORD.

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

DEATH OF A GIANT

The New York Herald Tribune, once a giant among the newspapers of America, is dead today because of the willful, ironclad obstinacy of the newspaper unions in New York which killed it.

The Herald Tribune had a great tradition. Descending from two of the greatest newspaper men in history, Horace Greeley and James Gordon Bennett, in recent years it had difficulty finding a place in the maelstrom of the New York metropolis.

On the one hand in the morning field was the New York Times, one of the great papers of the world, which massively covers almost every field of life. On the other was the New York Daily News with its piquant appeal to the subway masses.

The News circulation exceeded 2,000,000 and the Times, while never more than slightly over 600,000, blanketed the field. The Tribune, in a market of 14,000,000 had somewhat under 300,000 readers, but it was a paper of high ideals and purpose.

There were many who felt that the Trib was still needed in New York—outstanding among them John Hay Whitney, who bought the paper about eight years ago. A most distinguished and high-minded gentleman and former Ambassador to Great Britain, Mr. Whitney persevered until the unions finally made survival impossible.

Last year and the year before, all New York papers were twice shut down. This year, three papers—the Herald Tribune in the morning, the World Telegram and the Journal American in the evening, had planned to put out a combination morning-evening-Sunday paper, but the union closed them down before they could even start.

In a little less than three years' time, New York newspapers have been shut down, suspended, or out of business for approximately 25 per cent of that time—notwithstanding that their wage scales were the highest of any papers in America.

The straw that broke the camel's back was the insistence of the pressmen that their members working on the Sunday paper have shorter hours than the pressmen on the other two Sunday papers in New York which, of course, would place the merged papers at a fatal disadvantage.

The pressmen's demand was to enable some of their members to work three abbreviated shifts in one day, all for premium pay, at $125 or more a day for these three short "work" shifts.

The result, after 114 days of trying to resolve this preposterous issue with the pressmen, after nine other unions had previously settled, is that 800 more newspaper jobs disappeared in New York. Where once there had been 5700 employes on the three struck newspapers, there will now be 1600 or less, if indeed the other two papers survive this wicked and unnecessary strike.

Several years ago, the New York Mirror with a circulation of almost 1,000,000, the second largest in America, was forced to suspend, and now the Herald Tribune, because of the stupidity and shortsightedness of the newspaper unions in killing off their own jobs.

Thus, a community and a nation are once again poorer for having lost a continuing fighter for a free press, and one of the very good newspapers of the nation.

TRIBUTE TO AARON BENESCH

Mr. SYMINGTON. Mr. President, it is with very deep regret that I learned Tuesday morning of the passing of Aaron Benesch, one of the outstanding newspapermen it has been my privilege to know. He will be sorely missed as a newspaperman of unusual ability and as a citizen of character. Mrs. Symington joins me in extending deep sympathy to Mrs. Benesch and their family.

Mr. Benesch had served as city editor and managing editor of the St. Louis Star-Times, as bureau chief for the St. Louis Globe-Democrat here in Washington from 1951 to 1952, and as managing editor of the St. Louis Globe-Democrat from 1953 to 1957, before returning to Washington in 1957 as bureau chief for the Newhouse Newspapers and subsequently, from 1962 until his retirement in 1965, as associate editor of the Newhouse National News Service.

Aaron had a deep understanding of our Government. In addition he had the respect and affection of all who knew him. When he retired last winter, closing a most colorful and productive career of 50 years, as an expression of their respect and affection, his colleagues presented him and his wife with tickets for the National Press Club trip to Europe this fall. He had looked forward to that experience with great pleasure.

The editorial tribute to Mr. Benesch in the St. Louis Globe-Democrat the morning after his death was entitled "Aaron G. Benesch, Newsman." In the field of journalism no higher tribute could be paid to any man. Mr. Benesch had earned that title, and I ask unanimous consent that the editorial be inserted in the RECORD at this point.

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

[From the St. Louis Globe-Democrat, Aug. 17, 1966]

AARON G. BENESCH, NEWSMAN

One of the most widely known newsmen in Missouri, Aaron G. Benesch was a highly competent editor and reporter for 50 years on the St. Louis and Washington scene. He was a former managing editor of The Globe-Democrat and later chief of The Globe-Democrat Washington Bureau. He retired last January as associate editor of the Newhouse National News Service in Washington.

Mr. Benesch had a talent for flushing out hard news and a love for political writing. His reporting of national political conventions began in 1928, when Republicans nominated Herbert Hoover for President. He covered every White House administration since that of Harry Truman, his personal friend.

While working in St. Louis, he knew every politico from precinct captains to Governor; when he went to Washington his political acquaintance followed a similar pattern.

Prior to coming to the Globe, he had been managing editor of the old Times and city editor of the late Star-Times. After wrapping up editions, he often legged it out on the political beat to see what was going on, perhaps ferret out a story or grist for a political column—just for the fun of it.

Aaron was a newsman of the old school, who loved the milieu, never tired of it. His loss will be felt by a legion of friends, but mostly by confreres who worked with him during a long and distinguished career.

FLOTATION OF WORLD BANK BONDS

Mr. DIRKSEN. Mr. President, a year ago, on June 14, 1965, during the foreign aid debate I introduced an amendment which directed the Secretary of the Treasury to refuse to permit the flotation in the United States of new security issues of the International Bank for Reconstruction and Development and of the Inter-American Development Bank until U.S. balance-of-payments deficits were eliminated for four consecutive reporting quarters. After the chairman of the Foreign Relations Committee inserted in the RECORD a letter from Secretary of the Treasury Fowler stating that such an amendment would be unnecessary and undesirable because the Treasury needed flexibility "to examine all the factors, including the effects on our balance of payments, before making a decision," I withdrew my amendment. Whether I was wise to do so remains to be seen. Several recent events give me pause.

In a press release dated June 13, 1966, the World Bank announced that it would float a new bond issue in the amount of $175 million during the week beginning June 27, 1966. It successfully floated those bonds at a time of extremely tight money in the United States and also at a time when it was apparent that the United States would have a substantial deficit in its balance of payments in 1966. Some estimates run as high as $2 billion. In this context it should not be forgotten that in 1965 for every dollar disbursed by the World Bank, only 21 cents returned to the United States for procurement with attendant adverse impact upon our balance of payments.

On June 29, 1966, my esteemed colleague, Senator SYMINGTON, who has done so much fine educational work on the U.S. balance-of-payments problem, raised some important questions about this particular bond flotation. To my knowledge they have not been answered.

About a month later the World Bank issued two press releases dated July 29, 1966, announcing two loans. One loan was to Japan for $100 million to provide additional financing for the construction of the 333-mile Tokyo-Kobe Expressway. It can hardly be anticipated that much U.S. procurement will result from this loan for Japanese highway construction. The other loan was to South Africa for a Thermal Power Plant for $20 million. I would like to insert in the RECORD a recent article of Mr. Eliot Janeway which appeared in the Monday, August 15, 1966, edition of the Washington Evening Star. Mr. Janeway's article, entitled "World Bank Action Hurts," points out that South Africa is holding back gold from the world market to put pressure on the dollar. For, if the dollar is devalued, the holders and hoarders of gold are the chief winners. Moreover, if the South African Electric Supply Commission—ESCOM—had raised the $20 million through a debt issue in the U.S. capital market, that borrowing would have been subject to the Interest Equalization Tax. By borrowing from the World Bank at 6¼ percent—just about at the level of the existing prime rate here in the United States—this additional cost was avoided.

A lot less "flexibility" and a lot more discipline is needed in U.S. dealings with international lending agencies, if the integrity of the dollar is to be maintained. An appropriate question at this point is "Whither goest thou, Mr. Woods?" I for one would like to know.

I ask unanimous consent to have printed in the RECORD in connection with my remarks some of the comment that I have encountered, together with some of the news releases that have come from the World Bank.

There being no objection, the items requested were ordered to be printed in the RECORD, as follows:

[From the Evening Star, Aug. 15, 1966]

AS JANEWAY VIEWS IT: WORLD BANK ACTION HURTS

(By Eliot Janeway)

NEW YORK.—It's not just the Supreme Court that follows the election returns. Mr. Dooley's celebrated quip applies as well to the sophisticated denizens of Washington's swank embassy row. Their main job is to keep a sharp eye on the Yankee dollar. Every embassy in Washington has long since alerted its government to count on dollars being hard to come by—and not just because the money policies of the Johnson administration have left us strapped for cash for even our own needs here at home.

The war in Viet Nam—more precisely, the isolation in which we are fighting it—has clearly left the country with the belief that dollars advanced overseas have not come back as value received. Perhaps they never can: The suggestion is all the argument that's needed to cut down on dollar advances. Congress certainly took the suggestion at face value last month when it voted large slashes in the Johnson administration's foreign aid requests.

Governments in need of dollars—and most of them are—have been trying to turn up new ways of raising them without having to deal directly with the American government. The World Bank is proving to be a pretty convenient touch for the shrewdest, toughest-minded, political dollar-foragers on the loose in Washington—South Africa, for example.

CITED SENATOR SYMINGTON

In June this column cited Sen. STUART SYMINGTON, Democrat, of Missouri, as authority for the criticism it leveled against the World Bank for its sale of $175 million of 25-year bonds in the New York market. Its operations, we warned, were getting in the way of American borrowers in their own market; and its borrowings were aggravating the overheated conditions which Johnson was exhorting American business to permit to cool off.

Adding insult to injury, the World Bank was preparing to siphon off scarce dollars, and send them abroad at the very time when Washington's money policies are shutting off financing opportunities to Americans.

Senator SYMINGTON, in leveling his objections at this discrimination, noted the World

Bank's clearly defensive agreement "initially" to keep the proceeds of its financing in dollars "in order to eliminate any immediate effect on our continuing unfavorable balance of payments." He asked the World Bank to define "initially" and "immediate" and before July was over, the World Bank had given him his answer. It was more reckless than even his critical attitude had bargained for. It announced a $20-million loan to South Africa to finance half the foreign exchange costs of a power plant.

As a matter of American bargaining in the national interest to get full value for dollars advanced, the position in which the loan puts us is as undignified economically as it is morally. For South Africa is an active participant in the international gold speculation against the dollar; and she is holding gold back from the market in order to add to the pressure on the dollar. This is her right, and it is to her interest. But it is not to America's interest to advance South Africa the dollars to operate while she holds back her gold. It is our right to hold back our dollars in order to make her use her gold.

In assessing this use of back-door dollar outflows, it behooves us to remember that it would take a crash in America to make South Africa's gold worth more. Any move that weakens the American dollar against South African gold, is bound to encourage the speculation against the dollar and to make it seem plausible.

[From the Wall Street Journal, June 14, 1966]

WORLD BANK SAYS IT WILL OFFER $175 MILLION OF ITS 25-YEAR BONDS IN UNITED STATES JUNE 28 OR 29

NEW YORK.—The International Bank for Reconstruction and Development (World Bank) announced plans for a $175 million public offering of its 25-year bonds in the U.S. June 28 or 29.

George D. Woods, president, told a press conference that in planning the offering the international agency had agreed with the U.S. Treasury to initially invest the proceeds in U.S. Government agency obligations and U.S. bank deposits to eliminate any immediate effect on the U.S. balance-of-payments deficit—the excess of money flowing out of the U.S. over money flowing in. These investments will begin maturing after Dec. 31, 1967, he added, at which time the money will be available for the World Bank to lend to underdeveloped nations.

The offering will be the first by the World Bank in the U.S. since January 1965, when it sold $200 million of 25-year 4½% bonds. It will be the bank's 17th U.S. offering; about $1.6 billion of the previous 16 issues still is outstanding.

The new issue will be marketed by an underwriting group led by First Boston Corp. and Morgan Stanley & Co. at a price and interest rate to be determined June 28. Mr. Woods said in answer to a question that the rate "will be a new high for World Bank borrowing in the U.S."

Mr. Woods said the bonds were being offered at this time, when interest rates generally are high, because the bank "wants to keep the fact of the World Bank before the security dealer profession and the professional investors." He added, "We hope to be in the U.S. market at intervals of not more than one year."

The new bonds will mature July 1, 1991, and won't be callable before July 1, 1976. A sinking fund will begin in 1977 and is designed to retire 50% of the issue prior to maturity.

The World Bank has made $9.5 billion of loans since it began operations in June 1946. During those 20 years, the bank has sold about $5 billion of bonds and notes, of which about $2.8 billion still is outstanding. The bonds are held in more than 40 countries, with about 58% of the bonds held by investors outside the U.S.

[From the Wall Street Journal, June 14, 1966]

ASIAN NATIONS GET LOANS

WASHINGTON.—Loans totaling $60 million to three Asian nations were announced in Washington.

The World Bank said it will lend Thailand the equivalent of $36 million for highway construction, repayable at 6% annually over 24 years starting in October 1970.

The Agency for International Development, the U.S. foreign-aid agent, said it will lend South Korea $18.6 million to buy 62 diesel-electric locomotives and a variety of railway repair equipment. The loan will be repayable in dollars over 30 years at 2½%, after a 10-year grace period during which the rate will be 1%.

The Government's Export-Import Bank said it will lend Chinese Petroleum Corp., owned by the Republic of China, $5.4 million to buy American equipment and services to build a naphtha cracking plant on Taiwan. The loan is repayable at 5½% annually over seven years starting in 1968.

[International Bank for Reconstruction and Development press release, June 13, 1966]

WORLD BANK BOND ISSUE PLANNED

The following news release is being issued in New York today by The First Boston Corporation and Morgan Stanley & Co.:

"George D. Woods, President of the International Bank for Reconstruction and Development, announced today that the Bank is planning to offer in the United States during the week beginning June 27, 1966, a new issue of $175,000,000 principal amount of Twenty-Five Year Bonds due July 1, 1991. The Bonds, which are non-callable for a period of ten years, will be offered through a nationwide group of underwriters headed by The First Boston Corporation and Morgan Stanley & Co. The coupon and price of the Bonds will be determined just prior to the offering. This is the first World Bank Bond issue in the United States since January, 1965.

"In order to enter any capital market, the Bank, under its Articles of Agreement, must have the approval of the government concerned. In a letter granting the United States Government's approval of the forthcoming issue, Secretary of the Treasury Fowler stated that the Bank has made an outstanding contribution to the sound economic advance of the less developed countries. The Secretary said further that he approves of the proposed borrowing because the activities of the Bank coincide with the national interests of the United States in this area.

"The Bonds to be offered are not subject to the Interest Equalization Tax. Furthermore, the 1966 'Guidelines for Non-Bank Financial Institutions,' issued by the Federal Reserve System in December, 1965, place no restraint on purchases of World Bank Bonds. Thus no guideline restrictions affect purchases by non-bank financial institutions, including trust companies or trust departments of commercial banks.

"In order to cooperate with the President's balance of payments program, the World Bank intends to invest in the United States the proceeds from the sale of these Bonds to U.S. investors, so as to eliminate any effect on the U.S. balance of payments until the end of 1967.

"The Bonds will not be callable prior to July 1, 1976, ten years from the date of issue. A sinking fund beginning in 1977 will retire 50 percent of the issue prior to maturity. The Bonds will be in fully registered form without coupons.

"In addition to the initial delivery of the Bonds, which is expected on July 13, 1966, Bonds will also be offered for sale on a delayed delivery basis, through the underwriters, to certain institutional purchasers. Delayed delivery sales will be made under contracts between the World Bank and the purchasers for settlement on October 5, 1966, January 4, 1967, July 5, 1967 and January 3, 1968.

"The First Boston Corporation and Morgan Stanley & Co. are reserving a portion of the proposed issue for sale to new United States and Canadian institutional investors in the Bank's Bonds. Qualified institutional purchasers who have not purchased World Bank Bonds since April, 1952, will be allotted Bonds from this special reserve.

"The International Bank for Reconstruction and Development is an international institution, the members of which are governments now numbering 103. The Bank officially began operations on June 25, 1946 and has its main office in Washington, D.C.

"Its principal purpose is to assist the economic development of its member countries by facilitating the investment of capital for productive purposes, thereby promoting the long-range growth of international trade and the improvement of standards of living. When private capital is not available on reasonable terms, the Bank supplements private investment by making loans out of its own resources of funds borrowed by it."

[International Bank for Reconstruction and Development, press release, June 28, 1966]

ONE HUNDRED AND SEVENTY-FIVE MILLION DOLLAR BOND ISSUE

The following announcement is being made in New York today by The First Boston Corporation and Morgan Stanley & Co.:

"The First Boston Corporation and Morgan Stanley & Co., as managers of a nationwide group of underwriters, announce the public offering of $175,000,000 International Bank for Reconstruction and Development 5⅜%. Twenty-Five Year Bonds of 1966, due July 1, 1991, at 99¾% to yield 5.39%. This is the first World Bank Bond issue in the United States since January 1965.

"The Bonds are not callable prior to July 1, 1976. They are redeemable at the option of the Bank at a redemption price of 102½% for those redeemed on and after July 1, 1976 to and including June 30, 1981, at 101¼% thereafter to and including June 30, 1986 and at 100% thereafter. They are also redeemable through operation of the sinking fund, commencing in 1977, at the principal amount together with accrued interest.

"The net proceeds to the Bank of the sale of the Bonds to the underwriters and under the contracts for delayed delivery will be used in the general operations of the Bank.

"The Bonds being offered are not subject to the interest equalization tax. Furthermore, the 1966 "Guidelines for Non-Bank Financial Institutions," issued by the Federal Reserve System in December 1965, place no restraint on purchases of the Bonds. Thus no guideline restrictions affect purchases by non-bank financial institutions, including trust companies or trust departments of commercial banks.

"In order to cooperate with the President's balance of payments program, the World Bank intends to invest in the United States the proceeds from the sale of these Bonds to U.S. investors, so as to eliminate any effect on the U.S. balance of payments until the end of 1967.

"In addition to the initial delivery of the Bonds, which is expected on July 13, 1966, Bonds will also be offered for sale on a delayed delivery basis, through the underwriters, to certain institutional purchasers. Delayed delivery sales will be made under contracts between the World Bank and the purchasers for settlement on October 5, 1966, January 4, 1967, July 5, 1967 and January 3,

1968. A spokesman for the underwriters indicated that perhaps more than half of the issue would be sold for delayed delivery."

[International Bank for Reconstruction and Development Press Release, July 29, 1966]

ONE-HUNDRED-MILLION-DOLLAR LOAN FOR EXPRESSWAY IN JAPAN

The World Bank has approved a loan equivalent to $100 million to provide additional financing for the construction of the 333-mile Tokyo-Kobe Expressway in Japan. Including this loan, the Bank will have made six loans over the past six years totaling $380 million for the Expressway. It is scheduled for completion over its entire length in April 1969 at a total cost equivalent to nearly $1.5 billion.

The loan was made to the Nihon Doro Kodan (Japan Highway Public Corporation), a government agency responsible for the construction, operation and maintenance of many of Japan's toll facilities which include highways, tunnels, bridges and ferries. The Tokyo-Kobe Expressway is its largest undertaking. The western end of the Expressway, extending 114 miles from Kobe to Nagoya, has been open to traffic since 1964.

The current loan will complement a $75 million loan made in September 1963 for the 100-mile section of the Expressway between Tokyo and Shizuoka. The Tokyo-Shizuoka region is Japan's most important center of commerce and industry, as well as the center of the national government. It contains more than a quarter of the country's businesses, and nearly a third of the country's total production originates there. The one existing highway traversing the area is heavily congested and completely inadequate to handle the rapidly growing vehicular traffic. The number of motor vehicles throughout Japan as a whole has increased fivefold in the past 11 years to a total of 8,000,000. The Tokyo-Shizuoka region accounts for nearly half the passenger cars and nearly a quarter of the trucks.

Major construction work on the Tokyo-Shizuoka expressway began in 1965 and contracts have been let for about half the work. Construction contracts yet to be awarded on the basis of international bidding are valued at the equivalent of $120 million. Because of the relative priority of the two extreme sections, Tokyo-Atsugi and Yoshiwara-Shizuoka, work started earlier on these sections than on the mountainous middle section, and they are scheduled to be open to traffic in September 1968. The 21-mile section between Tokyo and Atsugi will be six-lane and the remainder of the expressway four-lane. Design speeds range from 75 miles per hour in level terrain to 50 miles in mountainous areas.

The Tokyo-Kobe Expressway and urban expressways in Tokyo and Kobe which the Bank has also helped to finance are part of Japan's Five Year Road Improvement Program under which the equivalent of $11.4 billion is to be spent for the construction, improvement and maintenance of roads by March 1969. Japan's road network, excluding municipal roads, exceeds 93,750 miles in length, but less than 20% is paved. Most roads are narrow and winding, with little or no shoulders. Traffic normally operates under congested conditions and, as a consequence, vehicle operating costs are high and accident rates are heavy. The general objectives of the road program are to double the length of paved roads by 1969, and to increase the expressway network from 52.5 miles in 1964 to 491 miles in 1969.

The total cost of the Tokyo-Shizuoka section of the Expressway is estimated at the equivalent of $640 million. The Bank loan, together with the earlier loan of $75 million, will cover about 27% of the total costs. Toll revenues are expected to pay back the entire investment costs, including interest, in about 22 years.

The Bank loan will be for a term of 15 years and bear interest at the rate of 6⅝% per annum. Amortization will begin in August 1969. The loan will be guaranteed by the Government of Japan.

[International Bank for Reconstruction and Development press release, July 29, 1966]

TWENTY-MILLION-DOLLAR LOAN FOR ELECTRIC POWER IN SOUTH AFRICA

The World Bank has approved a loan equivalent to $20 million to the South African Electricity Supply Commission (ESCOM). The loan will assist in financing the foreign exchange costs of a 1,600,000-kilowatt thermal power plant at Camden, about 160 miles east of Johannesburg. The project is part of ESCOM's $785 million expansion program under which the Commission plans to add 3,310,000 kilowatts of generating capacity and 3,200 miles of high-voltage transmission lines to its system during 1966–1970.

ESCOM is an autonomous statutory corporation established in 1922. Its operations are divided into seven undertakings which serve different parts of the country. ESCOM supplies electricity in bulk to most cities in South Africa for distribution in their areas, and supplies power directly to mines, large industries and the railroads. Its ability to meet the rapidly rising demand for power has been an important factor in the economic development of South Africa during the postwar period. Between 1945 and 1965, ESCOM's installed capacity increased more than fivefold, to a total of about 4,600,000 kilowatts. It now generates about 80% of the electricity used in the country. ESCOM's sales of electricity have increased at an average rate of 8.2% per year for the past decade, and are expected to increase at about the same rate during the next five years.

At present about four-fifths of the Commission's power sales are in the interconnected system which comprises the Cape Northern, Rand and Orange Free State and Eastern Transvaal undertakings and serves the principal industrial and mining areas of South Africa. The new Camden power plant will be in this system. It is already under construction and is being built on a new coal field with reserves adequate to supply the station for 40 years at lost cost. The plant will have eight 200,000-kilowatt generating units, the first of which is scheduled for completion in October 1966. The other units are scheduled to follow at intervals of three to eight months with the final unit expected to be in operation by October 1969.

The estimated total cost of the Camden project is equivalent to $176.4 million, of which $40.6 million will be in foreign exchange. The Bank loan will cover about half the foreign exchange requirements. Most of the remaining costs will be met by ESCOM from internal cash generation and from borrowings in the South African capital market. Contracts for the major items of equipment for the Camden station have been placed on the basis of international competitive bidding.

The loan will be for a term of ten years and bear interest at the rate of 6¼% per annum. Amortization will begin on June 1, 1968. The loan will be guaranteed by the Republic of South Africa.

VIETNAM ELECTIONS

Mr. FULBRIGHT. Mr. President, as we look back on the history of our involvement in Vietnam, probably no single U.S. policy decision has been so significant as that to support President Diem's refusal to go through with the unification elections promised in the Final Declaration of the Geneva Conference which ended the war in Indochina. The bitter fruit of that decision has ripened into a $2 billion a month war being fought by 375,000 American servicemen with no one in a position to predict an end to the escalation.

If we are to understand the factors which motivate the other side in this frustrating conflict we should take a close look at the complex history of this region. The period surrounding the elections which were to have been held in 1956 are especially important. Cornell University has just published an excellent study of this subject by Franklin B. Weinstein entitled "Vietnam's Unheld Elections."

I ask unanimous consent to have chapter IV, "Why Were Elections Not Held," and the epilog, "The Failure To Hold Elections: Some Implications for the Present," printed in the RECORD following my remarks. I commend the entire study to my colleagues.

For purposes of comparison, I also ask unanimous consent to have printed in the RECORD preceding these excerpts a statement furnished the Committee on Foreign Relations by the Department of State setting forth the Department's position on this question.

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

DEPARTMENT OF STATE,
Washington, August 12, 1965.

Mr. NORVILL JONES,
Consultant, Senate Committee on Foreign Relations.

DEAR MR. JONES: In response to your telephone request to the Department on August 9, I am enclosing material on our position regarding the provision in the Geneva Accords for elections.

Please let me know if the Department can be of further assistance.

Sincerely yours,

DOUGLAS MACARTHUR II,
Assistant Secretary for Congressional Relations.

ELECTIONS IN VIET-NAM

The Final Declaration of the Geneva Conference is the only one of the group of documents generally referred to as the 1954 Geneva Accords which deals with the question of elections in Viet-Nam. This Final Declaration says that in July 1956 free elections would be held to establish democratic institutions under which the country could be unified.

The United States representative at the Geneva Conference, Under Secretary of State Walter Bedell Smith, presented the United States position with reference to elections and reunification in a unilateral declaration to the Conference. After pointing out that we would view with concern any attempt to disturb the Agreements by force, the U.S. declaration said that we would adhere to our traditional position with respect to divided countries: reunification through free elections under United Nations supervision. That this is still the American position was made plain by President Johnson on July 28 when he said "we insist and we will always insist that the people of South Viet-Nam shall have the right of choice, the right to shape their own destiny in free elections in the South, or throughout all Viet-Nam under international supervision."

The Vietnamese Government also made a unilateral declaration at the Geneva Conference in which it expressed its opposition to the division of Viet-Nam. President Diem later made his views known on the subject of elections when he pointed out that the Final Declaration of the Conference was very obscurely worded, but that on one point it was quite specific: that any elections to be held were to be free.

The United States and South Vietnamese position has consistently held that conditions were such in North Viet-Nam that there could never have been truly free elections. The general nature of conditions in North Viet-Nam has never been secret, and they are perhaps best described by General Vo Nguyen Giap, present Defense Minister of North Viet-Nam, who said the following in October 1956, only three months after the elections called for in the Conference's Final Declaration were to have been held:

"We made too many deviations and executed too many honest people. We attacked on too large a front and, seeing enemies everywhere, resorted to terror, which became far too wide spread."

"While reorganizing the party, we paid too much importance to the notion of social class instead of adhering firmly to political qualifications alone. Instead of adhering firmly to political qualifications alone. Instead of recognizing education to be the first essential, we resorted exclusively to organizational measures such as disciplinary punishments, expulsion from the party, executions, dissolution of party branches and cells. Worse still, torture came to be regarded as a normal practice during party reorganization."

Since conditions involving "executions," "torture a normal practice," and "terror" are hardly conducive to the holding of free elections, the elections mentioned at the Geneva Conference were never held, and the time set aside for them went by without notice being paid to the fact in either North or South Viet-Nam. If the elections had been held in 1956, it is evident that in North Viet-Nam they would have constituted a travesty of the letter as well as the spirit of the Final Declaration of the Geneva Conference of 1954.

Elections have of course been held in South Viet-Nam on several occasions. In 1956, 1959, and 1963 National Assembly elections were held, and presidential elections were held in 1956 and 1961. A national referendum in 1955 determined that South Viet-Nam should be a republic with President Ngo Dinh Diem as the chief of state. Most recently, on May 30, 1965, nation-wide elections were held for provincial and municipal councils. Despite obvious risks of Viet Cong retaliation, there was no shortage of candidates for council seats, and 70% of those registered, or 50% of those eligible, turned out to vote.

IV. WHY WERE ELECTIONS NOT HELD?

The statements of the DRV in the period following the Geneva Conference provide evidence that the Viet Minh regime did in fact contemplate the unification of the country under their control by means of elections. Dong's statement to the final meeting of the Geneva Conference stresses the importance of peace almost as much as the need for national unity.[85] Ho's statement of 22 July 1954 similarly placed emphasis not only on the indivisibility of Vietnam but also on the struggle for peace and democracy, specifically elections.[86] *Nhan Dan* reported the Viet Minh line: "Henceforward, the main task of our struggle is to consolidate the peace we have won, faithfully and rapidly implement the provisions of the armistice agreement, and go forward to the settlement of political issues."[87] As the Viet Minh radio put it on 5 August 1954: "The phase of armed struggle is now being replaced by the phase of political struggle." Exhorting the southern compatriots, the Viet Minh radio warned against the use of violence: "The political struggle requires the people in South Vietnam to maintain a high vigilance. It demands that our people avoid every provocation and use peaceful measures to win democratic freedom and . . . attainment of general elections to unify our country."[88]

Throughout 1954 and into 1955, the utterances of the DRV leaders continued to reflect a policy based on political struggle leading to the 1956 elections. Ho Chi Minh, in a November interview, was asked whether he feared that the division of Vietnam could be as lasting as the partition of Korea and Germany. Ho replied negatively, pointing out that the "conditions in Vietnam are different from those in Korea and Germany." He repledged the DRV to work "untiringly" for peaceful reunification as provided in the Geneva Agreements.[89] In June 1955 Ho again stressed that Vietnam could not be compared with Korea and Germany and insisted that the military demarcation and provisional division could endure only until the 1956 elections were held. "Vietnam is a single country and nothing can prevent the firm will of its people from achieving its unity," he added.[90] Perhaps the most convincing statements of the DRV's expectation that the country would indeed be reunified by elections in 1956 were those made to their supporters. Viet Minh troops native of south Vietnam who were regrouped in the north were told that they would be returning home in 1956 after the elections.[91] And as the Viet Minh forces left areas they had ruled for many years, they advised the inhabitants to accept life under the State of Vietnam government until the Viet Minh could return after the reunification elections.[92]

If the DRV's statements revealed a confident expectation and a strong determination that the country would be reunified by elections, the Viet Minh demonstrated those attitudes by more than mere words. The best evidence that the DRV took the Geneva Agreements' promise of elections seriously is the behavior of the Viet Minh during the ensuing two years.[93] As Roy Jumper, writing in late 1956, put it: "The Viet Minh agents have lain low during the past two years in South Vietnam. They waited expecting to win the South through the expected all-Vietnam elections."[94] Ho Chi Minh's followers largely refrained from any effort to retain a military hold on southern areas they had controlled for as long as ten years. The DRV's cooperation in the implementation of the Geneva Agreements probably came as a surprise to some.[95] It is hard to imagine that its withdrawal from areas it had long controlled meant only that the Viet Minh had become resigned to permanent partition. To suppose that is to ignore, among other things, the force of the Viet Minh's commitment to national unity. The Viet Minh forces had fought too long and hard for national unity under their leadership for them to give up what they had won without actually believing they could regain it. The DRV's actual relinquishing of territory and its abandonment of violence must be regarded as solid evidence that the Viet Minh hoped to unify the country peacefully.

The Viet Minh waged an extensive campaign to win votes in the election. In late September 1954 it was reported that "politically" the Viet Minh was "working hard in the South to consolidate its influence." Political workers "intensified their activity" as Viet Minh military forces withdrew, and the Viet Minh was "plainly preparing to win the national elections scheduled * * * for 1956."[96] During the last three months of 1954, a congress of the Lien Viet (United National Front) met in Hanoi. A Viet Minh-dominated organization, the Lien Viet included representatives of various political parties from northern, central, and southern Vietnam. According to *Nhan Dan*, the aim of the congress was to mobilize popular forces in the struggle for "independence, peace and unity and democracy." The Lien Viet's "work for 1955" was said to consist "in winning support in all levels of the population with a view to winning the general elections for a united Vietnam."[97] In late December the DRV added four leaders from south Vietnam to its cabinet in what was described in the press as a move undertaken because of its expected impact on "the psychological warfare" south of the 17th parallel in preparation for the 1956 elections.[98] In March of 1955, it was reported by C. L. Sulzberger of the *New York Times* that Viet Minh agents were already going through villages in the south "lining up votes." Their procedure was to take along two photographs, one of Ho Chi Minh and one of Bao Dai, and to ask the peasants whom they preferred.[99] In June 1955 there were reports that the Viet Minh was working hard to prepare for elections and had opened an intensive new campaign to woo the workers and peasants of the south. Communists had reportedly secured positions in athletic organizations, ancestor worship cults, workingmen's groups and other associations in an effort to win

[85] Radio Moscow, 22 July 1954. See also Dong's statement broadcast over Radio Peking, 2 August 1954.

[86] *New York Times*, 26 July 1954, and *Facts and Dates on the Problem of the Reunification of Viet-Nam* (Hanoi: Foreign Languages Publishing House, 1956), p. 10.

[87] Vietnam News Agency dispatch, 25 July 1954.

[88] Vietnam News Agency dispatch, 28 September 1954.

[89] Vietnam News Agency dispatch, 10 November 1954.

[90] *New York Times*, 8 June 1955.

[91] Philippe Devillers, lecture, Cornell University, 13 December 1965. See also Ho's letter to troops coming north. Broadcast over the Viet Minh radio on 17 September 1954, Ho's letter said that although the troops regrouping in the north were "temporarily far" from their native villages, they could expect to "return happily" after the country's peaceful unification.

[92] Reported by Tillman Durdin, *New York Times*, 19 May 1955. Additional statements of the DRV's reliance on peaceful struggle may be found in New China News Agency dispatch of 21 September 1954, Vietnam News Agency dispatches of 5 November 1954 and 28 March 1955, and Voice of Nambo broadcast of a *Nhan Dan* editorial on 23 September 1954.

[93] See Jean Lacouture, *Vietnam: Between Two Truces* (New York: Random House, 1966), p. 52.

[94] Roy Jumper, "The Communist Challenge to South Vietnam," *Far Eastern Survey*, XXV, no. 11 (November, 1956), 161.

[95] For example, some diplomats had doubted that any considerable movement of refugees out of Communist areas would be permitted. *New York Times*, 24 July 1954. Similarly, Joseph and Stewart Alsop had doubted that the Viet Minh troops would voluntarily relinquish control of the areas they held. As the Alsop brothers put it: "Who can suppose that they [the Viet Minh] will peacefully march away, abandoning the territory they now hold?" *New York Herald-Tribune*, 23 July 1954.

[96] Tillman Durdin in the *New York Times*, 29 September 1954.

[97] *New York Times*, 13 January 1955.

[98] *New York Times*, 31 December 1954.

[99] *New York Times*, 13 March 1955.

support for the Viet Minh not only on the basis of Ho's prestige as a nationalist leader but also through promises of the economic advantages communism allegedly would bring to the south.[100] Meetings, demonstrations and the simple process of making known the provisions of the Geneva Agreements (considered a subversive activity in the south) were also part of the Viet Minh campaign to win the elections.[101]

Still another type of action taken by the DRV to promote Vietnam's peaceful reunification was Hanoi's proposal on 4 February 1955 that "normal relations" be established between the two zones. The Communists declared their willingness to grant all facilities to persons on both sides of the border in sending mail, carrying out business enterprises, and facilitating exchanges of a cultural, scientific, sporting, and social nature.[102]

Anticipating the approach of the 20 July 1955 deadline set at Geneva for the consultations on elections, the DRV leaders began to press specifically to ensure the holding of those meetings. In April Dong visited New Delhi and issued a joint statement with Nehru reaffirming the importance attached by the two governments to the holding of reunification elections under the procedure laid down at Geneva.[103] On 6 June Dong declared his government's readiness to begin the consultations scheduled for the following month. Dong went on to warn: "Vietnam is one. The Vietnamese nation is one. No force can divide them. Whoever tries to partition Vietnam is the enemy of the Vietnamese people and will surely be defeated."[104] In July Ho went to Peking and Moscow seeking both economic aid and support for the holding of the consultative conference. His visits produced joint communiqués stressing the importance of starting the consultative meetings on time.[105] On 19 July Premier Dong, on behalf of himself and President Ho, sent to President Diem a letter formally proposing that Diem appoint representatives to attend a consultative conference to discuss reunification elections as provided in the Geneva Agreements.[106]

During the preceding year, the Diem government had made no effort to hide its contempt for the Geneva Agreements, but it had not actually enunciated an official policy with regard to its participation in the consultative conference. Although at the start of 1955 the US was still talking about new measures to win the 1956 elections,[107] doubts about the possibility of holding the elections were apparent, particularly in dispatches emanating from Saigon. On 28 February Radio Saigon suggested that the elections would not be held because of the absence of democratic liberties in the north. On 15 March Secretary Dulles argued that it would be hard to create the conditions for a free choice in the north.[108] By March 1955 it was becoming quite clear that the Diem regime would probably try to avoid the elections. As Sulzberger put it, the 1956 elections "really will never be held. . . . Nobody likes to talk about this. But when the time to admit arrives, a grave crisis must inevitably develop."[109] At the end of March it was reported that observers in Saigon were expressing "open doubt" that such elections ever would be held.[110] In mid-May the State of Vietnam government, in notes sent to Britain, France and the US, urged a conference to formulate a common position on the elections in light of the probability, as seen in Saigon, that they would not be held.[111] On 9 June, three days after Dong's announcement that the DRV was ready for consultations, Saigon's view reportedly was that any comment on the DRV statement should come from France. The south, it was asserted, had no intention of acting on the matter.[112]

Despite the flow of reports describing Saigon's unwillingness to participate in reunification elections, there was genuine uncertainty as to whether Diem would agree to take part in the consultative conference. France had been consistent in urging the State of Vietnam government to prepare for elections. In March 1955 Premier Edgar Faure urged Diem to cooperate with the sects in the hope of winning their support in the election.[113] Faure said in April that France was determined above all to observe strictly the Geneva Agreements, and he insisted that there could be no question of annulling or postponing the 1956 elections.[114] Faure warned that there were two pitfalls before the Diem government—one was losing the 1956 elections and the other was trying to avoid them.[115] On the completion of the withdrawals and transfers of military forces, representatives of the French High Command and the Viet Minh army issued a joint statement resolving "to continue to assure their responsibility in the full implementation of the provisions of the Geneva Agreement and of the final declaration . . . ." Both parties reaffirmed their determination to "implement scrupulously" the necessary provisions "in order to consolidate peace and to achieve the unity of Vietnam by means of general elections."[116] The British also felt strongly that Diem should observe fully the provisions of the Geneva Agreements. On 13 July, Foreign Secretary Macmillan declared in Parliament that Britain would exert all its influence to ensure the holding of consultations as provided in the Geneva Agreements.[117]

The official attitude of the U.S. was ambiguous. It was generally believed by early 1955 that the U.S. was not investing heavily in the buildup of the State of Vietnam merely to hand it over to the Viet Minh in elections. On 14 May, however, Faure was reported to have obtained Dulles' assurance that the U.S. would back France in seeking to prepare for the 1956 elections.[118] In June Sulzberger reported that the "only solid fact" agreed on by the U.S., France, and Britain during May's Indochina negotiations in Paris was "that the Geneva pledge for all-Vietnam elections must be carried out." Washington reportedly was "of the same mind as Paris and London . . . that every preparation must be made on the assumption elections will be held." Sulzberger explained that Dulles had secured reluctant British and French support for Diem, and "in exchange he concurred that the promised elections in Vietnam should faithfully be carried out." According to Sulzberger, Diem's reported opposition to elections put him in disagreement with "the one point on which the Big Three unequivocally agree."[119] The *Times* now wrote editorially of the elections as if they really were expected to take place:

"The real deadline in Vietnam . . . is July of next year, when a definitive election is scheduled. That deadline must be met . . . . The United States still expects an election in all of Vietnam and would like to see that election properly supervised. Moreover, it would like to see free Vietnam strong enough and stable enough that it would offer a reasonable alternative to the Communist rule in the north. This is the reason for the present assistance and training program."[120]

Probably in response to growing pressures from the Western powers, Diem began to move toward accepting elections. On 14 June he told a group of correspondents that his government was willing to discuss the question of elections with the DRV. He did not elaborate that statement, except to say that "it all depends on the conditions under which elections are held." A source close to the premier said that the south would demand extensive third-party supervision and detailed procedures for insuring a secret ballot. He mentioned the grouping of military forces in concentration areas so they could not exercise pressure during the elections as one of the conditions the State of Vietnam was considering. The source said that the results of any talks between the two regimes would be submitted to the soon-to-be-elected National Assembly, which would have to decide whether the south would actually participate in the elections. Tillman Durdin, who reported Diem's remark and the "source's" amplifying comments, characterized it as the "first definite indication that South Vietnam was likely to engage in discussions" with the DRV concerning procedures for elections.[121]

As the 20 July deadline neared, it was expected that Diem would make a statement, but its contents were kept secret.[122] The *Economist* wrote that Diem seemed likely to "keep everyone guessing until the last moment about whether he will send representatives to consultations" with the DRV.[123] On 16 July Diem made known his position in a radio broadcast to the nation. He stated that he favored free elections in principle but could not consider holding them until the DRV had given him proof of its readiness to place national interests before its Communist creed. It is "out of the question," he asserted, "for us to consider any proposal from the Vietminh, if proof is not given us that they put the superior interests of the national community above those of communism; if they do not give up terrorism and totalitarian methods; if they do not cease violating their obligations. . . ." Diem

[100] *New York Times*, 2 June 1955 and 8 June 1955.

[101] Murti, *Vietnam Divided*, p. 157. The extent to which such demonstrations can be regarded as Viet Minh activities is uncertain, but in at least one case the demonstrators were reported to be acting on the exhortations of Radio Hanoi. *New York Times*, 4 July 1955.

[102] See *Facts and Dates*, p. 18, and *New York Times*, 7 February 1955.

[103] Donald Lancaster, *The Emancipation of French Indo-China* (London: Oxford University Press, 1961), p. 370.

[104] *New York Times*, 7 June 1955. See also *For the Consultative Conference* (Hanoi: Foreign Languages Publishing House, 1955).

[105] *Facts and Dates*, pp. 24–25.

[106] *Ibid.*, p. 26.

[107] See, for example, the article in *New York Times*, 8 January 1955, reporting U.S. hopes that a land reform program could "tip the scales in favor of the West" in the 1956 elections.

[108] The Saigon broadcast and Dulles' speech are both reported in Vietnam News Agency dispatch, 15 March 1955.

[109] *New York Times*, 12 March 1955.

[110] *New York Times*, 30 March 1955.

[111] *New York Times*, 20 May 1955.

[112] *New York Times*, 9 June 1955.

[113] Ngo Ton Dat, "Geneva Partition and the Question of Reunification," pp. 363–364.

[114] *New York Times*, 14 April 1955.

[115] *New York Times*, 4 May 1955.

[116] Quoted in Cole (ed.), *Conflict*, p. 208. This statement was cited by Dong in his 6 June declaration of the DRV's readiness for consultations.

[117] *Facts and Dates*, p. 24. See also *Economist*, 16 July 1955.

[118] *New York Times*, 14 May 1955.

[119] *New York Times*, 8 June 1955.

[120] The above quote is drawn from *New York Times* editorials of 20 May 1955 and 29 June 1955. See also *New York Times*, 26 May 1955.

[121] *New York Times*, 15 June 1955.

[122] *New York Times*, 15 July 1955.

[123] *Economist*, 16 July 1955.

also reasserted that the State of Vietnam did not consider itself bound by the Geneva Agreements.[124]

The British responded on 18 July with a Foreign Office declaration expressing regret at Diem's statement and urging that consultations be started as soon as possible.[125] Diem's attitude toward elections was discussed at the Paris conference of Western foreign ministers to prepare for the Geneva summit conference. The foreign ministers, fearing bitter recriminations from the USSR at Geneva, agreed to do their best to persuade Diem to change his mind.[126] Britain and France made an effort to convince Diem that the State of Vietnam's position would be a strong one if it could demonstrate with the support of the ICC that free elections were being blocked by the Viet Minh's failure to permit adequate supervision. He was assured that the West and the ICC would back him fully in trying to prevent "Communist fraudulism or subversion during the election period." Paris and London sought to clarify to Diem the difference between holding elections and simply taking part in the consultations, which was all that was required at the moment. They stressed that in talking with the DRV, Diem would be making no irrevocable commitments and would be giving evidence of his adherence to the Geneva Agreements.[127] At the Geneva summit meeting, the three Western leaders agreed to undertake added efforts to convince Diem to accept the DRV's invitation, but Eisenhower and Eden both stressed that their power to move Diem was limited. On 26 July a Western note was transmitted to Diem.[128]

The State of Vietnam, nevertheless, denied that the Western powers had put any pressure on it to conform to the Geneva Agreements, and insisted that the Western note had actually been an expression of sympathy with its position. U.S. State Department officials affirmed that the note had conveyed overall approval of Diem's position, but had urged that he at least "go through the motions" of trying to organize free elections.[129] The British denied any implication that they had given approval to Diem's refusal to talk with the DRV.[130] But Western assurances could not alter Diem's conviction that by entering talks with the DRV he would have committed himself to the elections.[131] On 9 August Diem formally replied to Dong's note of 19 July. The State of Vietnam premier esentially reiterated his position of 16 July, insisting that "nothing constructive [with respect to elections] will be done as long as the Communist regime of the North does not permit each Vietnamese citizen to enjoy democratic freedoms and the basic fundamental rights of man." [132]

The next day, in a press conference, Secretary Dulles asserted that Diem was correct in not feeling bound by the Geneva Agreement to hold reunification elections because his government had not signed the Agreement.[133] The British Foreign Office, on the other hand, was reported "disturbed" by the Diem statement.[134] On 30 August Dulles gave Diem unequivocal support, stating: "We certainly agree that conditions are not ripe for free elections." [135] Thus the US, whose participation in the common Western effort to persuade Diem to talk with the DRV had always been unenthusiastic,[136] now emerged in firm official support of his opposition to elections. In view of the US's heavy economic aid to the State of Vietnam and its fervent backing of Diem in the face of British and French urgings that he be replaced, the importance to Diem of US backing for his election stand must have been considerable. Apparently encouraged by Dulles' strong support, Diem declared bluntly on 21 September that there could be "no question of a conference, even less of negotiations" with the DRV.[137]

It should be clear that despite the apparent unwillingness of the State of Vietnam to take any steps toward elections, the DRV during the first year after Geneva had been making extensive preparations in anticipation of the elections and had had at least some reason to think that Diem might be forced into accepting them. Even after Diem's refusal to permit a consultative conference, the DRV still had cause to hope that the elections would be held. The continuing instability of Diem's position offered a possibility that more conciliatory elements might accede to the leadership. And the DRV probably was conscious of a considerable amount of international support for its position that either the French or the State of Vietnam, one or the other or both, should be held responsible for ensuring that the Geneva Agreements were implemented in the southern zone. Accordingly, the DRV continued its efforts to prepare for elections and to press for a consultative conference. Two approaches were employed: the intensification of propaganda work in the south and the appeal for international assistance.

The principal step taken to intensify its campaign to rally popular support in the south for reunification elections was the formation in September 1955 of the Vietnam Fatherland Front, which incorporated the Lien Viet. The platform of the Fatherland Front set forth in some detail the DRV's understanding of how the peaceful reunification of Vietnam by elections should proceed. It called, in effect, for a sort of federation. Through "free, general elections, organized on the principle of universal, equal and secret ballot," a unified national assembly was to be chosen. The assembly, which was to be the highest legislative body of the state, would elect a central coalition government. The platform emphatically stated that it was necessary to take into account differences between the two zones. Thus there was to be set up in each zone a People's Council and an administrative body with wide powers. Those organs would have the right to promulgate local laws consistent with the characteristics of the zone concerned and not at variance with common national laws. Normal economic, cultural and social relations were to be immediately restored between the two zones. The armed forces were to be integrated gradually and through negotiations. Agrarian reform policies in the south were expected to differ from those in the north; in the former region the government would "requisition-by-purchase" properties of landlords for distribution to the peasantry. The platform insisted that there should be no attempt "by either side to annex or incorporate the other." [138]

The Fatherland Front platform was quickly made the program of the DRV government. Dong, in a report to the Fifth Session of the National Assembly in September 1955, warmly embraced the platform as the "basis" and the "method" by which national unity could be achieved. Dong declared that the Fatherland Front program opened up "a new stage . . . of complex and difficult political struggle. . . ." Plans to use the Fatherland Front program as the basis of an extensive campaign to rally support for the consultative conference were also made clear. The program was to be given the most extensive dissemination. All political parties, people's organizations, and "representative personalities" in both zones were to establish contact and exchange ideas on the program so as to create a nationwide movement demanding that the Southern authorities hold consultations on elections.[139] Broadcasting over Radio Hanoi and working through Viet Minh cadres who had stayed in the south, a number of organized demonstrations were held to persuade Diem to open consultations with the DRV.[140]

A good part of the DRV's propaganda effort was devoted to attacks on the October 1955 referendum and the March 1956 constituent assembly elections held in the south. An effort was made to encourage the populace to boycott the elections. Strikes were staged, and demonstrations were held.[141] The DRV denounced the elections as a violation of the Geneva Agreements and a "farce," insisting that South Vietnam was not a country.[142]

Although the DRV may have had some confidence that strong popular support for the holding of elections would compel the southern government to cooperate,[143] it is probable that Hanoi placed more hope in its appeals for international action to force Diem's compliance with the Geneva Agreements. The DRV looked to the co-chairmen, especially

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[124] The text of Diem's talk is in Republic of Vietnam, *The Problem of Reunification of Viet-Nam* (Saigon: Ministry of Information, 1958), pp. 30–31.

[125] *New York Times*, 19 July 1955.

[126] Murti, *Vietnam Divided*, p. 184..

[127] *Ibid.*, p. 189.

[128] *Ibid.*, p. 185.

[129] *New York Times*, 9 August 1955.

[130] *New York Times*, 10 August 1955.

[131] *New York Times*, 23 July 1955.

[132] See Ngo Ton Dat, "Geneva Partition and the Question of Reunification," pp. 389–390.

[133] *Ibid.*, p. 390. See also Murti, *Vietnam Divided*, p. 186.

[134] See *the Times* (London), 11 August 1955. According to *The Times*, British officials were unhappy that Diem seemed "determined to go on finding excuses for postponing election talks" with the Viet Minh. The British had already taken pains to dissociate themselves from any expression of support for Diem such as that given by Dulles. See *New York Times*, 10 August 1955.

[135] Quoted in Ngo Ton Dat, "Geneva Partition and the Question of Reunification," p. 391.

[136] Whereas France and Britain had publicly called for consultations, the US, at least prior to 22 July, had only expressed "unofficially" the "hope" that Diem would meet with the Viet Minh. But the US had not formally suggested to Diem that he do so. *New York Herald-Tribune*, 22 July 1955, cited in *ibid.*, p. 380. On 23 July, the *New York Times* accurately described the US position as "obscure." The *Times* had already, on 21 July, altered its previous line and given editorial support to Diem's 16 July stand: "We must not be trapped into a fictitious legalism that can condemn 10,000,000 potentially free persons into slavery. . . . The agreements do not necessarily have to be abrogated but they should at least be scrutinized with the sharpest eye."

[137] Lancaster, *Emancipation*, p. 372.

[138] See *Viet-Nam Fatherland Front* (Hanoi: Foreign Languages Publishing House, 1956), pp. 19–22.

[139] *Ibid.*, pp. 11–12, 29, 34–45.

[140] Murti, *Vietnam Divided*, p. 196.

[141] See *Facts and Dates*, pp. 37, 38, 52, 54, 55.

[142] Vietnam News Agency dispatch, 1 May 1956.

[143] Alex Josey, "Will Ho Chi Minh Unite Viet Nam?" *Eastern World* (London), November 1955, p. 16, reports that the DRV leaders were confident that the desire of nationalists in the south for unity would eventually force Diem to yield. Josey talked with Ho, Dong, and General Vo Nguyen Giap, army chief of staff.

the USSR, to put pressure on Diem. Roughly a week after Diem's 9 August refusal to accept the DRV's invitation to hold consultations, Dong sent a letter to the co-chairmen reporting the situation and requesting that they take "all necessary measures to ensure . . . the immediate convening of the consultative conference. . . ." Despite France's disclaimer, in a June note to Hanoi and the ICC, of any responsibility for bringing the south into consultations with the north,[144] Dong demanded that France and the State of Vietnam guarantee the implementation of the agreements.[145] Nehru also intervened at this point, expressing to Eden and Molotov the hope that they could induce Diem to cooperate.[146] In September Molotov gave the DRV weak support in a UN speech. He said he felt "entitled to expect" that steps would be taken to prevent a "breakdown" of the consultations and called such steps "essential, if the general elections are to be held within the prescribed time limit. . . ." [147] On 31 October Chou En-lai informed the co-chairmen of his support for the DRV's August letter.[148] In November 1955 Dong again approached Molotov with a request that the co-chairmen take action, and again the USSR's response was mild.[149] Molotov called on the French to inquire about their position on elections and expressed his concern about the State of Vietnam's attitude.[150] He also met with British Foreign Secretary Macmillan at Geneva. The British, who had stated in August that they did not believe the State of Vietnam could continue indefinitely to refuse consultations,[151] said that they still favored the elections. Macmillan reportedly told Molotov that chances for holding the elections might be better after the Saigon government elected its constituent assembly.[152] On 20 December the co-chairmen reported the delivery of the various messages they had received to the members of the Geneva Conference and said they would be "grateful" to receive comments and suggestions.[153] By the end of 1955, it is likely that the DRV's hopes of obtaining action by appealing to the co-chairmen had been greatly diminished.

At the end of January 1956 an innovation was introduced into the DRV's campaign for international aid in bringing the Diem regime to discuss elections. In response to the co-chairmen's December request for suggestions, Chou En-lai proposed the reconvening of the 1954 Geneva Conference, adding the members of the ICC.[154] On 14 February 1956 the DRV also proposed a new Geneva Conference in a note to the co-chairmen.[155] A week later the Indian government wrote to the co-chairmen to express its support of all initiatives aimed at ensuring the fulfillment of the Geneva Agreements.[156] On 18 February the Soviet Foreign Ministry delivered a note to the British embassy, supporting the proposals made by China and the DRV and urging that the co-chairmen inform the conference members of their common belief that a new meeting was needed. The British reply on 9 March suggested that it would be premature to propose a full conference until the views of other countries had been clarified, but proposed that the co-chairmen meet to discuss the situation. On 30 March the USSR reasserted its support for a new conference but also agreed to meet first with the British. The tone for the upcoming Anglo-Soviet meeting was set by a British note sent to the USSR on 9 April. Restating London's belief that the Diem government should agree to consultations but denying that it was legally bound to do so, the British note urged that the maintenance of peace be regarded as the "paramount objective."

The meetings that were held in April between the Soviets and the British produced what must have been a disappointing result for the DRV.[157] The co-chairmen showed more concern about the maintenance of peace in Vietnam than about the country's reunification in their message issued on 8 May. They expressed their concern about the situation and strongly urged the authorities of both Vietnamese governments to ensure the implementation of the political provisions adopted at Geneva. Both governments were: "invited to transmit to the Co-Chairmen as soon as possible, either jointly or separately, their views about the time required for the opening of consultations on the organization of nation-wide elections in Viet-Nam and the time required for the holding of elections as a means of achieving the unification of Viet-Nam."

But the real concern of the co-chairmen was apparent in their statement that pending the holding of elections they attached "great importance" to the maintenance of the cease-fire.[158]

The DRV responded first on 11 May 1956 by dispatching another letter to Diem, citing the co-chairmen's message and requesting the start of consultations, but also pledging to maintain peace.[159] On 4 June Dong replied to the co-chairmen. He repeated the DRV's readiness for immediate consultations and requested that the co-chairmen take the necessary steps to bring them about. He also delcared that he would again seek a new Geneva Conference if the southern government maintained its "negative attitude" toward consultations and elections.[160] There was, of course, no question as to what Diem's position would be. After winning his self-proclaimed referendum against Bao Dai the preceding October and declaring a Republic of Vietnam, Diem insisted that he now had a popular mandate not to proceed with unification elections.[161] Diem even told a British correspondent in March that he did not want unification until the south had been strengthened and popular disillusionment had weakened the north.[162] One of the first acts of the newly-elected constituent assembly in March was formally to denounce the Geneva Agreements.[163] Thus, when on 29 May the Diem government answered the co-chairmen's message, it simply reaffirmed its prior position that "the absence of all liberty in North Vietnam makes the question of electoral and pre-election campaigns practically unattainable for the moment." [164] Diem received ardent support from the U.S. in a speech delivered by Walter S. Robertson, Assistant Secretary of State for the Far East, before the American Friends of Vietnam on 1 June.[165] The 20 July deadline for elections passed.

Hanoi's willingness to let the 1956 deadline pass without incident should not be taken as a sign that the DRV's interest in reunification through elections had diminished. That Hanoi was still under heavy pressures to achieve reunification seems clear enough. The Viet Minh's strong commitment to national unity through years of hard fighting against the French has already been mentioned. Furthermore, North Vietnam, traditionally a food deficit area, could not hope to lead a truly independence existence. Vietnam is an economic unity; the two halves complement each other. Without access to southern rice, the DRV leaders faced the prospect of an uncomfortable dependence on Chinese

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[144] *New York Times*, 21 June 1955. It was reported in the *Economist*, 16 July 1955, that the Viet Minh were in the ironic position of appealing to the French to leave their troops in Vietnam to ensure observance of the Geneva Agreements.

[145] Murti, *Vietnam Divided*, p. 190. Dong's letter to the co-chairman (text in Cmnd. 2834) produced no results. On 16 September the British Foreign Office announced that the USSR had handed over the DRV's letter to co-chairman to India. On 20 September Britain transmitted the letter to the other members of the Geneva Conference. *Facts and Dates*, pp. 34–35.

[146] Lancaster, *Emancipation*, p. 371. Again on 7 September Nehru and Krishna Menon spoke in support of the DRV. *Facts and Dates*, p. 33. According to the *New York Times*, 27 August 1955, Nehru had already held that the State of Vietnam was bound as a "successor regime." In an aide-memoire sent to the co-chairmen on 14 June 1955, India had called on Britain and the USSR to issue a request that the DRV and the State of Vietnam begin consultations. The aide-memoire noted that the French had "transferred their sovereign authority" in the south subsequent to the signing of the Geneva Agreements. Thus, asserted the aide-memoire, the representative authorities to whom the election provision applied were the DRV and, "in virtue of Article 27, the State of Vietnam which has taken over the civil administration in South Vietnam from the French authorities." Text of the aide-memoire is in Cmnd. 2834.

[147] *New York Times*, 24 September 1955.

[148] Cmnd. 2834.

[149] Lancaster, *Emancipation*, p. 372.

[150] *New York Times*, 5 November 1955.

[151] *New York Times*, 10 August 1955.

[152] *New York Times*, 15 November 1955. This view, surprising in light of the DRV's tendency to see such "separatist" elections as a major bar to reunification, was also maintained by *New York Times*, 5 February 1956. The probable assumption was that a strengthened Saigon regime, holding a popular mandate, might be in a stronger position to negotiate with the north.

[153] Cmnd. 2834.

[154] *New York Times*, 31 January 1956.

[155] *Facts and Dates*, p. 51.

[156] *Ibid.*, p. 52. Nehru strongly supported the DRV, stressing that since Diem accepted the benefits of the Geneva Agreements, he should undertake the responsibilities. See *ibid.*, p. 53.

[157] The letter was hailed as a triumph in the south. *Ibid.*, pp. 71–72.

[158] Texts of the various notes mentioned above are in Cmnd. 2834. It has been noted by Ngo Ton Dat, "Geneva Partition and the Question of Reunification," pp. 404–405, that the British insistence that elections be held on time had declined after the start of 1956. He attributes this change to a "desire to achieve unity of policy" with the US, an appreciation of the progress made by Diem in establishing order, and apprehension about the growth of DRV armed strength.

[159] Vietnam News Agency dispatch, 12 May 1956; also *New York Times*, 13 May 1956.

[160] Ngo Ton Dat, "Geneva Partition and the Question of Reunification," pp. 410–411.

[161] *New York Times*, 26 October 1955. Bao Dai had denounced Diem's action in holding the referendum as one which would render reunification through nation-wide elections impossible.

[162] *The Times* (London), 12 March 1956, cited in Murti, *Vietnam Divided*, p. 190.

[163] *New York Times*, 9 March 1956.

[164] Ngo Ton Dat, "Geneva Partition and the Question of Reunification," pp. 409–410.

[165] *Ibid.*, p. 412.

food supplies.[166] The DRV was under significant pressure as well from Viet Minh troops from the south who had been regrouped in the north and told they would be returning to their homes after the 1956 elections.[167] A similar source of embarrassment was the group of Viet Minh cadres who had stayed behind in the south.[168] Cultural and social pressures for a normalization of relations with the south were also of some importance.

There is good evidence that elections were still the means by which Hanoi sought to accomplish reunification. Throughout the year following Diem's refusal to hold consultations, DRV leaders had continued to maintain in uncompromising terms the paramountcy of the struggle for reunification through elections. Dong had said in September 1955 that there could be "no other alternative" than the holding of the elections as prescribed in the Geneva Accords.[169] In April 1956 Truong Chinh reaffirmed the policy of working for national reunification through elections. Recognizing the difficulties encountered, Truong Chinh noted that there were "some people who do not believe in the correctness of this political program and of the policy of peaceful reunification of the country, holding that these are illusory and reformist." But, asserted Truong Chinh, the recent declarations of the Soviet Union's Twentieth Party Congress concerning the peaceful transition to socialism had provided "new reason to be confident" about the policy of relying on elections.[170] In May Dong referred to the national reunification effort as "the sacred struggle of the Vietnamese people in the present historical phase." He expressed confidence that the country still could be united through peaceful means.[171] In July Ho was asked in an interview what would happen if no elections were held. He answered: "In that case, the Vietnamese people will continue to struggle with greater energy to have free general elections held throughout the country, for such is the most cherished aspiration of the entire Vietnamese people. . . ." When the idea that both Vietnamese governments might be admitted to the UN was mentioned to him, he replied negatively, insisting that: "Vietnam is a whole from the North to the South. It must be unified. It cannot be cut in two separate nations any more than the United States can be cut into two separate nations."[172]

Another sign that the DRV still was sincerely interested in elections is the report of Hanoi's effort to win Diem's agreement to elections by offering to postpone them. On a number of occasions in 1955 and 1956 and through several intermediaries, the DRV leaders informed Saigon of their willingness to postpone the plebiscite and to appeal to a foreign arbiter.[173] If the DRV had viewed the election provision merely as a propaganda device to embarrass the Diem regime, it surely would have insisted on Diem's keeping the original date. Hanoi's apparent reasonableness on the subject probably reflected a hope that Diem would agree to elections one, two, or three years hence, thus committing himself and enhancing the DRV's chances of ultimately gaining peaceful reunification.

The reason for Hanoi's continued advocacy of elections is not hard to understand. The DRV originally had favored elections because it expected to win, and in 1956 it could still be confident of victory. At the root of that confidence perhaps was the knowledge that the north's population exceeded that of the south by two or three million (out of roughly 30 million total). But the expectation of a DRV victory cannot be explained solely or even principally in terms of the northern majority. Reports of the south's poor prospects in the election rarely laid the cause at the lack of a free vote in the north which would make a Communist victory automatic. The strong support for the Viet Minh in the south is a crucial factor which simply cannot be ignored. Some observers believed that the Viet Minh actually was stronger south of the 17th parallel than in the north.[174] During the two years after Geneva there was reason to believe that the Viet Minh's electoral strength in the south remained considerable.[175] Thus, an 8 October 1955 *Economist* article stated:

"The mass of the people in the south favor the Communist regime in the north, but for reasons of nationalistic sentiment rather than because of any doctrinaire attached to Communism. They have been strengthened in their allegiance since Geneva by the high-handed and inept actions of Diem. The kind of argument one hears is that the choice lies between an efficient dictatorship in the north and an inefficient dictatorship in the south."

The *Economist* also perceived a significant swell of support in the south for the holding of reunification elections:

"Many Vietnamese in the south have been criticizing Diem for his refusal to meet the Viet Minh leaders for discussions about the organization of national elections. There may well develop a really spontaneous and massive demonstration by the people of southern Vietnam to demand elections. Mr. Diem will then be faced with the choice of acceding to their demands, and certainly lose the election, or of opening fire on his own people and being overthrown by force."[176]

Although by the spring of 1956 Diem had indeed strengthened his control of the government beyond what most had thought possible, it is important to remember that Diem's remarkable achievement in eliminating his rivals for political power in Saigon did not mean he had acquired the broad base of popular support needed for success in a free election;[177] on the contrary, he had done little to win such support.

Despite the evidence that the DRV was rightly confident of victory in the elections, some have maintained that the DRV's willingness to allow the 1956 deadline to pass without incident suggests that Hanoi had by then lost real interest in the elections because of the problems encountered in its land reform program. This argument ignores several facts. It was not until the summer of 1956 that the DRV leaders came to realize that they were confronted by a severe internal crisis.[178] On 17 August Ho admitted that errors had been made. The Nghe An peasant uprising, the most spectacular manifestation of discontent in the countryside, did not occur until November. Thus, the DRV's policy on how to react to the passing of the July deadline was certainly formulated and probably executed before the gravity of the agrarian problems was known.

Furthermore, while it would be wrong to minimize the seriousness of the difficulties faced by the DRV in late 1956, it does not necessarily follow that Hanoi was significantly less willing to hold reunification elections. Even after the extent of the land reform failure became clear, the DRV continued to seek the co-chairmen's intervention to force the Diem government to fulfill the Geneva Agreements. On 15 August Dong sent a note to the co-chairmen approving the USSR's 21 July proposal that the co-chairmen recommend that Diem immediately set a date for consultations and elections. Dong insisted that Saigon could not continue to speak of unity while refusing to discuss elections and renewed his demand that a new Geneva Conference be convened if Saigon failed to comply. As a further sign of his sincerity, Dong pledged that if there was an agreement to hold elections, all questions connected with their organization and supervision would be submitted to both sides for mutual agreement.[179] And on 22 November,

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[166] Possible evidence that the DRV leaders were unhappy at this prospect is available. In late 1954, the DRV reportedly delayed its aid negotiations with China several months in an effort to work out an arrangement with France. Though an agreement was reached, French concerns and technicians proved unwilling to remain in the Communist zone. *New York Times*, 1 January 1955. Sulzberger suggested that Ho, fearful of Chinese domination, might seek to play off China against France and to act as a sort of "Communist Nehru." *New York Times*, 13 November 1954.

[167] *New York Herald-Tribune*, 29 August 1956.

[168] It should be remembered that the Geneva Agreements required the regrouping only of military forces, not of all supporters of one side or the other. There is no evidence that the DRV made any effort to encourage civilians to move north, and, in view of the Viet Minh's expectation that the country would be reunified by elections, there was no reason to do so.

[169] *Fatherland Front*, p. 41. See also Ho's 2 September 1955 speech, *ibid.*, pp. 44–45; Ho's New Year's Day 1956 appeal for intensification of the struggle for consultations, *Facts and Dates*, p. 47; and Ho's 6 July speech, Vietnam News Agency dispatch, 6 July 1956.

[170] Vietnam News Agency dispatch, 29 April 1956.

[171] Vietnam News Agency dispatch, 1 May 1956.

[172] Vietnam News Agency dispatch, 12 July 1956.

[173] Lacouture, *Between Two Truces*, p. 68.

[174] Ellen J. Hammer, *The Struggle for Indochina Continues* (Stanford: Stanford University Press, 1955), p. 22.

[175] On Viet Minh strength in the south during the first year after Geneva, see *New York Times*, 24 October 1954, 23 December 1954, 31 December 1954, 20 May 1955, 8 June 1955, 23 June 1955, 17 July 1955.

[176] See also *Eastern World* (London), November, 1955, p. 11, which reported that Diem's refusal to consult on elections had alienated liberal elements in the south who feared that a failure to meet with the north would produce a new war. The article also reported widespread opposition to Diem among the peasantry, stemming particularly from Diem's failure to institute land reforms.

[177] An editorial in *The Times* (London), 9 March 1956, summarized Diem's achievement in this way: "The liberal intellectuals have been silenced in one way or another; the gangster organization of the Binh Xuyen has disintegrated; the Cao Dai General Nguyen Than Phuong has brought his forces over to the Government and deposed his 'pope.' By no means all of the countryside is firmly administered by the Government in Saigon. But at any rate organized armed resistance has been ended. . . . A year ago Mr. Diem refused national elections on the grounds that there was no guarantee of democratic freedom in the north. If he has asserted his own power by equally undemocratic methods, it has nevertheless been asserted."

[178] Bernard B. Fall, *The Two Viet-Nam* (New York: Praeger, 1964), p. 155.

[179] *New York Times*, 15 August 1956.

just days after the Nghe An uprising, the DRV and China issued a joint communiqué condemning the Saigon regime and the US for prolonging Vietnam's division and demanding that the members of the Geneva Conference take action to ensure the implementation of the Agreements. Although this communiqué probably was primarily an effort to extract further action from the USSR, it may also have been issued in the hope that Britain, then on very bad terms with the US because of the Suez crisis, might reverse its earlier stand on the issue of elections in Vietnam.[180]

Finally, it should be pointed out that the north's anticipated margin in the elections was such that it is hard to imagine that discontent about the land reforms could have seriously threatened the DRV with defeat in the elections. Many of the DRV's problems stemmed from the country's division, and one would expect that under those circumstances pressure for reunification would increase, not decline. While reunification would not have solved the land reform problems, it would have relieved economic and social pressures[181] thereby removing some of the causes of tensions in the countryside. It really is hard to see why the DRV would have reacted by losing interest in the elections to problems some of which might have been at least partly alleviated by reunification.

The fact remains that the DRV did allow the election deadline to pass without undertaking drastic action. Many were surprised at the restraint shown by the DRV in the face of the frustration of what it felt were its legitimate calims. In view of the fact that recourse to violence eventually was taken, it is important to understand that throughout the two-year period there was an expectation that Diem's failure to allow elections might lead the DRV to violence, and, many said, such a course on the DRV's part could not be considered wholly unjustified. Immediately after the Geneva Conference, the *New York Times* had remarked that if the scheduled elections did not take place, the Viet Minh would have "a good excuse for making trouble."[182] On 16 July 1955 the *Economist* asserted:

". . . no western representative can possibly advise Diem to refuse to confer with the Viet Minh. To do so would be to invite either Communist-inspired civil disturbances in the South, or, eventually, a military attack which the nationalists would face without allies in the field."

On 21 April 1956, as the deadline approached, the *Economist* warned that Diem's refusal to participate in elections "constitutes a provocation to the Viet Minh to launch a war against the Nationalist south. . . ." And the *New York Herald-Tribune*, writing after the passing of the deadline, said: "These [southern Viet Minh] underground workers had doubtless expected to play a decisive role in the election that never came off. Now their only future is subversion."[183]

Though it ultimately did respond to Diem's "provocation," why did the DRV fail to do so in 1956? The DRV's failure to renew hostilities undoubtedly reflected at least to some extent its reluctance to engage in another war without having recovered from the considerable devastation of the first. But perhaps more important was the unwillingness of the Russians or the Chinese to support such a move. There was, in effect, a basic conflict of interests between the DRV and its Communist allies. The Soviets were not eager to establish the precedent of free elections in divided countries for fear that the West would insist on applying the same principle to Germany and Korea, where a Communist victory was unlikely. Most important, the Soviets were anxious to avoid a major war. The SEATO umbrella over Indochina and the U.S. government's strong support for Diem clearly made the consequences of a DRV attack uncertain; Vietnam apparently was too far from the USSR's central interest to be worth such a risk. Perhaps the most striking example of the USSR's willingness to sacrifice the DRV's interests for its own was Moscow's 1957 proposal that, as part of a package deal to include the two Koreas, both parts of Vietnam should be admitted to the UN.[184]

Though the Chinese were more deeply concerned than the Soviets about the future of the DRV, Vietnam was still much less important to Peking than other questions, particularly Taiwan. China, like the USSR, was in the midst of promoting a policy of peaceful coexistence and detente; like Moscow, Peking was probably unwilling to sacrifice that policy for the sake of Vietnamese reunification, even under Communist auspices. Furthermore, if Peking's fear of a major war in Indochina had led Chou En-lai to urge moderation and compromise on the Viet Minh at Geneva, that fear of war probably was at least as great in 1956 as it had been in 1954. Finally, it is even possible that Peking preferred a divided Vietnam, keeping the DRV dependent on China for its food supply.[185] In any case, however inviting and however justifiable an invasion of the south might have seemed to Hanoi's superior army, the DRV's economic dependence on its Communist allies, especially China, would have been a severe restriction on any plans to move against the south.[186] It is quite likely that the DRV was wary of involving itself in a situation in which it might have had to face both Diem and the U.S. without strong Chinese or Soviet support; such a situation would have jeopardized the very existence of the DRV.

It should be manifest that the DRV had a very serious interest in holding the 1956 elections, and that it did all it could, short of violence, to bring them about. But some will still discount the DRV's efforts and argue that Hanoi never could have permitted free elections because no Communist state has ever done so. This argument has been at the heart of the US and Saigon positions. It in essence holds that a Communist state is by definition incapable of ever permitting a free election.

There is reason to question the validity of that argument. Apart from the fact that the Geneva Agreements did not stipulate any preconditions on which the holding of elections would depend, it should be recalled that it was a generally accepted fact that the Viet Minh held substantial popular support which would have given it a victory even in "really free" elections. If a Viet Minh majority was anticipated by everyone, even President Eisenhower, is it reasonable to assume that the DRV would have felt it necessary to coerce its population or to rig the election in some way? If Communist governments have been known to rig elections, they have also been known to show considerable tactical flexibility in using whatever method seems to promise the greatest gain at the lowest cost. The simplest way for the DRV to gain control of all Vietnam would have been to permit free elections. To say that the DRV had an interest in permitting free elections is not to say that Communist governments in general would permit them or even that the DRV would always allow them, but only that the DRV might have allowed them in 1956 because it was confident of victory. To assume that every Communist state is under some sort of irrepressible compulsion to rig every election seems unwise. While no one really can say what the DRV would have done, it does not seem necessary to assume that the DRV would have rigged an election it could have won honestly just because other Communist governments, under different circumstances, have rigged them.

Besides the DRV's good prospects in a free election, it is surely of some relevance that the DRV responded to Saigon's accusations by spelling out its own understanding of "free elections" in rather more reasonable and realistic terms than Diem's insistence that the DRV disavow Communism.[187] On 6 June 1955, Pham Van Dong declared at a press conference that the DRV "stands for free general elections throughout the territory of Vietnam with all the guarantees nec-

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[180] This is suggested by Hinton, *Communist China*, pp. 338–339.

[181] See p. 39 above.

[182] *New York Times*, 25 July 1954.

[183] *New York Herald-Tribune*, 29 August 1956. For additional representative statements of the view that the south would either have to accept the elections or be prepared for a Viet Minh resumption of violence, see *New York Times*, 11 August 1955 (statement of the Canadian ICC Member) and 8 January 1956.

[184] The DRV, which opposed the admission of both Vietnams to the UN (see p. 41, above), never publicly acknowledged the Soviet proposal. Hanoi vehemently attacked Saigon's effort to gain admission alone, arguing that neither part of the country was qualified for membership; only a reunified Vietnam could join. Hanoi praised the USSR for its veto of the Saigon effort. See *New York Times*, 25 January 1957 and 31 January 1957; and Vietnam News Agency dispatches of 26 January 1957, 30 January 1957, and 12 February 1957. The Soviet proposal was rejected by the UN Special Political Committee by a vote of 45 to 12 (with 18 abstentions). The same committee approved the 13-power motion to admit the Republic of Vietnam by a vote of 44 to 8 (with 23 abstentions). Only the Communist countries voted against the Republic of Vietnam, while the abstainers included Yugoslavia, Afghanistan, Austria, Bolivia, Burma, Cambodia, Canada, Ceylon, Egypt, Finland, India, Indonesia, Israel, Jordan, Laos, Liberia, Libya, Morocco, Nepal, Saudi Arabia, Sudan, Sweden and Syria. No country breakdown is available for the vote on the Soviet proposal but it can probably be assumed that four of the 23 abstainers just listed joined the 8 Communist countries in support of the DRV. See United Nations General Assembly *Eleventh Session, Official Records*—Special Political Committee, 22nd Meeting, 30 January 1957, p. 105.

[185] The above analysis of Soviet and Chinese unwillingness to support a DRV renewal of hostilities is largely drawn from Brian Crozier, "The International Situation in Indochina," *Pacific Affairs*, XXIX, no. 4 (December, 1956), 311.

[186] *Ibid.*, 312–313. For details on the DRV's economic dependence on her Communist allies, see Brian Crozier, "Indochina: The Unfinished Struggle," *The World Today*, 12, no. 1 (January, 1956).

[187] There was an unofficial report in the Saigon vernacular *Ngon Luan*, 29 July 1955, which was somewhat more specific than Diem's statements about the north's need to put the country's interest ahead of Communism's, guarantee fundamental freedoms, etc. The report listed the characteristics the DRV must have to prove it was "democratic": "political opposition in the Government, basic freedoms for the people, army and police outside the control of the party, freedom of the press." Then the UN was to make an inspection to determine whether the DRV was democratic. Only at that point could elections be organized. Quoted in Murti, *Vietnam Divided*, pp. 186–187.

essary for the preparation, organization and conduct of general elections, in particular, guarantees of freedom of electioneering activities for all political parties, organizations and individuals." [188]

In September 1955 Dong further elaborated the DRV's understanding of free elections in a speech to the Fifth Session of the National Assembly discussing the program of the Fatherland Front. In Dong's words:

"The basic principles that govern these general elections are: general free elections throughout the country on the principle of universal, equal, direct and secret ballot. It is universal in the sense that all Vietnamese citizens, including army men and army officers, without distinction of sex, nationality, social class, profession, property status, education, religious beliefs, political tendency, length of residence, etc. . . . shall have the right to elect and be elected. It is equal in that every elector shall cast one vote, and all votes shall have equal value. It is direct in that the people will directly elect their deputies to the National Assembly, and not through any intermediary. It is secret in that the ballot papers are in closed envelopes. All the above-mentioned conditions are to ensure that the elections will be entirely free and there can be no interference, no threat that might prevent their electors from freely expressing their will.

"As stipulated by article 7 in the Final Declaration of the Geneva Conference, control of the elections shall be exercised by the International Commission for Supervision and Control. . . ." [189]

Ho Chi Minh, when asked about safeguards for free elections, replied: "This is a calumny by those who do not desire the reunification of Vietnam by means of free general elections. The Government of the Democratic Republic of Vietnam will guarantee full freedom of elections in the North of Vietnam." [190] Ho was more specific in two letters he wrote to the editor of *Nhan Dan*. On 17 November 1955, he elaborated his view of free elections:

"Free elections: All the Vietnamese citizens, male or female above 18 years old, regardless of class, nationality, religion, political affiliation, have the right to participate in the elections, to vote freely for the persons in whom they have confidence.

"Free candidature: All Vietnamese citizens, male and female above 21 years old, also with the above-mentioned non-restriction clauses, have the right to stand for election.

"Free Canvas: All Vietnamese citizens, whether from the North or the South, have the right to canvass freely throughout the country through conference, leaflets, press, etc. The Government of the North and the authorities of the South should ensure the liberty and the security for all citizens during their activities for elections.

"Method of Voting: Totally equal, secret and direct. In short, the Vietnamese people and the Government of the Democratic Republic of Vietnam shall ensure complete freedom and democracy to the nationwide elections (as provided in the Geneva Agreement)."

In his second letter, written on 25 February 1956, Ho proposed a method by which the Western nations could judge which part of Vietnam really had democratic freedoms. He offered to permit any number of representatives of the southern zone to campaign in the north. The DRV would guarantee their complete security and right to campaign freely and to distribute their electoral propaganda, provided the DRV's representatives were allowed to do the same in the south.[191]

Whether or not the DRV would have lived up to those conditions cannot be known. One can at least say that the conditions described above were exemplary of a free election. But the Saigon government and the US refused even to consider the possibility that the DRV could permit a free election; they argued that the lack of freedom in any Communist country made it impossible to hold a free election there. Yet, such concern about the absence of prerequisites for a free election seems not to have deterred the US from postponing free elections in Germany or Korea, where the non-Communist part of the country was certain to win.[192] In effect, the lack of freedom in Communist-ruled areas has been raised as a barrier to free elections only in Vietnam, where the Communists were expected to win, and not in divided countries where a Western victory was anticipated. It is hard to avoid the conclusion that the US was less concerned about the conditions of voting than about the likelihood of an unfavorable outcome.

Moreover, the unwillingness of the Saigon regime and the US to consider elections under such conditions as those proposed by Ho and Dong is, to say the least, ironic in view of the circumstances that characterized Diem's rule in general and the elections conducted under his aegis in particular. In August 1954 Diem established sedition courts to deal with cases threatening Vietnam's "national independence" and "public security," particularly with respect to acts aimed at "overthrowing the national government." [193] The arrest and imprisonment by the Diem regime of those who merely advocated free nationwide elections—among them the Saigon lawyer, Nguyen Huu Tho, later to become the leader of the National Front for the Liberation of South Vietnam—was a significant commentary on the credentials of the Saigon government to pass on whether the DRV was qualified to hold free election. With respect to freedom of the press, the Saigon government announced in late August that it was considering the "possibility" of abolishing domestic political censorship.[194] That possibility apparently was rejected. As the London *Times* (among others) pointed out, that suppression of opposition which was criticized in the north had already occurred in the south.[195] According to B. S. N. Murti, an Indian member of the ICC, various "mopping up" operations and repressive campaigns against former resistance members drove them to the jungles and eventually to guerrilla activity.[196] As Sulzberger described the situation in March 1955, the Diem regime was a "barren dictatorship," which could not expect to overcome the appeal of the Viet Minh with "unborn democracy and ineffective dictatorship." [197]

It is noteworthy that Diem's hastily arranged referendum between himself and Bao Dai in October 1955 probably was illegal, because Bao Dai, who had appointed Diem premier, withdrew his mandate several days before the referendum (the local papers failed to report that Diem had been dismissed).[198] Bao Dai also never agreed to participate in the contest. But the question of the election's legality is minor compared to other problems. The referendum reportedly was rigged by the premier's brother, Ngo Dinh Nhu.[199] Diem received 98.2% of the votes. The voting procedure itself seems not in the best tradition of secret balloting. The voter tore off one half of a picture ballot and put it in a sealed envelop.[200] One wonders what was done with the other half.

With respect to the March 1956 constituent assembly election, which the State Department praised as relatively "fair," [201] there were numerous restrictive provisions. The government kept the right to veto candidates of whom it disapproved. Campaign finances, transport, and propaganda were provided exclusively by the government. By a presidential decree of 11 January 1956 concentration camps were set up to house families of former Viet Minh supporters and current political prisoners. All opposition parties boycotted the election. Several independents had their candidacy suppressed. Suspected electoral opponents of the Diem regime were arrested. And once elected, deputies were to be immune from arrest only if they refrained from supporting the policies or activities of rebels or Communists.[202] An informative report of the conditions in which candidates operated in a Republic of Vietnam election is provided in an article by Nguyen Tuyet Mai, a candidate in the 1959 National Assembly elections. In her words: ". . . the essence of South Vietnamese politics is as totalitarian as the regime in the North which it so strongly decries." [203] As Robert Shaplen put it, the National Assembly chosen in 1956 and 1959 was a "completely controlled body." [204] Thus, even if one assumes the worst about the DRV's promises about electoral conditions, it seems questionable whether the election in the north could really have been much less free than that in the south.[205]

While it is impossible to speak with certainly of Hanoi's intentions, it seems undeniable that the DRV did almost everything possible to facilitate the holding of elections. From 1954 to 1956, the DRV behaved largely as one would expect a country sincerely interested in carrying out the Geneva Agreements' election provision to act. On the other hand, Diem, clearly conscious that he

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[188] *Ibid.*, p. 182.

[189] *Fatherland Front*, pp. 41–42.

[190] Vietnam News Agency dispatch, 12 July 1956.

[191] Both letters are from Murti, *Vietnam Divided*, pp. 187–188.

[192] One such proposal was made on 4 November 1955. The Western "Big Three" plus West Germany jointly proposed the holding of a free election in September 1956 to unite the two parts of Germany. *New York Times*, 5 November 1955.

[193] *New York Times*, 4 August 1954.

[194] *New York Times*, 31 August 1954.

[195] *The Times* (London), 18 August 1955.

[196] Murti, *Vietnam Divided*, p. 196.

[197] *New York Times*, 12 March 1955.

[198] Murti, *Vietnam Divided*, p. 141.

[199] Robert Shaplen, *The Lost Revolution* (New York: Harper, 1965), p. 129. That the referendum was rigged is also reported by Bernard B. Fall, "How the French Got Out of Viet-Nam," in *The Viet-Nam Reader*, p. 89. Scigliano, *Nation Under Stress*, p 23, suggests that the referendum "recalls elections in Communist states."

[200] *New York Times*, 24 October 1955. In fact, in a later election the Viet Cong capitalized on this procedure by announcing that anyone who could not produce an unused ballot picture of Diem the day after the election would be punished.

[201] *New York Times*, 11 March 1965.

[202] The above description of conditions in the constituent assembly elections is from Murti, *Vietnam Divided*, pp. 192–193.

[203] Nguyen Tuyet Mai, "Electioneering: Vietnamese Style," *Asian Survey*, II, no. 9 (November 1962) 11–18.

[204] Shaplen, *Lost Revolution*, p. 130.

[205] As Murti, *Vietnam Divided*, p. 188, points out, it is noteworthy that despite the enormous number of DRV complaints about the lack of freedom in the south, Hanoi never made this an issue with reference to the elections. This is another sign that the DRV was seeking elections, not a propaganda victory.

would lose the election, was under heavy domestic political pressure completely to eliminate the possibility of elections and thus to demonstrate that Communist rule was not "around the corner." [206] Diem's refusal even to consult probably also reflects a fear that the DRV might have agreed to any reasonable conditions he imposed. The conclusion seems inescapable that the 1956 elections were not held because the Diem government, with important US backing, was more interested in maintaining itself as a separate, anti-Communist government than in risking its survival to achieve the national unity to which all Vietnamese ostensibly were committed.

EPILOGUE—THE FAILURE TO HOLD ELECTION: SOME IMPLICATIONS FOR THE PRESENT

With the passing of the July 1956 deadline for elections, Hanoi began to stress that the struggle for reunification would be a long and arduous one.[207] The DRV continued to base its appeals on the election provision of the Geneva Agreements, holding both that the French (who had withdrawn their High Command in April 1956) were responsible for implementing the Agreements until they made arrangements for officially handing over that obligation to the Saigon government and that the Republic of Vietnam was already obligated as a "successor regime." [208] Efforts were made through 1960 to engage the Diem government in consultations about elections. In June 1957 Dong wrote to the Geneva Conference co-chairmen again calling on them to take steps to facilitate the holding of elections.[209] In July 1957, March and December 1958, July 1959, and July 1960 Dong addressed notes to Diem urging that he agree to the holding of a consultative conference to discuss reunification elections.[210] The DRV also sought to institute at least a normalization of relations with the south, which would permit Hanoi to trade for southern rice. Diem rejected all of Hanoi's offers, condemning them as "false propaganda." [211] The DRV consistently blamed Diem's refusals on pressure from his United States backers and, in the face of repeated rejections, continued until at least 1958 to pledge its determination to carry out more actively its efforts to reunify the country on the basis of "independence and democracy by peaceful means." [212]

It is important to understand that Hanoi continued to view reunification as a goal the legitimacy of which was assured by the Geneva Agreements. Inasmuch as Geneva had explicitly affirmed the unity of Vietnam and the non-political character of the demarcation line, the DRV leaders undoubtedly felt justified in continuing to hold that Vietnam was a single country, the reunification of which was essential.[213] Thus, Secretary Rusk is correct in pointing out that "Hanoi has never made a secret of its designs." [214] For Hanoi sees reunification not as an invidious "design" that should be hidden but as a legitimate national (i.e., encompassing all Vietnam) enterprise bearing the approval of all present at Geneva.[215] The extent and the character of Hanoi's efforts to promote reunification after 1956 are, of course, matters of the greatest controversy.[216] Although such questions are indeed important ones, it is not necessary to answer them in order to understand Hanoi's perspective on the present situation. Whatever the nature of Hanoi's involvement in the south and whenever it began, there can be no denying that eventual DRV efforts to "support" the "struggle" in the south were a direct consequence of Diem's refusal to permit the scheduled elections. From the history of Hanoi's unsuccessful efforts to bring about the holding of the 1956 elections, some implications can be drawn about the DRV's understanding of the present situation in Vietnam.

The history of elections sheds some illumination on the DRV's relations with the USSR and China. In a sense, the DRV's frustration in its efforts to achieve national reunification through elections was a result not only of the US's support of Diem but also of the unwillingness of the major Communist powers to exert strong pressure to secure the implementation of the Geneva Agreements. The ineffectiveness of Soviet and Chinese support cannot have failed to impress on Ho Chi Minh the disadvantages of dependence even on fraternal Communist countries. Any tendency to view Hanoi simply as an extension of the Communist power of Moscow or Peking must be considered in the light of the DRV's past relations with its allies. It seems safe to assume that the DRV's experience has reinforced Hanoi's disposition to follow a course independent of its Communist allies.

US officials have often expressed the view that Hanoi's failure to respond affirmatively to Washington's peace overtures proves that the DRV is not interested in a peaceful settlement of the war. But the DRV's experience in attempting to bring about the holding of the 1956 elections suggests that there may be other reasons for Hanoi's failure to respond to US negotiation offers.

In Hanoi there is a considerable reservoir of skepticism about any proposals emanating from Washington, and this attitude of distrust should not be hard to understand in view of the US role in support of Diem's undermining of the 1956 elections. The DRV's leaders are convinced that the US was

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[206] See, for example, *New York Times*, 17 July 1955, on Diem's awareness that he would lose and on the political pressures leading him to reject elections. Ellen Hammer, "Viet Nam, 1956," *Journal of International Affairs*, X, no. 1 (1956), 35, asserts that the fear of elections had a "paralyzing effect" on the Saigon government.

[207] See, for example, Vietnam News Agency dispatch, 2 January 1957.

[208] See *Seventh Interim Report of the International Commission for Supervision and Control, August 1, 1956–April 30, 1957* (London: Her Majesty's Stationery Office, 1957) [Cmnd. 335], and Vietnam News Agency dispatch, 10 January 1957.

[209] *Economist*, 29 June 1957.

[210] See *New York Times*, 21 July 1957; Vietnam News Agency dispatch, 9 March 1958; Vietnam Peace Committee, *Five Years of the Implementation of the Geneva Agreements in Vietnam* (Hanoi: Foreign Languages Publishing House, 1959), p. 8; and Devillers, "Struggle," 10.

[211] *New York Times*, 17 March 1958; see also *Problem of Reunification*.

[212] See, for example, *New York Times*, 17 April 1958.

[213] It should be noted that although the DRV has continued to insist on the importance of reunification, Hanoi has for some time maintained that even if the US were to withdraw, reunification would not come immediately. Lacouture reports (*Between Two Truces*, p. 246) that the DRV leaders had come to accept a delay of 10 to 15 years; since the start of US bombing attacks on the north, that timetable has probably been compressed somewhat, but even recently (*Doc Lap*, 14 October 1965) Hanoi has admitted that reunification must be "gradual." One must also consider the NLF's coolness toward early reunification (see Lacouture, *Between Two Truces*, pp. 173, 245–246). The NLF platform calls for reunification by "stages." An apparent lack of enthusiasm for reunification also was manifest when the NLF held its first congress in January 1962. It mapped out 10 points, and reunification was not among them. The congress also proposed the establishment of a neutral zone to include South Vietnam, Cambodia, and Laos. A pamphlet written by two DRV citizens native of the south discussing the NLF advocates a "Laotian solution" for South Vietnam. The pamphlet's principal mention of reunification is in a short section which begins by describing the problem as "particularly difficult." (See Tran Van Giau and Le Van Chat, *The South Viet Nam Liberation National Front* [Hanoi: Foreign Languages Publishing House, 1962], pp. 32, 34–35, 84 and 87. The pamphlet also contains the information on the NLF congress.) Ironically, US bombing of the north has had the effect of increasing the NLF's sense of kinship with the DRV. The increase in the NLF's emphasis on reunification can be seen by comparing the above pamphlet with the NLF statement in *We Will Win* (Hanoi: Foreign Languages Publishing House, 1965), published after the start of the bombing raids. Both Hanoi and the NLF have consistently favored an immediate "normalization" of relations between the zones, which would enable the north to tap southern food sources again.

[214] Speech before the American Society of International Law, Washington, D.C., 23 April 1965, in *State Department Bulletin*, LII, no. 1350, p. 698.

[215] In fact, Hanoi has sometimes seemed to betray a sense of embarrassment that it was not doing as much as it should to promote reunification. See, for example, Hanoi's effort to rationalize the "consolidation of the north" as an integral part of the reunification struggle. Vietnam News Agency dispatches, 31 December 1956 and 10 January 1957.

[216] Some analysts have asserted that the DRV's effort to foster a change in the southern government's attitude toward elections consisted essentially of "propaganda activities" until 1959. (See Scigliano, *Nation Under Stress*, p. 137, and *New York Times*, 2 May 1960.) Others have reported that the killing of village chiefs in the south began "within a few months" after the passing of the 1956 election deadline, although the murders are attributed to "stay-behind" Viet Minh, not infiltrators from the north. (See Fall, "How the French Got Out," p. 91.) Some very knowledgeable writers have argued that the adoption of violent methods by southern Viet Minh supporters came largely as a response to Saigon's repressive campaigns against them, an activity which the Diem government openly undertook as early as 1954 despite the Geneva Agreements' prohibition of reprisals against partisans of either side. Hanoi, that argument continues, feared becoming involved in a major war, but the southerners, subject to Diem's repressions, were unwilling to wait indefinitely; thus, in response to southern pressures culminating in the March 1960 meeting of "former resistance veterans," Hanoi that September agreed to endorse the formation of a National Liberation Front. (For a development of the view that Saigon's campaigns against Viet Minh supporters led to the start of civil war in the south, see Lacouture, *Between Two Truces*, pp. 53–54, Devillers, "Struggle," 11–20, and Murti, *Vietnam Divided*, p. 196. Concerning southern pressures on a reluctant Hanoi, see the Lacouture and the Devillers citations.) The State Department's view, of course, is that Hanoi sought first to overthrow Diem by encouraging its southern followers to terrorize the countryside, and that when this effort failed to topple Diem, the DRV launched "aggression" by sending infiltrators to seize the south and set up a puppet Liberation Front to conceal its aggression. (See the 1961 and 1965 white papers on Vietnam published by the State Department.)

instrumental in Diem's refusal to allow elections. Their attitude is well represented by this passage from an article in the army journal *Quan Doi Nhan Dan:*

"We demand the reunification of our land because for the last nine years the United States itself prevented any negotiation that would bring about a peaceful reunification of the two parts. Even now the United States still stubbornly considers the south as a 'separate country(!)' as it deliberately tries to prolong the division of our country." [217]

Can one really be surprised when US offers bring a response like this:

"Johnson proposed to solve the Vietnamese problem by free elections, and he considered this proposal . . . a concession. This is nothing new. A free election to reunify Vietnam . . . is a matter . . . clearly specified in the 1954 Geneva agreement. This election should have been carried out nine years ago, but it was precisely the United States which, through the instrumentality of its henchmen, sabotaged the execution of this provision . . . these proposals are deceitful tricks.". . .[218]

Furthermore, Hanoi's understanding of the nature of the war makes it very difficult for the DRV to accept US peace offers. The DRV leaders see Diem's refusal to implement the election provision and his attempt to create instead an international boundary at the 17th parallel as a central cause of the current conflict. To the DRV, the goal of reunification appears not as an aggressive design but as the legitimate fulfillment of the clear intention of the Geneva Agreements. Hanoi places considerable weight on the Geneva Agreements' explicit assertion that the 17th parallel was not to be construed as a political boundary. The merit of Hanoi's position on this question has been acknowledged even in the West. As the London *Times* put it in 1956: "There is the tacit American insistence that the Western powers party to the Geneva agreement should accept the *fait accompli* of a divided Vietnam. . . . For both France and Britain it means that the intention of the Geneva agreement will have been frustrated and a charge of bad faith may be raised." [219] Yet it is precisely on the acceptance of the notion that the 17th parallel constitutes a legitimate political boundary that the US interpretation of the war as "North Vietnam's aggression against South Vietnam" depends. The State Department's 1965 white paper on Vietnam makes this assertion: "In Vietnam a Communist government has set out deliberately to conquer a sovereign people in a neighboring state." It is impossible to conceive of "aggression" of one state against another, when there is no legal basis for the existence of more than a single state. To the DRV, the idea that South Vietnam is "a neighboring state" is an absurdity born of the US desire to retain a foothold in Indochina.[220] Thus Ho stated:

". . . it is a dishonest argument to say that the southern part of our country is a neighboring country separate from the northern part. One might as well say that the Southern states of the United States are a country apart from the Northern states . . . Vietnam is one, the Vietnamese people are one. . . . As sons and daughters of the same fatherland, our people in the north are bound to extend wholehearted support to the patriotic struggle waged by the people of the south." [221]

While Hanoi's assumptions about US intentions are certainly open to doubt, it is not so easy to dismiss the DRV's reasons for refusing to accept the US interpretation of the nature of the war.

When the US asks for "some sign that North Vietnam is willing to stop its aggression against South Vietnam," it is calling upon Hanoi to accept Washington's interpretation of the war. Washington is asking the DRV implicitly, if not explicitly, to admit having committed aggression, when to Hanoi it is quite clear that Saigon and Washington are the guilty parties—guilty of sabotaging the unity of Vietnam by refusing to allow the 1956 elections to take place. However much Hanoi may need and want peace, it is unrealistic to expect the DRV to admit, even implicitly, that it has been an aggressor, when the facts of the last decade tell it otherwise.

It is certainly beyond the province of this study to suggest what the US negotiating position should be. But several observations are possible about the prerequisites for successful negotiations. If the US wishes to understand and to deal effectively with its adversary in Vietnam, it must recognize the reasons for Hanoi's distrust of the US. Only if the roots and the intensity of Hanoi's skepticism about US peace overtures are fully understood by Washington can effective steps be taken to dispel Hanoi's doubts and prepare the way for effective negotiations. Furthermore, Hanoi is likely to remain unreceptive to peace proposals which treat the DRV as an aggressor being forced to the conference table by punitive US bombings. Any realistic approach to negotiations in Vietnam must give at least some consideration to the DRV's efforts to implement the Geneva Agreements' election provision and to the manner in which those efforts were frustrated.

[217] *Quan Doi Nhan Dan*, 27 September 1965.

[218] *Quan Doi Nhan Dan*, 23 September 1965.

[219] *The Times* (London), 9 March 1956.

[220] See the article by Do Xuan Sang, secretary general of the Vietnam Lawyers Association. The "shopworn plea" of Hanoi's "aggression" and refusal to abandon South Vietnam, he asserts, "precisely goes counter" to the basic principles of the Geneva Agreements. The attempt to build a separate state in the south is "out-and-out illegal" in view of the Geneva Agreements. Vietnam News Agency dispatch, 26 February 1966.

[221] Tass dispatch, 9 December 1965, and Vietnam News Agency dispatch, 8 December 1965.

REPORTS OF AMERICAN NATIONAL RED CROSS AND THE SALVATION ARMY ON SERVICES RENDERED AFTER RECENT KANSAS TORNADO

Mr. CARLSON. Mr. President, many organizations and individual citizens rendered outstanding service to the city of Topeka and eastern Kansas following the disastrous tornado which occurred on June 8.

The director of the American National Red Cross, Mr. Don Byers, has submitted to me a report of the services rendered by that organization to citizens affected by the tornado in eastern Kansas.

Maj. Lewis Forney, Topeka commanding officer of the Salvation Army, has also given me a statement of some of the services rendered by that organization following the disaster.

The American Red Cross and the Salvation Army are two organizations that can always be depended on when disaster strikes. These organizations have dedicated and trained personnel who are ready to serve at a moments notice.

The citizens of my State, and particularly those of eastern Kansas are indebted to the leadership and personnel of these outstanding and humanitarian organizations for their prompt and efficient service following the most destructive tornado in the history of our State.

I ask unanimous consent to print in the RECORD the report of the American National Red Cross and the report of the Salvation Army at Topeka, Kans.

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

REPORT TO SENATOR FRANK CARLSON ON RED CROSS ASSISTANCE TO VICTIMS OF THE EASTERN KANSAS TORNADOES OF JUNE 8, 1966

More than 16,000 disaster victims and relief workers received mass care in food, shelter and first aid: $64,228.

A total of 1,543 families received assistance in food, clothing and other maintenance (rent, auto repairs, et cetera): $164,206.

Seventy-eight families received assistance in the rebuilding or repair of their own home; fifteen dwellings were rebuilt or replaced; sixty-four were repaired: $118,765.

Four hundred and thirty-two families were assisted in the replacement and repair of household furnishings and household appliances: $125,537.

One hundred and twenty-one families received medical and nursing assistance, including doctor's bills, hospital bills, prosthetic appliances and prescription medicine: $28,535.

Twenty-four families received assistance in the purchase of tools and equipment to reestablish them in self-employed occupations: $7,835.

In total, 1,600 families received assistance in the total amount of $509,106 (subject to correction when deferred medical cases have been disbursed and all assistance in building and repair is concluded).

In addition, 350 families received counseling and referral assistance. Almost seven thousand welfare inquiries were investigated.

Cases in which full medical recovery has not been attained, and those in which building repairs have not been completed will continue to receive attention as long as Red Cross is required.

An estimation of statistics, after 11 days' service, tornado disaster service by the Salvation Army at Topeka, Kans. (date of disaster, June 8, 1966)

FOOD	
Emergency grocery orders	726
Meals served (8 locations) 11 days	141,000
Cups of coffee and cold drinks	700,000
Sandwiches	16,700
Doughnuts and rolls	26,400
CLOTHING	
Garments and bedding	185,000
Including sheets and pillow cases	2,300
Blankets	925
FURNITURE	
Gas stoves, refrigerators, dishes, bedroom and dining room furniture—chairs, tables, divans—small appliances, etc. (This distribution is in its initial phases and it is anticipated that many more such items will be issued within the next 60 to 90 days.)	200
Gasoline and transportation to families	191
PERSONAL SERVICES	
Number of families contacted	1,096
Persons temporarily sheltered	170
Missing persons inquiries	175
Nursing care	37
Grocery orders to individuals and canned food distribution	726
Gallons of milk	162
Trailer applications taken	47
Rental referrals	15

An estimation of statistics, after 11 days' service, tornado disaster service by the Salvation Army at Topeka, Kans. (date of disaster, June 8, 1966)—Continued

VOLUNTEER SERVICES

"SAC" unit—trained personnel in communications unit (hours)	4,800
Salvation Army officers serving in rotation system	55
Citizens of Topeka and the surrounding area	700
Vehicles driven by citizenry for disaster work	134

VOLUNTARY CLASSIFICATION OF MOTION PICTURES BY MOTION PICTURE ASSOCIATION OF AMERICA

Mrs. SMITH. Mr. President, on March 25, 1966—nearly 5 months ago—I expressed my concern to the Senate over the marked increase in the use of shameful, perverted themes in motion pictures being seen by America's small children. At that time I proposed a Senate special committee be formed to study the merits of a classification system. In this system either an industrywide, or governmental, or industry-Government board would certify domestic and foreign movies as to their suitability only for adults or, on the other hand, for the entire family. My resolution, Senate Resolution 242, was subsequently introduced and referred to the Committee on Commerce.

It was with genuine pleasure therefore that I read this week that voluntary classification of motion pictures is now close to being adopted as the guiding principle of the Motion Picture Association of America's revised Production Code.

I wish to offer my sincere congratulations to the new president of the Motion Picture Association of America, Mr. Jack Valenti, for this decision.

As I understand it, Mr. Valenti's action is directed toward those citizens, generally opposed to outright censorship, who have been leaning toward classification as the lesser of two evils. As the newspaper Variety phrases it:

> A system of voluntary classification, Valenti and his associates seem to think, can go a long way toward convincing these people that Government action is unnecessary, and that the motion picture industry is truly capable of self-regulation.

This idea, I might point out, already has strong support within the United States. Several nationally prominent, highly respected groups have long supported a classification system of one type or another for American motion picture theaters. These groups include the National Congress of Parents and Teachers, the Film Estimate Board of National Organizations, the American Jewish Committee, the Protestant Motion Picture Council, the National Legion of Decency, and the Schools Motion Picture Committee.

Mr. President, I shall be very interested in the outcome of Mr. Valenti's proposal. I understand that the date of September 6, 1966, has been set for a meeting of the board of the Motion Picture Association of America on the subject of voluntary classification of motion pictures.

I shall follow closely the results of that meeting.

I wish Mr. Valenti success in his efforts. Many Americans, at all levels of government, are keenly interested in his suggestion. Mr. President I would like to request that the news story from Variety, August 17, 1966, entitled "Classification on All Films" be inserted into the body of the CONGRESSIONAL RECORD at this point.

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

NEW HOLLYWOOD "ADULT" CODE—CLASSIFICATION ON ALL FILMS

(By Ronald Gold)

Voluntary classification of motion pictures, an idea long-discussed and long-opposed by the nation's major film distributors, is now close to being adopted as the guiding principle of the Motion Picture Assn.

In a confidential memorandum on the proposed Code, sent by new MPAA president Jack A. Valenti as "a springboard for discussion," the reasons for such a step are carefully outlined, and the necessity of the decision is laid squarely on the line as the only way to head off Governmental classification, a burgeoning trend in local communities around the country.

"If we are to keep the exhibitors with us," Valenti told the company toppers, "we must avoid (Government classification) at all costs now. We can tell the exhibitors, look, we have to do something about adult movies and this is the sensible way. If you will cooperate, we can together beat the local know-it-alls. But if you don't cooperate, we will sooner or later have to succumb to Governmental classification which lays the onus right squarely on your back."

Sept. 6 has been set for a board meeting on the Code revision, but Valenti's memo suggests that considerable discussion is still required to "define the boundaries beyond which responsible filmmakers, voluntarily will not go" (see separate story), but it is understood that the MPAA staff is hoping to have things ready to go by the fall.

Though work on a new Code has been in progress for many months (reports on a proposed draft appeared in Variety last October) the matter has been given high priority by Valenti, particularly since the time that the MPAA appeals board granted "exemptions" to the 30-year-old present Code: first to raw language in Warner Bros. "Who's Afraid of Virginia Woolf?" and later to the subject of abortion in Paramount's "Alfie." It is noted that "Woolf" is currently showing on a "no one under 18 without a parent" admission policy, and that "Alfie's" ads will have "adults only" tag.

Voluntarily classification system, according to Valenti's memo, would work as follows:

1. The distributors, in consultation with Code administrator Geoffrey Shurlock, will "label each picture that is catalogued *not* for the very young or impressionable middle youth as "For Mature Audiences."

2. This designation will run as part of all first-run print and broadcast ads, trailers and point-of-sale materials for theaters. (Only first-run advertising can be effectively controlled by the distributor.)

3. The MPAA's Green Sheet, summarizing reviews and ratings of various organizations, will be sent out by first class mail, individually addressed to the film editor of each daily paper, and the overall circulation of the Sheet will be expanded. Currently, mailing is third class, and addressee is the paper, not an individual.

4. The Association (most likely aided by Anna Rosenberg Associates p.r. firm) will start a campaign to get all dailies to run movie-logs, containing one-line reviews plus notice of "For Mature Audiences," designation where applicable.

5. Valenti and others in the industry will go out on the stump to "constantly impress on the public our determination to inform the parent—to insist that the 'For Mature Audiences' description does not mean sex—but rather subjects and treatment that parents ought not to display for their children." (Likely point here is to avoid the pitfall of a classification tagline being used as an ad line, as with Britain's "Xiest Picture in Town.")

Valenti's phrase "inform the parent" is emphasized over and over again in his memo as the major purpose of the classification system, and as an answer to those who, while approving greater emphasis on "adult" motion picture themes, have lamented the lack of proper guides for parents concerned with their children's viewing.

RESPONSIBILITY CLEAR

"In a world grown complex," Valenti told the presidents, "there are still truths which have not changed. The responsibility for telling the public about our product remains clear. And that responsibility must be aimed at the one person who in actual fact directs the path of our society: the parent . . .

"Therefore, the motion picture maker must inform the parent about the movie. Whatever happens after the parent is informed is the province of the parent, for no one else is either authorized or divinely anointed to demand, or order, or even to persuade the parent to do something he does not want to do. Thus, this Code, rewritten to fit the mores and customs of this age, directs its focus to the parent."

WITCH HUNTERS

As Valenti puts it in a section of his memo titled "Areas for Rebuttal," one of the chief objections to voluntary classification has been that "We will activate local witch-hunters who will say "If you can classify your own pictures, we can too—and besides you don't go far enough. We will add criminal sanctions by local ordinance." (The example of Dallas, where voluntary ratings led to state classification is often offered.)

"Possibly," Valenti answers. "But we still have all the sound legal weaponry on our side. Ours is voluntary—ours is not censorship. And ours goes to the heart of the problem—which is information to the parent. Anything beyond that is the noxious hand of corruptible censorship."

What the MPAA president seems to be saying is that the "witch-hunters" will be around no matter what you do, and they can be beaten in court. But the direction of the MPAA thrust is rather toward those responsible citizens, generally opposed to censorship, who have been leaning toward state classification as the lesser of two evils. A system of voluntary classification, Valenti and his associates seem to think, can go a long way toward convincing these people that Government action is unnecessary, and that the motion picture industry is truly capable of "self-regulation."

TRIBUTE TO SENATOR SIMPSON

Mr. BYRD of Virginia. Mr. President, one of the most beloved Members of the Senate will retire at the expiration of his present term. I refer to the distinguished Senator from Wyoming [Mr. SIMPSON].

The Senator from Wyoming has written a guest column for the syndicated

columnist, Holmes Alexander. The column is entitled "A Senator's Farewell." I ask unanimous consent that it be printed at this point in the RECORD.

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

[From the Northern Virginia Daily, Strasburg, Va., Aug. 16, 1966]

A SENATOR'S FAREWELL

(By U.S. Senator MILWARD L. SIMPSON)

WASHINGTON, D.C.—I deeply appreciate having this opportunity to write a guest column for my valued and respected friend, Holmes Alexander. Coming six months after my announcement that I would not seek reelection to the United States Senate, these observations appear in the twilight of my Senate service. Perhaps this is good because of the advantage of retrospect.

Whether one serves a single Senate term or a dozen, there is always more left undone than accomplished. The reality of unattained goals looms large before me as I enter the final five months of my Senate service.

If I am to leave the Senate with one firm conviction, it is that America today is discarding the greatest values of our Declaration of Independence, our Constitution, and our Bill of Rights.

The Congress, the Court, and the Executive branch, each in its own way, is helping to warp the marvelous balance described and decreed in these basic documents. This balance has formed the under-pinnings of our society for the nearly two hundred years of our existence as a nation. It is a balance achieved jointly through philosophy, division, and decentralization. It is a balance achieved by no other nation in all of recorded history.

Superficially, our country seems to be in robust condition. We are in our 56th month of unprecedented prosperity; wages, employment, and consumer buying are high; and the split-level home is still a fast-selling status symbol.

But there are better gauges than those with which to measure the well-being of a nation.

America was founded, not only on a belief in God, but as a direct result of a desire to worship God in a manner of independent choice. Into the Bill of Rights was written a guarantee that government would never establish a state religion or give dominance to a particular faith. We were to enjoy separation of church and state but, the Supreme Court notwithstanding, I maintain the First Amendment was not intended to bring about a separation of God and state. The attitude of a government toward the faith of the governed is a credible measure of the well-being of a nation.

An equally valid criterion is the attitude of the people toward those values which make our nation unique in the world; the values of freedom and peace, and of liberty and justice.

Americans in and out of government sometimes forget that these qualities were originally a part of our heritage, not for their own abstract value, but for their position on the scales of social balance. Freedom, in its pure form, is an ability to act without hindrance or restraint. Liberty, in its pure form, is the limit within which a certain amount of free choice may be exercised. And peace, in its pure form, is an absence of war or civil strife.

But as the creators of our nation conceived of them, freedom was to be balanced with restraint, liberty balanced with responsibility, and peace balanced with honor. Justice—equal justice under law—was to be the pivot of the scale on which these values would be weighed. Let us ask four questions about the condition of our American values:

(1) Can freedom be balanced by restraint in a society which accepts the late Adlai Stevenson's declaration that a jail sentence is a "badge of honor" or in which the Vice President seems to encourage a "revolt" of lawless masses?

(2) Can we have liberty with responsibility in a nation where local responsibilities are usurped by the federal government?

(3) Is a nation truly balancing peace with honor when it considers acquiescing in efforts by Red China to shoot its way into the U.N.; when it talks of negotiating in Vietnam even though the only points of negotiation are how much of a surrender is required?

(4) Can there be equal justice under law when the courts have become so concerned with the rights of the criminal that what Cicero, that great Roman jurist, termed the "highest law . . . the safety of the people," is disregarded?

Those who wrote our basic documents were cognizant that their work would be weighed on the scales of history. They were determined that they would not be found wanting in the balance which they would bring to the system. This balance—in division of powers, in philosophy, and in decentralization—gave us, not deterrents to sound and effective government, but the foundation for it.

Were I to remain in the Senate, an effort toward a re-creation of this balance would be my paramount objective. I pray that the intelligent, capable Americans who serve after me will be so motivated.

Mr. SIMPSON. Mr. President, I am quite surprised and most grateful and pleased by the introduction of the column into the RECORD by the Senator from Virginia. It is a gesture that I certainly did not anticipate. I feel quite humble and privileged.

Mr. BYRD of Virginia. I feel that the article which the Senator wrote is a remarkable one and that it should be made available to the American people.

Mr. SIMPSON. I thank the Senator from Virginia.

Mr. FULBRIGHT. Mr. President, I wish to associate myself with the statement just made with regard to the Senator from Wyoming. He has been a most pleasant adornment of this body. I regret very much that he will be leaving the Senate.

MILITARY RETENTION

Mr. HRUSKA. Mr. President, in March 1966, a study was prepared under the direction of the executive committee of the Peninsula Retired Officers' Club, Moffett Field, Calif., on the military career retention problem.

The study strongly shows the feelings of many military retirees that the United States has broken faith with them in regard to retirement benefits. This, it is suggested, explains in large part why military service has lost attractiveness for able men.

A. C. Wedemeyer, general, U.S. Army, retired, has written to me, enclosing the study, and commenting that he believed it to be a fair evaluation.

General Wedemeyer, a native Nebraskan, has given long and distinguished service to our country. Graduating from the U.S. Military Academy in 1919, he was commissioned a second lieutenant in June of that year and in time advanced to the grade of general. He has had diversified experience: Commander of the China theater; commanding general of the 2d Army; Director, Plans and Operations Division, General Staff; Deputy Chief of Staff for Plans and Combat Operations; and commanding general of the 6th Army.

General Wedemeyer's military career was an illustrious one. He is eminently qualified and his counsel demands our attention. In his letter to me, the general stated:

In my judgment it is vital that we maintain an effective hard core of highly trained, well-equipped, professionals.

With the thought that it cannot fail to alert Members of the Senate to a serious and immediate problem, I ask unanimous consent that the study be printed in the RECORD, following General Wedemeyer's letter to me.

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

BOYDS, MD.,
August 17, 1966.

Hon. ROMAN L. HRUSKA,
U.S. Senate,
Washington, D.C.

DEAR ROMAN: The attached makes a rather impressive and I believe fair evaluation in connection with the attitude of responsible government agencies, including Congress, toward those who follow the military service as a profession. In my judgment it is vital that we maintain an effective hard core of highly trained, well-equipped, professionals. Regardless of the money or emoluments given to them, there are certain perquisites that have always been associated with the military service which strongly affect morale, as the enclosed memorandum so clearly reveals.

All good wishes.

Ever faithfully,

A. C. WEDEMEYER,
General, U.S. Army (Retired).

NATIONAL DEFENSE—A PROBLEM OF WANING FAITH

(A study prepared under the direction of the Executive Committee of the Peninsula Retired Officer's Club, Moffett Field, Calif., March 1966)

In the coming months, thousands of wives and mothers will "commit" their sons to the dangers in Viet Nam. This commitment will be involuntary in a personal sense; in a National sense, the demand that our men be exposed to the dangers of warfare is an obligation of citizenship.

Today all too many citizens look upon military service as something to be avoided. When once committted, a sufficient number of men perform enough deeds of bravery so that some of their fellow citizens do indulge the thought that there is privilege and honor in serving one's country.

The core of battle success in the United States is the professional officer and enlisted man, charged with the leadership of less experienced troops. The depth of morale, the training, and experience of these professionals are the final determinants in the balance of "success" or "failure" of military action.

The citizenry seldom recognizes these vital elements of this balance. It is the loss of life in battle which is the sole unreplaceable "cost" of a battle. Cities can be rebuilt; munitions replaced; aircraft and ships refurbished. But the men lost are irreplaceable.

How can we reduce the loss of our greatest asset, our young men? The vital factor is the morale, training, and experience of the

professional officers and enlisted men upon whom we place such weighty burdens of leadership.

Professionalism is not secured by promoting a 20-year-old youth to Master Sergeant or to Major. Professionalism is a dedicated career accomplishment. It is attaining the highest standards of excellence. It is a lifetime study and practice of all the skills and knowledge necessary for proficiency in the art and science required of the military profession.

Since the end of World War II, there has been a steady and continuing decimation of the professional base of leadership, a decimation not apparent in the higher ranks of leadership which were involved in World War II, but in the maturing ranks of leadership among officers and enlisted men whose careers started in the late 1940's to date. This steady decimation, manifested by early resignation or refusal to re-enlist, has been apparent to succeeding administrations and sessions of Congress.

The "career-retention problem" has been studied at every level of Government. The problem increases almost in proportion to the number of studies made. The studies have produced no tangible results. They ploughed the ground in investigating the incentives which convince a young American to cast his lot as a dedicated servant to his nation. But retention rates continue to sag. Why don't young men choose professional military service as a career? Why don't career officers and enlisted men stay longer in the service? Take a brief backward look.

Retired officers and enlisted men once occupied positions in the van of patriotism. They were the professionals who led the troops through the World Wars, and the recent war. They were the professional manpower pool charged with this most important duty of citizenship. Casualties are inevitable, but men know that the higher the professional training of competent officers, the smaller is the loss of men. In this respect this record is superb.

We military retirees have achieved a proud and distinctive performance in our honorable profession. The honor due Professionalism, however, has not been forthcoming. We dedicated professionals have been relegated to inferior status. Rightful prestige has been trampled upon and degraded. Is this a suitable reward? What is the human reaction to bad faith and humiliating treatment by what should be a grateful Government?

There are strong indications that our concern is directly related to the career implications being shown by our younger successors in service to the Nation. As individuals, they perceive our lot and their treatment. They themselves face unrealistic regulations prescribing premature retirement. They believe military careers depend upon commensurate compensation during active and retired service, and that such service should command respect. They witness ex post facto laws with the government altering the legal consequences of past acts. They see the fluctuating policy of changing the rules after completion of the service. They make their decisions early enough in life to avoid these unattractive manifestations of unconcern by the Administration and the Congress.

What weight they give to our plight is indeterminable. But, it is an obvious aspect which influences their decision to become or not to become career officers and enlisted men. The bold and brutal figures of early resignations from among the embryo and neophyte groups of American men whom we initially commission and enlist is startling proof of the gross error of our present policy.

We retirees, without exception, thoroughly resent the watering down of the basic and fundamental "retirement incentives" offered us at the beginning of our careers. Our treatment is clear to those younger men who, we hoped would take our places. This breach of faith toward retirees is illogical. Retirees cannot comprehend the premise that in these United States of America what is manifestly a contract for retirement, made twenty, thirty, or more years in the past, can be brutally abrogated years after the services have been rendered, and retirement accomplished.

Our legislators must have been confused by words, phrases, charts, and explanations of the several administrations presenting the "problem." The hearings are replete with dissertations of what a military retiree is, and what the Nation's obligations to him are, or should be. But the fact remains. The nation, speaking through its Congress, has decreed that retired pay was neither a vested right, a guaranteed right, nor an amount calculated on the existing statutes and rules in vogue during service. Traditionally, a "savings clause" is placed in every statute in which the status of individuals is being changed. The one and only exception to this American Tradition affects just the career professionals of the armed services.

Some rationalize that these old professionals who have served their tours and accomplished their duties "have lost their usefulness"; are now too "expensive" to the Nation; that hewing to the traditional retirement pay computation laws is too great a burden on the taxpayers. Statistically, it is in the CONGRESSIONAL RECORD (though hidden in a welter of other figures) that "Retired Pay" in 1939 ate up a greater percentage of the armed services budget than it did in 1965, or will in 1970!

Having broken faith with the one hundred year old retired pay rule, the Congress and the Administration compound the injustice by changing other "fringe benefits" to the individual retiree. Year after year, benefits promised or held out as an incentive or traditionally recognized as part of the privileges of our predecessors are whittled away from the professional military officers. This is exemplified in Veterans Hospitals by the downgrading of Congressionally awarded and honorably earned titles, as Commander to that of plain Mister. The retiree has seen the effects of the constant watering down of privileges in the commissary and post exchange stores and the dilution of privileges once recognized through "Customs". The expenditure in dollars applied to these items is not large. The seriousness is not mere dollars nor in privileges eroded away, but in the sum total of all these.

These are the things that break morale. This is why military service has lost attractiveness for able men.

One member of the Congress has said, "As important as all the benefits and all the pay raises we can pass is the simple knowledge that we keep our promises. We will never have adequate retention unless the man joining the services can feel secure that the benefits promised him in his youth will not be eroded with age.

There exists a distrust of promises made by the government as evidenced by the critical retention problem. Only by Congressional action can faith in the government be restored and a solution to the retention problem made possible.

NATIONAL DRUM CORPS WEEK

Mr. HARTKE. Mr. President, tomorrow marks the beginning of a week set aside for the recognition of the activities of the 1 million Americans participating in drum and bugle corps.

National Drum Corps Week focuses the Nation's attention upon the worthwhile endeavors of these young men and women. These amateur musical groups provide patriotic and popular music at civic and patriotic events, and at parades and festivals. Often enchanted with the brilliance and precision of their performance, the spectator overlooks the long hours of practice and the individual self-discipline required to assure their consistently high level of musicianship and teamwork.

I am proud to say that my own State of Indiana has produced many outstanding drum and bugle corps, including the Maple City Cadets of La Porte. These groups are a credit both to their local community and their State.

During the coming week, drum and bugle corps will participate in pageants and championships throughout this Nation. Those who have forgotten the thrill of a parade should take advantage of these opportunities to refresh their memories. I wish this valuable endeavor continued growth and success.

THE ARGENTINE REGIME

Mr. JAVITS. Mr. President, I would like to call the attention of my colleagues to a development in Argentina which I hope signals the beginning of a change of heart on the part of the military regime there. Yesterday's New York Times reports that the regime has offered to restore the prerogatives of the nationally chartered universities. As you know, these prerogatives had been abolished when the new regime seized the universities on July 29 and placed them under governmental control for the first time in Argentine history.

I sincerely hope that Mr. Enrique Martinez Paz' statement, proclaiming that "noninterference in university internal matters is the Government's firm purpose," becomes a reality. I trust that the restoration of the traditional autonomy of the universities signals the beginning of a shift in the policies of the new regime toward a return to constitutionalism. Indeed, let us all hope this new action leads to the formation of a new policy to restore democracy and freedom to the Argentine people. To this hopeful note, however, I feel I must add the fact that this single action seen in the context of what has come before, leaves room for only cautious optimism.

It is my judgment that to a very large degree this change of heart resulted from action by the OAS, as manifested in the recent postponement of the scheduled Foreign Minister's Conference, and criticism of the Argentine regime earlier this week by Catholic church leaders and Catholic professors. In addition, I believe the recent approval by the Senate of an amendment to cut off U.S. aid to Latin American regimes which came into power by the nonconstitutional overthrow of a freely elected, constitutional democratic government has had a profound impact on Latin American opinion. That amendment is now before the House-Senate conference committee on the foreign aid bill.

I urge the conferees to realize the long-term political importance of the amendment and to resist all attempts to delete or substantially modify it.

I ask unanimous consent that three New York Times articles and an editorial

on this subject be printed in the RECORD as part of my remarks.

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

[From the New York Times, Aug. 17, 1966]

ARGENTINE REGIME YIELDS ON SCHOOLS—PROPOSES TO RESTORE MOST PRIVILEGES ABOLISHED IN UNIVERSITY SEIZURES

(By H. J. Maidenberg)

BUENOS AIRES, August 16.—The military regime of Lieut. Gen. Juan Carlos Ongania began a broad retreat today before the angry Argentine academic community.

President Ongania offered to restore almost all the prerogatives of the nationally chartered universities. He had ordered the seizures of the universities July 29 and had placed them under the control of the Government for the first time in Argentine history. The new offers were the first reversal of policy by the military since it seized control of the Government June 28.

The offers to the universities included promises to have rectors and faculty deans rule on any changes in educational laws affecting their former authority. Rectors of five of the eight national universities, along with most of their deans, had resigned rather than pledge loyalty to the regime.

PROMISE ON FINANCING

Any new university laws will assure economic independence and university government will be subject to student agreement, General Ongania declared. The seizure of the universities had abolished traditional autonomy, in which teachers, students and alumni participated equally in self-rule.

Efforts to obtain university reaction to the Government's proposals were largely unavailing. Because of the religious holiday of the Feast of the Assumption Monday and the 116th anniversary tomorrow of the death of Argentina's national hero, Gen. José de San Martín, many people remained at resorts after the weekend.

Under the new conditions submitted for university approval, President Ongania promised that professors would have full freedom to choose their subject matter and that the regime would not discriminate in academic appointments for ideological reasons.

Many university people believed that the seizure of the national universities and the police attacks on several faculties at the University of Buenos Aires reflected the influence of rightest political and religious elements in the new Government. The state universities had been accused of being centers of Communist activity.

The military's offer to the universities also promised that the mass resignations of professors and other teachers, which are still going on, would be a matter for the universities, not the Government, to handle.

More than half of the 2,000 teachers at the University of Buenos Aires, which has 75,000 full-time students, have resigned. President Ongania has postponed the reopening of the university until next Monday.

The university here and the four smaller state institutions whose rectors and deans resigned were ordered shut Aug. 1 for two weeks.

Speaking on behalf of President Ongania, the Minister of the Interior and interim Minister of Education, Enrique Martinez Paz, added that "noninterference in university internal matters is the Government's firm purpose."

The regime opened the University of Buenos Aires briefly to install the new rector, Dr. Luis Botet, who replaced the noted structural engineer, Hilario Fernandez Long, in that post.

Dr. Botet, 54 years old, is a controversial but respected professor of law. He has held many government assignments over the years and has been a frequent critic of public figures. He is known to favor strong central government.

[From the New York Times, Aug. 17, 1966]

ARGENTINA MARKS TIME

For the first time since General Perón made the mistake of antagonizing the Roman Catholic Church in Argentina, the hierarchy there has openly criticized a government. This is the regime of still another military dictator, Lieut. Gen. Juan Carlos Ongania.

In a pastoral letter to be read next Sunday, Bishop Quarracino of a Buenos Aires suburb disavows reports of any link between the Ongania Government and the Roman Catholic Church. At the same time, another bishop, writing in a Uruguayan weekly banned in Argentina, accuses the new President of wanting "to run the country as if it were an army barracks."

It is safe to guess that the Argentine hierarchy is trying to convey to the general Talleyrand's famous advice: "Above all, not too much zeal." The alarm being expressed in church circles reflects no lack of devoutness in President Ongania's own practice of Catholicism, but rather an excess of religiosity in his official role.

Disgruntlement with the new regime seems to be spreading. Seven crucial weeks have passed and the Government has done nothing positive. The economy is not being controlled. On the contrary, the Peronist-dominated trade unionists have had a handsome increase in wages in the midst of the inflation. No new program for economic recovery or development has been issued. Democracy has gone by the boards in a nation populated almost entirely by people of Western Europeans descent who are accustomed to ruling themselves.

Argentina is one of the most advanced and sophisticated nations of Latin America. If a change was due, it was hardly the form of a rightist military revolution. Neither the "devout Roman Catholics" nor the "fervent patriots" for whom President Ongania has asked will solve Argentina's grave problems. The bishops who criticized the new Government were expressing a feeling of disappointment and disillusionment that is undoubtedly broadly based.

The Argentine generals came roaring in like lions on June 27. They have torn things up a bit, but they have yet to do anything that can validly be considered creative.

[From the New York Times, Aug. 16, 1966]

ARGENTINE CATHOLIC BISHOPS CRITICIZE THE ONGANIA GOVERNMENT

(By H. J. Maidenberg)

BUENOS AIRES, August 15.—The military regime of Lieut. Gen. Juan Carlos Ongania was severely criticized today by Roman Catholic bishops.

"The persistent attitude that the present Government is linked to the holy church is false," declared Bishop Antonio Quarracino of Nueve de Julio, a Buenos Aires suburb.

"Let me make it clear once and for all that this Government has no claim on the faithful, nor can the church depend on it," he said in a pastoral message to be read at all masses next Sunday in churches under his jurisdiction.

Equally alarmed at being associated with the military regime that seized power June 28, another suburban bishop, Jeronimo Jose Podesta of Avellaneda, also spoke critically of the regime in an interview with the Uruguayan weekly Marcha.

ARMY INFLUENCE SEEN

"President Ongania is an honest man of good faith but with the mentality and outlook of a soldier," the bishop declared. "He wants to run the country as if it were an army barracks. Unhappily, President Ongania is also subject to the influence of a group of military officers above him."

That the 46-year-old bishop chose to make his views known through Marcha surprised the few Argentines who heard of the published interview. The magazine is among the publications banned by General Ongania.

Only one Buenos Aires newspaper, Clarin, carried any mention of Bishop Podesta's comments, and that was a mild version of an Italian news agency report from Montevideo

The small English-language Buenos Aires Herald printed a stronger United Press International dispatch.

Church spokesmen refused to discuss the selection of Marcha by Bishop Podesta as they handed out copies of Bishop Quarracino's pastoral message. They noted, however, that they had given proofs of the Marcha article to Buenos Aires newspapers over the weekend.

Asked whether the military leaders now ruling Argentina could be regarded as anti-Semitic, Bishop Podesta told Marcha editors:

"I wouldn't use that word, but don't be surprised if you hear, for example, that Jewish doctors are being eased out of hospitals."

The Bishop has visited Israel and several Arab countries and is considered friendly to Argentina's half-million Jews.

Expressing hope that the military regime could take "certain positive action in the future," Bishop Podesta was quoted as saying, "I don't mean by that that I approve or justify the June 28 uprising," in which President Ongania took power.

The bishop denounced police raids on several Buenos Aires colleges after the regime seized the state-chartered universities July 29.

"I am convinced that strong political influences were being brought to bear on the universities in a Marxist encircling movement, but this did not justify the measures taken by the Government," he said.

The bishop's interview with the Uruguayan weekly is expected to increase the number of copies of the banned magazine being smuggled into Argentina. Marcha was banned July 27 along with other foreign publications considered politically dangerous or pornographic by the Argentine security police.

WEEKLY MORE SATIRICAL

Marcha, which normally sells 10 percent of its 60,000 copies in this city, is edited by Carlos Quijano, a lawyer for the Bank of London and South America. It is similar to The New Statesman, the British weekly.

However, Marcha is less widely read than the banned Argentine satirical weekly, Tia Vicenta. The successor to Tia Vicenta is Maria Belen, named after a cartoon character of its artist-editor, Juan Carlos Colombres. Since Tia Vicenta was closed July 22, its successor magazine, ostensibly devoted to women's news, has taken a decidedly satirical political tone.

Yesterday, for example, it described a couple going out for an evening under the present "morality laws" imposed by the military regime.

"Let's see, do we have our identity papers, birth certificates, documented reports on our parents' ancestry?" the husband asks. "We shouldn't forget dark glasses, now that nightclubs must have all their lights turned up," the wife adds.

The morality laws have embarrassed and angered many Argentines, who have long considered their country one of the most conservative in Latin America. Many believe the laws were imposed by ultrareligious elements in the new Government.

To counter this view and wide public discontent over the quickening of Argentina's chronic wage-price spiral, many churchmen are seeking to disassociate the church from

the military regime. A private petition is being circulated among priests, for example, asking Antonio Cardinal Caggiano to divorce himself from the Government.

In addition, about 100 professors at the four Catholic universities in Argentina have affirmed their support for their colleagues at the national colleges who have resigned in protest against the regime's seizure of the state universities and beating of professors and students.

[From the New York Times, Aug. 7, 1966]

CATHOLICS SCORE ARGENTINE REGIME—CHURCH PROFESSORS ASSAIL STATE COLLEGES' SEIZURE

(By H. J. Maidenberg)

BUENOS AIRES, August 6.—Professors at the Roman Catholic University of Buenos Aires denounced last night the seizure of the secular universities by the military regime of Lieut. Gen. Juan Carlos Ongania on July 29.

In doing so, they broke their silence and gave support to the more than 900 of the 2,000 teachers at the separate national University of Buenos Aires who have resigned from the closed institution in the last week.

"The country needs scientists and technicians, and these can be produced only if the universities are efficient and able to fulfill their objectives," said a manifesto signed by 65 professors at the Catholic university. "This can be secured only if principles such as the right of freedom of thought and opinion within the institution are maintained."

Alluding to extremist elements in the new regime who have been seeking to curb the universities since the elected Government of President Arturo U. Illia was overthrown in a bloodless coup on June 28, the declaration added:

"The principle of university autonomy is the most important factor in achieving higher academic levels. That and nondiscrimination for reasons of race, ideology, politics or religious beliefs within the university community."

POLICE CHIEF ACCUSED

The manifesto came after the former dean of the Faculty of Exact Sciences at the national university, Rolando V. Garcia, filed a lawsuit against the Federal police chief, Gen. Mario Fonseca. The suit charged the official with having personally directed the beatings of professors and students at his college soon after President Ongania ordered the seizure of the nationally chartered universities.

Dr. Garcia, a mathematician, also charged that "the police shouted insults, including antisemitic remarks," while the teachers and students were systematically beaten.

Many of those not taken directly to hospitals with severe wounds were herded to police stations in trucks before being released, Dr. Garcia added.

Among those beaten on the night of July 29 was a visiting professor of mathematics from the Massachusetts Institute of Technology, Warren A. Ambrose. Physicians appointed by the court hearing the suit, found three distinct bruises on his back during an examination.

NEWSPAPER CRITICAL

In addition to the protest by the Catholic university professors, the influential morning paper La Nación raised its voice for the first time against General Ongania by declaring in an editorial yesterday:

"If the Government honestly recognizes its error and makes up for the moral damage inflicted on those who have only the strength of their dignity as scholars, the university people who up to now have simply suffered in silence the disorder of the demagogues, then ways will be found to resume the fertile processes of the colleges."

The editorial added that former dictator Juan D. Perón's nonviolent assault of the national universities cost the colleges 10 years of progress. Mr. Perón never formally violated university autonomy during his 11-year rule, which was ended in 1955. Rather, he packed the colleges with unqualified teachers whom he trusted.

U.S. BUSINESSMEN WORRIED

Washington's condemnation of Argentine police brutality following the military regime's seizure of the autonomous state universities has caused concern in the United States business community here.

Although many United States businessmen here thought the State Department's expression of concern was relatively perfunctory, they were alarmed by remarks made by the Under Secretary of State, Lincoln Gordon Thursday. Mr. Gordon said the United States felt dismay over the violent way the universities were closed.

"I know an American professor was among those beaten up and all that," a resident manager of a large United States company said, "but I'm sure Washington knows we don't have much leverage left in Latin-American affairs. We never had much in Argentina anyway."

Many United States businessmen have expressed fears over the growing economic nationalism in Latin America.

The reason for this concern is explained by figures cited by United States businessmen in a recent interview. Their total direct investment in Argentina is $900-million about the same as that in Mexico. "Put another way, it is about what we lost in Cuba after Castro took over," a North American banker observed.

In addition to direct investment in plants and commercial ventures which is about 10 per cent of over-all United States direct investment in Latin America, Washington and private lenders have roughly $1-billion in loans outstanding in Argentina.

SCHOOL MILK EXTENSION STALLED IN HOUSE RULES COMMITTEE

Mr. PROXMIRE. Mr. President, since 1954 the special milk program for schoolchildren has provided Federal contributions to the cost of milk drunk by the Nation's schoolchildren at midmorning and midafternoon milk breaks. As a result milk consumption during school hours has gone up substantially. However the program is now in serious trouble—more trouble than most people realize.

The school milk program expires on June 30, 1967. Legislation extending the program for 3 years was included in an omnibus child nutrition bill which recently passed the Senate. Two versions of this bill were reported by two committees in the House of Representatives. This jurisdictional dispute is now before the House Rules Committee.

Recently I was told by informed sources that more than a jurisdictional dispute is at issue. The chairman of the Rules Committee has serious reservations about supporting a rule to permit one of the bills to be taken up on the floor of the House because both bills contain an extension of the school lunch concept—a school breakfast program.

One of the reasons I confined my recent legislation to an extension of the school milk program was simply because the program had very strong support—as witnessed by the fact that two-thirds of my colleagues in the Senate cosponsored the bill. Adding other child nutrition elements, however commendable, to the school milk extension legislation, in my estimation, could only have weakened this support.

Of course, that is exactly what has happened. However, this is no time to cry over spilt milk. It is a time to evaluate the chances of getting action on an omnibus child nutrition bill this year and, if this appears unlikely, for acting on legislation, such as my bill, which would, in any event, extend the school milk program.

CAPABLE WEST VIRGINIAN

Mr. BYRD of West Virginia. Mr. President, West Virginia is a State which produces a myriad of fine products and has many attributes which are contributing to its greater economic, industrial, and social development. And it is producing and nurturing citizens who will utilize its attributes to the greater benefit of the State and this Nation. One of these citizens, Mr. Charles Howard Hardesty, Jr., was, on September 17, the subject of a congratulatory editorial in the Fairmont, W. Va., times.

I wish to add my congratulations to those of that newspaper and to call attention to Mr. Hardesty's successful labors as one of the leaders in the development of Project Gasoline, the coal research project which will turn coal into gasoline, thus serving a great need in this country.

I ask unanimous consent that the September 17 newspaper editorial, "Hardesty Moves Up," be printed in the RECORD at this point.

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

[From the Fairmont (W. Va.) Times, Aug. 17, 1966]

HARDESTY MOVES UP

In less than four years, Charles Howard Hardesty Jr. has risen high in the ranks of Consolidation Coal Co. and he appears destined to head the big firm some day. His most recent promotion is to the position of executive vice president, just one rung on the ladder below the top job.

As a Fairmont attorney, "young Hardesty," as he was known to distinguish him from his father, the late Sen. C. Howard Hardesty, carved out a niche for himself in the affairs of this community. He rendered exemplary service as State Tax Commissioner during a period when he supervised the establishment of its income tax division and its revaluation and appraisal sections.

Joining Consol as general counsel, he was subsequently elevated to vice president and secretary. In charge of the vast and intricate legal matters involving the proposed acquisition of Consol by Continental Oil Co., he has been laboring around the clock on the transaction.

As vice president of the Keystone Bituminous Coal Operators Association he has been chief spokesman in protracted controversies involving the industry over subsidence and water pollution laws. Hardesty also has found time to appear in Charleston on various matters concerning the state tax program and its possible revision.

Fairmont already has many reasons to be proud of its outstanding young citizen, and this newspaper fearlessly predicts that the time will come when his further rise in the corporate field will furnish cause for additional congratulations.

THE TFX—A BOONDOGGLE?

Mr. MUNDT. Mr. President, in view of the lengthy discussions and the Senate action this week, all reported in the CONGRESSIONAL RECORD of the past few days, I think Members of the House who will next be called upon to act on TFX appropriations will be interested, as will Senators, in an editorial which I received in the mail this morning. It was published in the Oakland, Calif., Tribune.

Mr. President, this editorial, from one of the great newspapers of America, tells its own self-explanatory story. I ask that it be printed at this point in the RECORD for the information of Congress and the country.

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

THE TFX—A BOONDOGGLE?

One of the most publicized competitions in the airplane manufacturing business of recent years was between the Boeing Co. and the General Dynamics Corp., of Forth Worth. They submitted designs of the tactical multipurpose fighter, known as the TFX, to Secretary of Defense McNamara.

The Secretary smiled on General Dynamics.

But the smile became somewhat strained when it was widely reported that Boeing's design was cheaper and a better airplane.

The smile almost disappeared when it was revealed that McNamara, with the support of Secretary of the Navy Fred Korth, Secretary of the Air Force Eugene M. Zuckert and Deputy Secretary of Defense Roswell L. Gilpatric, had rejected the recommendations of Air Force and Navy experts, who had favored the Boeing design.

The smile disappeared completely when Senate investigators suggested that either favoritism or poor judgment was used in selecting General Dynamics as the prime contractor. Two United States Senators went so far as to suggest that McNamara and other civilian defense officials should take "a judgment detector test" for awarding the contract to G.D.

During the investigation into the controversial award, conducted by the Senate Permanent Investigations subcommittee, McNamara said the General Dynamics design would ultimately save the Defense Department $1 billion although Boeing had been the low bidder.

Earlier this week, the Pentagon revealed that costs of the TFX and its Phoenix air-to-air missile system have skyrocketed with multimillion-dollar increases.

According to Pentagon figures, cost of a single TFX will be about $5 million for the Air Force version and $8 million for the Navy model. In 1962, the unit cost was estimated at only $2.9 million. And the original cost of developing the missile system was set at $137 million. The cost now is $258 million and the weapon is not yet operational.

It would appear that Sens. HENRY M. JACKSON, D-Wash., and KARL E. MUNDT, R-S.D., were on the right track when they suggested "a judgment detector test" for the defense officials.

The investigation into the TFX has never been closed, and a full-blown, public airing of the project has not been made. It should be. The results might be of particular interest to the taxpayers—as well as the voters who will go to the polls in November.

DOCTOR DISCUSSES MOTORCYCLE ACCIDENTS

Mr. HARTKE. Mr. President, I have on earlier occasions called attention to the growing problem of accidents suffered by motorcycle riders. The problem has become, in the views of some members of the medical profession, so widespread as to be considered epidemic.

Dr. Peter J. Steincrohn is a doctor who writes a syndicated column appearing in Scripps-Howard newspapers. Recently he devoted an entire article to the consideration of the motorcycle traffic accident problem from the standpoint of the doctor. I ask unanimous consent that his article be printed in the RECORD.

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

MOTORCYCLE SAFETY STEPS URGED

(By Peter J. Steincrohn, M.D.)

The pressure is on. The youngster wants a motor bike or a larger motorcycle. He will name names. Other kids have them. Perhaps your neighbor's son. And the pressure grows when the child becomes a college student. It's easier to get to classes, etc.

What is the parent to do? Give in? Or hold out and incur the youngster's resentment and actual hostility?

From my own personal experience in viewing the tragedies of close friends, I'd say hold out. Keep saying no. Recently one of these youngsters was thrown from the bike and suffered a stiff knee for the rest of his life; another, riding as a passenger on a motorcycle, suffered a fractured skull and died.

In the Journal of the American Medical Association (June 20 issue) three doctors from Portland, Me., are calling for a campaign to reduce motorcycle deaths and injuries: Drs. Richard C. Dillihunt, George L. Maltby and Emerson H. Drake. I commend them for their stand. Here is a partial summary of their findings and recommendations:

Undoubtedly, the increasing popularity of small motorcycles creates a serious health hazard in many communities. Part of the fault is carelessness of drivers, part is lack of safety devices, and part is the public's unawareness of the special features of motorcycle handling.

"In motorcycle accidents, the victims have no protection whatever. Few helmets are used by the cyclists and those in use are generally inadequate."

They found that head injuries are usually more severe than in auto accidents. "Victims are thrust, often at high speeds, 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."

From May through August, 1965, the authors (two surgeons and a neurologist) saw and treated 38 victims of motorcycle accidents 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.

"A most distressing fact is that the group involved are young, otherwise healthy persons." (According to the United States Bureau of Vital Statistics, there were 882 motorcycle-accident deaths in 1963.)

The physicians recommended that states should develop carefully supervised motorcycle driver-training programs, rigid inspection and licensing rules. There should be education programs in schools.

"Ways to improve safety equipment should be sought. Universal use of crash helmets alone would undoubtedly reduce the severity of many injuries."

It's the job of physicians to warn parents of the hazards in driving motorcycles. "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."

Undoubtedly, guilt feelings added to remorse and sorrow compound the tragedy. Whether it's for a motorbike or a car, the parent should not let pressure by his youngster be the important factor in the final decision.

MONDALE MAKES GOOD POINT

Mr. NELSON. Mr. President, a month ago, the Senate adopted a most important amendment to the foreign aid bill. This was the proposal of the Senator from Minnesota [Mr. MONDALE] to place high priority on agricultural development in hungry nations, and particularly the strengthening of institutions for adaptive agricultural research to improve acre-yields of major food crops.

This is one example, Mr. President, of the impressive record which the junior Senator from Minnesota has compiled in the short time he has served in this body. He was one of the first Senators to speak out strongly on the need to expand and reshape our food-for-peace program to meet the coming world food crisis. And he has particularly recognized the vital importance of improving agricultural production in developing countries, since the food crisis can never be averted through American Public Law 480 shipments alone.

The passage of his agricultural research amendment makes it clear one more time that Senator MONDALE has become a strong, effective advocate of improved foreign assistance to agriculture, just as he has been a tireless defender of the interests of the farmer here at home.

It is for this reason that I invite the attention of the Senate to a recent editorial, entitled "MONDALE Makes Good Point," published in the Mankato Free Press. I ask unanimous consent that it be printed at this point in the RECORD.

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

MONDALE MAKES GOOD POINT

From the battle in Congress over the foreign aid bill has come an amendment that could do much to help the world food situation.

It offers no immediate relief, but over the long run it makes sense.

The amendment, presented by Minnesota's Sen. WALTER F. MONDALE, provides that high priority be given farm research programs in those developing countries where people suffer from inadequate food supplies and deficient diets.

Under such a plan, U.S. technical assistance would offer research facilities designed to increase acre-yield of major food crops.

If what experts say is true, and there is no reason to doubt it, the American farmer will not be able to begin to provide sufficient food to meet world needs in the future. For that matter there is hunger in many areas of the world now, India being a prime example.

The only answer, then, is development of agriculture in those areas of the world where little or no encouragement has been given to farm research.

As MONDALE points out, less than $8 million has been devoted to agriculture research in tropical Latin America from 1960 to 1962, while in the same period $2 billion was spent on such programs in the United States.

That is one reason there is comparative abundance of food in the United States as compared to some other areas.

Other countries, given similar opportunity for the kind of research that will provide means for the most efficient use of their land, will certainly do much toward alleviating a condition of hunger.

THE 44TH AHEPA SUPREME CONVENTION

Mr. BYRD of Virginia. Mr. President, as the 44th AHEPA Supreme Convention draws to a close, I wish to take this opportunity to felicitate my friends of AHEPA.

Along with Supreme President Kimon A. Doukas, I welcome particularly the delegates from Virginia. Virginians have participated in the good work of this fine fraternal association since the beginning.

John Angel, of Danville, Va., is counted among AHEPA's founding fathers, being listed among the members of the mother lodge.

I congratulate the order on the many good works that it does, the fine program to which it is dedicated, and on maintaining the ties of good will with our friends and relatives in Greece.

Mr. WILLIAMS of New Jersey. Mr. President, I would like to pay tribute to the Order of AHEPA, a group of distinguished citizens who are bound by a mutual love of their Greek antecedents and the glories that Greece has brought to Western civilization.

Indeed, some of our most distinguished historians today insist that 2,500 years after the age of Pericles, we are still basking in the golden glow of their accomplishments.

On Sunday, August 14, representatives of the 46,000-member AHEPA family convened in Washington for their weeklong 44th international convention. Chapters in 49 States, the Bahamas, Canada, Australia, and Greece are represented. This broad representation attests to the wide support that AHEPA enjoys.

The purpose of AHEPA represents the preservation of the finest legacy of Hellenic civilization. The Order of AHEPA instills in its members a love of country, instruction in the political dutes of the citizen, the promotion of the attributes and ideals of Hellenic culture, and a firm opposition to political corruption and tyranny.

By insisting on an alert, informed citizenry, the Order of AHEPA helps to create the proper atmosphere in which the greatest democracy since ancient Greece has flourished.

Mr. RIBICOFF. Mr. President, this week, representatives of the Order of AHEPA are meeting in Washington for their 44th international convention. The order has a membership of 46,000 with 1,112 local chapters in America, in Canada, in the Bahamas, and in Greece. AHEPA has chapters in all of the United States with the sole exception of Hawaii.

Members of AHEPA are men and women of Hellenic descent, dedicated to the promotion and encouragement of loyalty and citizenship in the countries in which they presently live. They devote themselves, especially, to the opposition of corruption and tyranny. In other words, they are maintaining the spirit of Hellenism and the heritage of the Hellenic culture.

It is a pleasure for me to salute the members of AHEPA as they hold their 44th supreme convention in our Nation's Capital.

Mr. THURMOND. Mr. President, in the Nation's Capital this week, the Order of AHEPA and its three auxiliaries have met for their 44th supreme international convention. It is with great pleasure that I salute these organizations and pay tribute to the great contribution which they are making to our national life.

The initials AHEPA stand for the American Hellenic Educational Progressive Association, and the three auxiliary organizations are the Daughters of Penelope, the Sons of Pericles, and the Maids of Athena. All told these organizations comprise some 1,125 chapters including 43,350 members in 49 States and foreign countries.

Mr. President, I wish to quote and comment on three of the nine stated purposes of this fraternal organization which I think are particularly worthy of mention at this time in our Nation's history.

The first objective is stated thus: "To encourage its members to be loyal to the country in which they are citizens."

This is good old-fashioned patriotism, and in a day when it is supposed to be "smart" to run down the country of your forefathers, I am happy to see an organization stand firm and actively support the traditions and heritage which made this country great. Coupled with this objective is another which is "To oppose political tyranny and corruption." Certainly there can be no finer program of citizen support for good government than is outlined in these objectives; but the order goes even further as it states in the fifth objective of the organization: "To instill in its members an appreciation of the privileges of citizenship."

At a time when our Nation is experiencing turmoil and strife both at home and abroad, it is gratifying to see this singular effort of appreciation being made by a fraternal organization. I wish them well in their endeavors to achieve these noble goals.

In its 44 years of existence, AHEPA has not only promoted but financed worthy causes both nationally and internally. Additionally the many local chapters have undertaken projects on their own of great benefit to their local communities.

Mr. President, I am pleased to add my welcome and good wishes to those of my colleagues as the Order of AHEPA completes their supreme 44th international convention here in Washington, D.C.

TRIBUTE TO SENATOR McCLELLAN, OF ARKANSAS

Mr. HARRIS. Mr. President, at the annual meeting of the National Association of State Agencies for Surplus Property, on June 11 through 14, 1966, a resolution was adopted expressing appreciation to the distinguished chairman of the Senate Government Operations Committee, the Senator from Arkansas [Mr. McCLELLAN], for his "untiring support and interest in the donable property program."

I ask unanimous consent that a copy of that resolution be inserted at this point in the RECORD.

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

RESOLUTION

Whereas Senator McCLELLAN a distinguished member of the United States Senate from the state of Arkansas has demonstrated his continuous interest and support of the Donable Property Program, (where Federal Surplus Property is transferred for educational, Health and Civil Defense use); and

Whereas Senator McCLELLAN has urged and supported vital legislation affecting the Donable Property Program and through his support S-2610 was reported by the Government Operations Committee and passed by the Senate unanimously on July 11, 1966: Now, therefore, be it

Resolved, That the National Association of State Agencies for Surplus Property expresses their sincere appreciation and thanks to you for your untiring support and interest in the Donable Property Program.

HORACE D. GODFREY

Mr. HOLLAND. Mr. President, I notice in the RECORD of the proceedings of yesterday that my good friend and able colleague, the senior Senator from North Carolina [Mr. ERVIN], congratulated Horace D. Godfrey, Administrator of the Agricultural Stabilization and Conservation Service, who will, this coming Saturday, tomorrow, have fulfilled 32 years of service in the Department of Agriculture.

Horace Godfrey, a native of North Carolina, has devoted his career to the betterment of farm programs. Beginning with the old triple A State office in Raleigh and working his way up the ladder, he has served in every major position of ASCS and predecessor agencies.

As chairman of the Appropriations Subcommittee for Agriculture and as a member of the Agriculture Legislative Committee, I have ofttimes called upon Mr. Godfrey for counsel and advice both in committee and in conference. He has always been most helpful and has rendered valuable assistance.

I join with the senior Senator from North Carolina [Mr. ERVIN] in congratulating Horace Godfrey on the comple-

tion of 32 years of outstanding public service and look forward to his continued availability and assistance when needed.

THE OBLIGATIONS OF YOUTH

Mr. DODD. Mr. President, during the last decade we in America have witnessed a changing phenomenon in youth. Long gone are the flagpole sitters and the marathon dancers.

Emerging instead are vital, interested young men and women, who not only want to be involved but demand the responsibility that naturally comes with this involvement.

Mr. President, I can think of no sign or indicator that makes me more optimistic for a brighter and better America. For much of this trend, we in America owe a great debt of gratitude to our educators. Arthur N. Sheriff, headmaster of the Cheshire Academy, in Cheshire, Conn., is one such educator. Recently, in the Academy Alumni Bulletin, Mr. Sheriff authored an essay entitled "Youth and Its Obligations." I would like at this time to call to the attention of the Senate the article, which so well points up the problem of a small, but vociferous segment of our young people who have failed to recognize responsibilities they have assumed.

Mr. President, I ask unanimous consent to have printed in the RECORD the essay entitled "Youth and Its Obligations."

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

YOUTH AND ITS OBLIGATIONS

The young man of today, the "teen-ager", as he is so regularly designated in television and in print, lives in a period of crisis and decision. On the one hand he is in a world of opportunity. On the other he is confronted with the problems of an exploding population and the strident demands of those who in the past have possessed too little and so threaten those who appear to have too much. These unfortunates of the world responded too readily to illusion which promises easy attainment at the sacrifice of the past achievement of others.

The result is struggle which grows in breadth and intensity, in war and in economic instability through much of the world. And in this struggle that young man is involved even at the secondary school level, and at this level all his future life may be formed. His decisions at this level reach far into the space about him and far into the years to come. Among those problems is the obligation of community service.

In all ages sensitive spirits have suffered from abhorrence of war and its brutality and this abhorrence has grown through the centuries. It is understandable the humanity should shrink from participation in such atrocity. But wisdom must temper both action and inaction. And wisdom can demand sacrifice. In the midst of life we have duties and obligations for others and for ourselves. Fulfillment is not simply self-preservation.

Here on the campus we often have had occasion to read the list of our alumni who gave their lives for us all during the Second World War. We knew these honored friends well and we cherish their memory. For they, when called upon, responded to the call and they did not shirk. There are many lists like these in schools and colleges, in churches, social communities and working groups throughout our land. We have reason to be reverently proud of these lists. Now we hear through radio and television and we read in the news that many seek pretexts to evade the call today. Where the evasion is legitimate, the evasion is honorable. Regrettably the pretext is often a subterfuge, an indication of the materialistic attitude which seems increasingly to prevail in the affluent society of today. Plainly stated this is too often a search for ways to place one's burden on the shoulders of another.

No doubt those who have conscientious objections do indeed speak from their hearts. Then this hesitancy may be legitimate and they may honorably choose the alternative of another duty, not less exacting if less dangerous. There have been honorable objectors in the past. But it may be noted, too, that those who struggled in conscience might still be willing, as martyrs were, to sacrifice themselves on the altars of duty, not only scramble to dodge the stern daughter of the voice of God.

Many throughout the centuries have resisted the extortions of tyranny and injustice. They have done so by loss of their individual lives, without exacting the lives of others and not by seeking material advantage without exaltation of spirit.

Some day in the future, perhaps, war and its brutality may be ended by a movement which is universal on the part of all to cast war aside. We do not end war only by individual action when this action is a reflection only of a selfish desire to profit by the loss of others.

HOW MUCH AUTO SAFETY?

Mr. HARTKE. Mr. President, yesterday the conferees on the traffic safety bill were appointed. It is my hope that we shall be able to reach an agreement on legislation which will open up a new era in traffic safety and regulation, in order to cut hundreds and thousands of lives from the tragic toll of traffic deaths.

Before the House completes its action on the bill, the Washington Post published an editorial entitled "How Much Safety?" The observations made there reflect a good understanding of the bill and of its weaknesses. It notes, in passing, the efforts of the distinguished Senator from Minnesota [Mr. MONDALE], who is one of the several in this body who have taken a keen interest in the development of this legislation.

Mr. President, I ask unanimous consent that the editorial, published in the Washington Post of August 16 be printed in the RECORD.

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

HOW MUCH AUTO SAFETY?

There is little doubt that Congress will endorse auto safety this session. There is, however, a great deal of doubt about how much safety Congress really wants. The "National Traffic and Motor Vehicle Safety" bill that is about to come before the House looks good. Representative STAGGERS, the chairman of the Commerce Committee, will tell the House that it goes far beyond the safety bill passed by the Senate. In some important aspects it does; but in the most crucial region of all—investigation and enforcement—the Committee has provided mostly fluff and ambiguities.

In Section 108 of the bill a loosely worded exemption provision leaves a gaping loophole for violators. The inspection powers granted to the Secretary of Commerce are so vague that manufacturers would be able to challenge the Government in court from the beginning of any serious attempt at enforcement. An "on site" inspection provision included in the Senate bill has been omitted by the House committee. The hydraulic brake fluid and seat belt laws now in effect are to be repealed and the criminal penalties written into both laws abandoned. The provision allowing the Secretary of Commerce to notify the public of defects is so bound with what Senator MONDALE termed "bureaucracy and red tape" that it is virtually unworkable. There remains a lingering doubt that violation of the uniform quality grading standards of the Tire Safety title would be a prohibited act.

According to the Commerce Committee report Sections 109 and 110 of the bill, the civil penalties and injunctions provisions, "should constitute sufficient enforcement authority to assure full adherence to Federal Safety standards." This is not the case. It is ludicrous to think that the Secretary of Commerce, armed only with the threat of injunction, could force an unwilling auto manufacturer to toe the line without an impossible amount of litigation. The membership of the House has an obligation to strengthen the bill on the floor; and the Administration, which so warmly embraced the Senate bill, lend its support to this effort.

AERONAUTICS POTENTIAL IMPACT ON SOCIETY

Mr. MAGNUSON. Mr. President, in these days when there is much discussion about supersonic transport planes capable of spanning the ocean in several hours, it should be borne in mind that there also are other advances in aeronautical technology which hold great promise to public convenience, commerce, and transportation.

Among these are the developments in STOL aircraft, the initials representing a contraction of "short take-off and landing." Such aircraft can become a significant factor in short-range air transport, as they have one obvious advantage over helicopters or VTOL's—for vertical take off and landing—in that they will handle much larger payloads.

Dr. Raymond L. Bisplinghoff, head of the department of aeronautics and astronautics at the Massachusetts Institute of Technology, touched on this in a speech titled "Unrecognized; Aeronautics' Potential on Society," delivered at a recent meeting of the Aviation/Space Writers Association.

The magazine Air Force and Space Digest, published by the Air Force Association, recognizing the importance of this speech, publishes it in its August issue.

Dr. Bisplinghoff's remarks merit, in my opinion, the interest of all Members of the Senate, and the special consideration of my colleagues on the Senate Committee on Commerce. I ask unanimous consent that they be printed in the RECORD.

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

UNRECOGNIZED: AERONAUTICS' POTENTIAL IMPACT ON SOCIETY

(By Dr. Raymond L. Bisplinghoff)

I cannot escape the feeling that the enormous potential of the airplane is still not

fully appreciated; that aeronautical technology now available is not being exploited to the fullest in the solution of our transportation problems. The capability of the flight vehicle to provide point-to-point, high-speed transportation—independent of roadway, waterway, railway, and tunnel—is still not fully comprehended.

How many of us give serious thought to the influences which air transportation could exert on the social patterns of our nation? For example, short-haul air transportation can be an enormous factor in freeing our populace from seacoasts, railways, highways, and rivers and allowing them to spread more uniformly over the land. Innovations are needed to bring aeronautical technology to bear more effectively on short-range transportation requirements. I have a feeling that we can do better.

Are the innovations technical, political, or economic? I have a feeling that they are mostly the latter. The deflected-slipstream technology of STOL aircraft is in our hands and could be applied today for city center to city center air transportation. What is lacking is not a lack of aeronautical technology, but the political and economic motivation to make the step.

A tragic example is now before us of how political naïveté, public apathy, and a professional society aloof from public affairs and policies have all contributed to the moribund position of the aerospace industry in Great Britain. The Royal Aeronautical Society, during its century-long history, rarely involved itself in affairs of public policy. Now it has been awakened to the necessity for involvement.

There is a rather pathetic letter from Sir Roy Fedden to the President of the Royal Aeronautical Society in [a recent] issue of the [Society's] Journal (April 1966). He congratulates the Royal Aeronautical Society for having a discussion of the now-famous Plowden Report, which seems likely to accelerate the British aerospace industry's demise.

He says, "I believe this [discussion] could be a momentous occasion, but we must be realistic and realize this is a 'five minutes to midnight' affair. It will either go down in our history as a determined last stand to help save the country and our profession, or else fade out as a useless academic debate which accomplished nothing worthwhile to meet the desperate practical needs of British aeronautics."

He says further that "frustration and vacillation have led to our losing the proud position we held in aeronautics only twenty years ago, as the culmination of a natural progression during which our engineers had led in every field of transport for the last 100 years."

An indication of Sir Roy's zeal is suggested by his remark that the Royal Aeronautical Society Council "should approach the Prime Minister himself with a request for a session with him. . . . I do not believe the Prime Minister could refuse such a request from our Society, but if he did, Council should picket Number 10 Downing Street until he agreed! I am quite serious about this, and should feel honored to take my turn with the rest of them. . . ."

Such a determined stand would capture the imagination of the British public, and indeed the public of the whole world which is informed on such matters. But I wonder how well the British public is informed of the issues relating to its aerospace industry. Indeed, I wonder how well the Plowden Committee itself was informed. It seems to me that their conclusion missed the most important concept underlying [aerospace] program expenditures—a concept not well understood in this country.

For a nation to be in the first rank in science and technology, it must set for itself a series of important and difficult objectives which transcend today's state of technology. Space objectives are ideal for this purpose, but they are not by any means the only ones. It is not so much the possession of the new technologies that are won by the process that count. Of more importance are the quickened spirits, the sharpened intellects, and the developed resources that can permeate the whole fabric of a society.

We are only in the tenth year of the space age and the sixth of the largest human enterprise ever undertaken in the history of the world—the Apollo program. Our field is the second largest employer in the United States. And, as Arthur C. Clarke [has] said, over a trillion dollars have been spent on the airplane since it first flew in 1903. There will be much more.

Research and development in aeronautics and space today have progressed from the early days of unrelated investigations of a comparatively few individuals to the organized effort of large groups on programs whose goals are set by the joint thinking of university, industry, and government staffs. It is this collaboration of scientist, designer, and user which makes our aeronautical and space research so productive. The methods by which such collaboration can take place have been refined by our experience—they are methods which are, on the whole, unique in the United States.

There was printed in a *Life* Magazine editorial in 1963 an unusually perceptive statement, which said: "Never was there so much for talented men to do whether in politics, science, art, business, or even speculations on the nature of man. The same could have been said of Europe near the end of the Fifteenth Century when the Renaissance was opening new doors to human thought and experience.

"A time of challenge always produces skeptics and naysayers; Isabella of Spain had advisers who tried to talk her out of financing Columbus's voyage. But the bold spirits of that time did venture into the unknown and they turned their age, already exciting enough, into an era of unprecedented exploration and discovery which changed the history of the world."

The progress we have made in aeronautics and space, with the support of the people and their elected representatives, is clearly visible for all to see. Continuing support of aeronautics and space is, however, dependent in the final analysis on the contributions which are made to the needs of society. If a public consensus is required to undertake large new public programs of science and technology, one may logically ask—how is a public consensus obtained?

One thing is sure—it can only come from a well-informed public. We are at the beginning of a new surge in science and technology stimulated by their interactions with each other and with social needs, nourished by the resources and needs of space exploration. It is easy to agree with Wilbur Wright's [remark that] "it is not necessary to look too far into the future, we see enough already to be certain that it will be magnificent."

THE CZECHOSLOVAK SOCIETY OF ARTS AND SCIENCES IN AMERICA

Mr. DOUGLAS. Mr. President, we are often reminded that the United States is a nation of immigrants; that our culture is a melange to which each nationality has contributed. Today I wish to draw the attention of Senators to one group in particular which has, since 1958, encouraged scholars and artists of Czech and Slovak origin by the publication and presentation of their works.

The Czechoslovak Society of Arts and Sciences in America, Inc., was organized 8 years ago by a group of scholars living in exile in the United States and various other western countries. Though certainly opposed to totalitarianism of any stripe, this organization is basically nonpolitical. Its main objective is to maintain contact among the Czech and Slovak intellectuals and, by holding congresses from time to time, to provide a forum for the presentation of their works.

One such congress will be held over the Labor Day weekend at Columbia University. The program is very comprehensive and illustrates the continuing process by which this Nation of immigrants benefits from the unique experiences and traditions of its various peoples.

I ask unanimous consent that a brief history of the society and of its 1966 congress be printed at this point in the RECORD.

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

THE CZECHSLOVAK SOCIETY OF ARTS AND SCIENCES IN AMERICA

The first wave of immigrants of Czech and Slovak ethnic origin started to come to the United States more than 100 years ago, long before Czechoslovakia was established—its western parts were then provinces of Austria while the eastern part, Slovakia, was part of Hungary. Czech and Slovak settlers did not stay at the main port of entry, New York, although a substantial Czech and Slovak community grew up there in those early days, but many migrated to Illinois, Kansas, Nebraska, Texas, and elsewhere. To this day there are many communities in these areas where Czech and Slovak is still spoken, but it was rare, prior to World War II, for college professors, writers or artists to leave their county of origin for permanent settlement abroad. World War II changed the picture.

Immediately before and after the occupation of Czechoslovakia by German forces a second wave of emigration from Czechoslovakia included at least one-fourth intellectuals in such positions. After the end of the war some returned home, but many stayed in their new countries, the United States, England, France, and other western countries.

A third large wave of emigration or escape from Czechoslovakia began in 1948 when the Communists seized power in Czechoslovakia. This time a considerable number of intellectuals, scholars and professional people joined the exodus and found their way to the United States, Canada and Australia, or stayed in Western Europe. Quite a few migrated to various countries in Latin America, Asia and Africa.

Ten years after the Communist coup d'etat in Czechoslovakia, in 1958, a group of scholars, led by Dr. Václav Hlavaty of the Department of Mathematics of the University of Indiana, Dr. Jaroslav, Němec of the National Library of Medicine, and Dr. Václav Mostecky of the Harvard Law Library, began to organize Czech and Slovak intellectuals throughout the free world into a society of arts and sciences. Later the organization was incorporated under the Membership Corporation Law of the State of New York as a non-profit cultural organization, assuming its present name: Czechoslovak Society of Arts and Sciences in America, Inc. Its activities, as outlined in its by-laws, consist in assisting and coordinating the educational, scientific, literary and artistic endeavors of the Czech and Slovak intelligentsia abroad. By a ruling of the United States Treasury Department, contributions to the organization are tax deductible.

The Society is known among the Czechs and Slovaks as SVU—Spolecnost pro Vedy a Umení. Those living in the free world welcomed its establishment enthusiastically and have supported it loyally. Comments in the Communist press in Czechoslovakia itself range from outright condemnation to reluctant acknowledgement of its significance.

From its inception the Society has maintained its nonpolitical nature and has tried not to become an instrument in the cold war. The membership, of course, is opposed to any totalitarian ideology, be it Nazi or Communistic, knowing that culture and freedom are inseparable. Local chapters are active in New York City, Washington, D.C., Boston, Chicago, Pittsburgh, Toronto, Montreal and Munich, Germany.

PUBLICATIONS

The organization has embarked on an extensive publishing program. In 1961 it issued a monograph, "Antonín Dvorak," by composer Karel B. Jirák of Roosevelt University. In 1962 abstracts of the papers submitted to the First Congress of the Society (held in Washington, D.C. in April 1962) as well as several studies in mimeographed form were published, including "Czech and Slovak Periodical Press Outside Czechoslovakia," "International Political Causes of the Czechoslovak Tragedies of 1938 and 1948," and (in the Czech language) "Czechas and Slovaks in Latin America." In 1963, René Wellek's "Essays on Czech Literature" were published for the Society by Mouton & Co., The Hague; the Society also published during that year René Wellek's "Czech Literature at the Crossroads of Europe" and two monographs in the Czech language, Alice Masaryk's "Music at Spillville" and Jaroslav Sejnoha's "Personal Memories and Stories About Czech Artists." During 1964 Mouton & Co. published the "Czechoslovak Contribution to World Culture," based on papers delivered at the Society's First Congress. Abstracts of the papers delivered at the Second Congress at Columbia University September 1964, were published by the Society during the same year, as well as a novel in the Czech language, "Three Nights," by Egon Hostovsky.

"Perspectives in Geometry and Relativity," a collection of papers in honor of Professor Hlavaty's 70th birthday (editor Banesh Hofman et al., with contributions from 30 scholars in the United States, England, India and other countries) has just been published by Indiana University Press. Another volume "in honorem" on early Slavic and Byzantine history is planned for the 75th birthday of Father Francis Dvorník of Harvard University. "A Who's Who Among Czechs and Slovaks Abroad" is likewise expected to become available during the current year. It comprises short biographies of more than two thousand intellectuals of Czech and Slovak origin.

Since 1959 the Society has been publishing a monthly information bulletin, Zprávy Svu (News of Svu). In January 1964 it began publishing also a quarterly of literature, philosophy, and the arts, entitled "Promeny (Metamorphoses)." An English language semiannual information "Bulletin" was first published in 1966.

THE CONGRESSES

Participation in the Society's Congresses has been increasing since the First Congress, held in Washington, D.C. in April 1962, when sixty papers on a variety of subjects from linguistics to sociology to science were presented. At the Second Congress, held at Columbia University, New York City, in September 1964, the number of papers presented totalled one hundred sixteen. The Third Congress, which will be held again at Columbia University, New York City, from September 2nd through September 4th, 1966, boasts of a total of one hundred thirty-eight papers to be presented during two days in five simultaneous sessions. Scholars and pedagogues from sixty-five universities in the United States, eight Canadian and eight European universities, as well as one university each from Australia and Central America, will participate in the lectures and symposia. Anthony L. Vanek of the University of Illinois is in charge of the lecture program; John G. Lexa of New York University is responsible for Congress arrangements. A total of twenty sessions is scheduled for September 3rd and September 4th, 1966 dealing with the following topics:

1. "Philosophy, Sociology"
2. "Early History and Civilization of the Slavs"
3. "Political Science and Government"
4. "Literature I"
5. "History of Art"
6. "Scientific Organizations and Research in Present day Czechoslovakia" (symposium in the Czech and Slovak languages)
7. "The Czechs and the Reformation" (symposium)
8. "Poland and Czechoslovakia" (symposium organized in cooperation with the Polish Institute of Arts and Sciences in America)
9. "Linguistics"
10. "History and Literature" (in the Czech and Slovak languages)
11. "History of Music, Musicology"
12. "Modern History"
13. "Economics"
14. "Literature II"
15. "Czechs and Slovaks Abroad"
16. "Physical and Biological Sciences"
17. "CSSR—The New Economic Model" (symposium)
18. "Czechoslovakia 1945–1948" (symposium)
19. "Slavistics"
20. "Social Sciences" (in the Czech and Slovak languages)

Two exhibits will be displayed at the 1966 Congress, one featuring reproductions of documents, publications and engravings by 17th Century Czech and Slovak refugee writers and artists in Western Europe who had been forced to leave their country of origin as a consequence of religious persecution, such as Jan Amos Comenius, Wenceslas Hollar, and others. The other exhibit will show Czechoslovak postage stamps from 1918 to 1948.

Another feature of the Congress will be a chamber music recital at Carnegie Recital Hall, New York City, devoted to music by two prominent Czech composers, Karel Boleslav Jirák of Roosevelt University, Chicago, and the late Bohuslav Martinu, who died in Switzerland in 1959; he had lived, taught and composed in the United States for more than a decade in the 1940's and 50's. Performers will be the cellist Frantisek Smetana, recently professor of violoncello and chamber music at the Jamaica School of Music in Kingston, Jamaica, presently with the Chestnut Hill Creative Arts Center in Killingworth, Conn., and the pianist Lydia Smutny Sterba of Chicago. As part of the Congress a dinner will be held at which Mr. Smetana accompanied by his pianist wife, Dolly Smetana, will again perform.

OFFICERS AND MEMBERSHIP

Present membership in the Society is rapidly approaching 1,000, which number may be reached or exceeded when this Congress meets. René Wellek of Yale University is President of the Society. Other officers of the Society include three vice-presidents, Josef Korbel of the University of Denver, Rafael Kukelik, the well-known conductor, presently Music Director of the Bayerische Runrfunk, Munich, Germany, and Victor S. Mamatey of Florida State University. Rudolf Sturm of Skidmore College serves as Secretary General. Other officers are: Michael Sumichrast of the National Association of Home Builders, Treasurer; Jaroslav Sejnoha, widely known and respected as a former Czechoslovak diplomat and painter, Fine Arts Secretary; the violinist, Joza Karas, of Hartford, Conn., Music Secretary; Prof. Milos Sebor of the Tennessee Polytechnic Institute, Press Relations Secretary; Dr. Miloslav Rechcígl, Jr., of the National Institutes of Health of Bethesda, Md., Chairman of the Publication Committee; Dr. Vladimir S. Walzel of the Marine Midland Trust Company, of New York, Editor of the Czech and Slovak language bulletin ZPRAVY SVU.

Members of the Society's Board of Directors include the officers as well as, among others, the economist, Prof. Antonin Basch, formerly of the University of Michigan; William E. Harkins, Head of the Slavic Department of Columbia University; the novelist, Egon Hostovsky; the conductor and composer, Karel Husa; John G. Lexa, professor of comparative law at New York University; Thomas M. Messer of the Guggenheim Museum in New York City; the novelist Ladislav Radimsky, editor of the Society's literary quarterly "PROMENY"; Jiri Skvor of CBC, Montreal, known as "The Czechoslovak Poet in Exile," writing under the pen name Pavel Javor; Edward Taborsky, professor of political sciences at Austin, Texas, and formerly secretary to President Eduard Benes of Czechslovakia; Vlasta Vrázová of Chicago, well-known journalist and President of the Czechoslovak National Council of America; Miloslav Zlámal of Toronto, a poet writing in Slovak and Czech.

Other prominent members include pianist Rudolf Firkusny, soprano Jarmila Novotná, illustrator Miroslax Sasek and some five hundred scholars teaching at leading American and Canadian universities. Members of the Society living outside the Western Hemisphere teach and conduct research at the Universities of London, Oxford, Cambridge, Strasbourg, Munich, Stockholm, Singapore and other institutions of higher learning. Some of the members of the Society have become well-known beyond the confines of the membership, or even beyond the borders of the United States. Prof. René Wellek, President of the Society, is a leading authority on literary criticism. His four-volume work "A History of Modern Criticism" has been translated into many languages; Václav Hlavaty, the first president of the Society, and Head of the Department of Mathematics of Indiana University, an adviser to the U.S. Air Force, well-known to leading mathematicians throughout the world as the man who proved Einstein's theory mathematically; Karel Husa, Head of the Music Department of Cornell University, is widely known as a composer and conductor in the United States and Western Europe; Rudolf Firkusny is one of the foremost pianists of the present generation, appearing regularly in all the capitals of the world in individual recitals and as soloist with all of the leading symphonies; the conductor, Rafael Kubelik, son of an equally famous father, the violinist Josef Kubelik (who used to be known to American audiences from many concert tours in the 1920's and 30's) has had an outstanding career as a conductor of the Chicago Symphony, the Covent Garden Opera in London, and the Bavarian Broadcasting Company's symphony orchestra in Munich and guest conductor of the Vienna, Berlin, and New York Philharmonics; Mme. Jarmila Novotná now retired in Vienna, Austria, was a prima donna of the Metropolitan Opera for more than a decade, and famous as an equally outstanding singer who combined beauty of appearance with her artistic performances in leading soprano and mezzo-soprano parts of operatic literature; Miroslax Sasek is a widely known illustrator and author of many books of witty sketches and illustrations such as "This is New York"; Frantisek Knoepfelmacher is a professor at the University of

Melbourne and a well-known television personality in Australia dealing with problems of Communism; Jiri Straka of the University of Strasbourg, is a specialist in Romance linguistics; Rudolf Sturm, Secretary General of the Society, was consultant to the Library of Congress in 1964–65; Joseph Hajda, an agricultural specialist has served as an adviser to the White House.

A total of thirteen honorary memberships were conferred by the Society between 1960 and 1965. They included, among others: Dr. Alice Masaryk, a daughter of Thomas G. Masaryk, first President of Czechoslovakia, and herself past president of the Czechoslovak Red Cross, now residing in the United States; the late Zdenek Nemecek, a well-known Czech novelist and diplomat; Father Francis Dvornik, the renowned author of studies on early Slavic and Byzantine history; Dr. Howard A. Rusk, Director of the Institute of Physical Medicine and Rehabilitation of New York University and adviser to the President and the Armed Forces; the late Albin Polásek, a widely known sculptor and creator of statues in the United States and Czechoslovakia, including the statue of Preisdent Wilson in the City of Prague, which was destroyed following the German occupation in 1939; John Slezak, a former Assistant Secretary of the Army in the Eisenhower administration, of Slovak descent; Josef Martinek of Tucson, Arizona, journalist and poet, who has published many volumes of poetry in English and in Czech; Max Brod, the well-known author and critic, formerly of Prague, now in Israel; K. B. Jirák, dean of contemporary Czech composers, of Roosevelt University; and, most recently, Joseph Cardinal Beran, Archbishop of Prague, now at the Vatican, who toured the United States and Canada in April 1966.

Inquiries should be addressed to the Society's office, 381 Park Avenue South, Room 914, New York, N.Y. 10016. Telephone: 212–686–4220.

PROGRESS OF THE SOUTH IN ECONOMIC AND INDUSTRIAL ACTIVITY

Mr. TALMADGE. Mr. President, not very many years ago the States of the South were regarded as the Nation's "No. 1 economic problem." We take pride in the fact that today this situation has been reversed, and the South now is regarded as the No. 1 area of economic opportunity in the Nation.

Certainly, in recent years the South has outpaced other sections of the country in the rate of gain in almost all fields of economic and industrial activity. And with an abundance of natural and human resources which have not even begun to reach their full development, the outlook in the years ahead is for even greater advancement.

Mr. President, there appeared in the August 22 issue of U.S. News & World Report an excellent article, "The South on the Rise—Success Story," reporting on the economic growth of the South, and it is my pleasure to call this article to the Senate's attention, and ask unanimous consent that it be printed in the RECORD.

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

[From the U.S. News & World Report, Aug. 22, 1966]

THE SOUTH ON THE RISE—SUCCESS STORY

(The South, once the "No. 1 economic problem," now is making a comeback, outpacing the rest of U.S. in growth. Industry is burgeoning. There's a boom in education, culture, recreation. Race problems are waning. Why the vast change? From staff members of "U.S. News & World Report" who toured the South comes this report.)

ATLANTA.—Now that the issue of race relations and the problems they raise appear largely to have moved North, this can be reported—

The South definitely is on the rise again—tending in many fields to lead the nation.

Growth in industry is burgeoning. Agriculture has become prosperous. Education is booming from elementary schools through high schools, and colleges through graduate schools.

The rise in the South is not a local phenomenon.

Rapid growth extends all the way from the Gulf Coast areas of Texas and Louisiana up into the lower Mississippi region; eastward through Alabama and Georgia; down into Florida, where growth is explosive; up into South Carolina, North Carolina and Virginia, and over into Tennessee.

A FAVORED REGION

Why? What's happened? The answer you get in exploring the South has many sides.

Workers are available and willing—and are considered less likely to strike. The climate is moderate. Water supply, so important to many industries, is boundless.

Oil and gas are nearby and other sources of power abundant and reasonably priced. A modern highway system, the spread of jet-age airports and more competitive rail rates have ended the onetime transportation barrier to growth.

New Orleans and the Norfolk-Newport News area in Virginia are tending to rival New York as centers of shipping. Atlanta is found to be one of the "hottest" growth cities of the nation—a great financial, trade and educational center.

Dallas and Houston are leaders in the Southwest. Miami and Jacksonville in Florida have taken off in a rapid expansion. Much the same can be said for Little Rock, Memphis, and many other cities of the South.

It is the continuing demand for services of all kinds by the South's expanding industry and population that is fueling the latest surge of growth in these metropolitan areas.

Chemicals and petrochemicals, machinery, metal fabrication all are booming. So is the paper industry. The South is becoming a major producer of aircraft, autos, furniture, and apparel.

Then there is the huge space industry at Cape Kennedy and in Houston, south Mississippi, New Orleans and Huntsville, Ala. The old staples of textiles and tobacco, becoming more and more automated, provide sound underpinning to the economies of a number of States.

The South's old farming base of 40 acres and a mule is a thing of the past. Farms are growing large, mechanized and more efficient. Livestock and poultry have grown in importance as the role of cotton and tobacco recedes.

An official of the Federal Reserve Bank of Atlanta put it this way:

"The 'new' South is old hat. I prefer to call it the 'maturing' South. As you diversify and upgrade industry and agriculture and expand service industries, you create a more mature economy—one that is more stable and less vulnerable to severe fluctuations."

MORE SELF-CONTAINED

This "maturing" South, on the rise, is losing much of its dependence on Northern capital and executive skills. Today, the States of the South are becoming a power in their own right.

Southern banks are financing more and more of the South's growth. Southern schools are in the midst of a drive to produce the trained talent needed for the growth ahead.

Today, as schools improve and job opportunities expand, the loss of professional talent that once plagued the South is coming to an end. A steady stream of people, meanwhile, moves into Dixie to work and live.

So far during the 1960s, the South has been the only region of the country whose population has grown at a faster rate than in the decade of the 1950s.

It all adds up to a transformation of revolutionary import in a region that President Franklin D. Roosevelt once called "the No. 1 economic problem of the nation."

The gap between the South and the rest of the nation has not yet been closed. But gains are striking. Since 1940, personal income per capita in the South has moved up from about 60 per cent of the national average to around 80 per cent.

MANUFACTURING DOUBLED

In one line of activity after another, the South in this past decade of prosperity has been expanding faster than the rest of the United States.

Jobs have been created at a rate more than twice as fast as the average of all other areas. Manufacturing activity is more than double what it was 10 years ago in the South. That compares with a 50 per cent increase for the rest of the nation.

New patterns of growth are beginning to emerge, built on rising population and growing markets in the South itself.

This comment from Walter Harper, director of South Carolina's development commission, is typical:

"About 95 per cent of the growth we are now getting has nothing to do with companies moving out of other areas. Those companies are coming here to serve the growing needs and wants of people and business."

SHIFT TO TECHNOLOGY

There is another important shift developing today in the South's industrial growth.

Textiles, once in the vanguard of new industries, are declining in importance. Textile workers in South Carolina, for example, now comprise 48 per cent of the factory work force, down from 65 per cent in 1947.

On the other hand, more and more emphasis is being given to industries that stress technology and high wages. You can see signs of this upgrading of industry everywhere.

Along the Gulf Coast is the nation's petrochemical industry, with hundreds of plants that are linked by a 1,000-mile network of pipelines. It's an industry involving 6 billions of investment, built up almost from scratch since World War II and still growing.

At night, aircraft over the lower Mississippi River fly through skies lit by the glow from scores of refineries, chemical plants, sulphur factories and aluminum smelters. The 110-mile stretch from Baton Rouge to New Orleans, says a Louisiana business leader, "is going to rival the Ruhr Valley one day."

On the Mississippi itself, barge traffic is booming again with the development of diesel-powered tugboats able to haul everything from rockets and tanks to coal, oil, autos and other bulk products.

AN ARKANSAS "SEAWAY"

Now half-finished is a 1.2-billion-dollar project to harness the Arkansas River and open it to big barges from its mouth on the Mississippi to Tulsa, Okla. By 1968, Little Rock will become a seaport and, officials believe, the center of an expanding industrial complex.

Along the twisting Tennessee River, in northern Alabama and Tennessee, are paper mills, metal-fabricating plants and sprawling chemical compexes. Soon to be built near Decatur, Ala., is the Tennessee Valley Au-

thority's 250-million-dollar atomic-energy plant.

Huntsville, once a small town in the foothills of northern Alabama, now is building a new 20-million-dollar jet airport to speed direct air service to Washington, New York and Chicago. Its population has mushroomed from 16,000 to 130,000 in the past 15 years. More than 20,000 people are involved in the Space Flight Center's Saturn rocket, a mammoth engine designed to send America's Apollo spacecraft to the moon.

In Florida, America's new billion-dollar moonport is still going up. This has touched off another boom from Cape Kennedy to Orlando, a new center of electronics and missile-parts industries.

Companies producing a wide variety of goods, including chemicals, electric products, machinery and paper, are coming to Arkansas in large numbers. Much the same pattern shows up in Mississippi, with Jackson a center of activity. Factory output in both States has increased in the past decade even faster than in other States in the South, with the exception of Florida.

A booming area in Virginia is along the Shenandoah Valley, now attracting many electronics firms. Companies engaged in research and development are springing up here, too, as well as in northern Virginia, just across the Potomac River from Washington, D.C.

EDUCATION STRESSED

As leaders in the South see it, this region now is moving out of its "cheap labor" phase into one in which skilled labor and technical people are increasingly important.

Reflecting this is a new stress on education, particularly at levels above the high school. Texas, as one example, is spending 237 million dollars on higher education in the years 1965–66, 56 per cent more than the outlays of the previous two years.

Enrollment at Southern colleges has increased by 54 per cent in just five years. Today, the South turns out 16.6 per cent of the nation's holders of the doctoral degrees, compared with 9.1 per cent in 1950. Faculty salaries at Southern universities, on average, are going up faster than in any other region, enabling this area to compete on better terms for top academic talent.

Springing up all over the South are new research centers, usually built around universities. In North Carolina, for example, a research park has grown up in the center of a "research triangle" embracing Duke University, the University of North Carolina, and North Carolina State University at Raleigh.

The University of Tennessee, on July 11, dedicated a 2-million-dollar Space Institute for study and research in the aerospace sciences.

Perhaps the most striking development in education is the sharp rise in two-year community colleges, geared typically to technical training. More than 30 new community colleges were authorized in the South in 1965, and the pace is picking up.

Already, 60 per cent of all freshman students in Florida attend public junior colleges. Virginia, Tennessee and Alabama recently joined the list of States setting up systems of junior colleges or vocational institutions.

MAGNET FOR TALENT

Out of the drive to improve schools, the South now is getting an increasing number of technicians, professional men and managerial talent. These college-trained people, in turn, are demanding better education for their young children.

Says an official of the Southern Regional Education Board: "The quality of public-school education is rising almost everywhere in the South as States invest more money. School systems in some of our metropolitan areas are a match for the best in other parts of the U.S."

Of equal importance to the South's future progress, economists say, is the development of its financial power.

This region, at one time, was considered a virtual dependency of Northern capital for its economic growth. Today, banks and other financial institutions are taking an important role in the South's development as assets grow—from 30 billions in 1955 to nearly 60 billions now, a rate of growth considerably greater than that of the rest of the U.S.

C. W. Butler, senior vice president of Union Planters National Bank in Memphis, says: "City banks in the South now are financing more and more of the big projects that required help from New York and Chicago banks a few years ago. And country banks are financing things our city banks used to finance."

CULTURE, TOO

With this economic and educational upgrading has come a surge in culture and recreation.

Big stadiums for sports have been built in Atlanta, Houston and Memphis. Museums and centers for the performing arts are also going up in these and in many other major cities.

Tourism is becoming big business. Florida, with more than 3 billions a year in tourist income, is still the leader. But one State after another is spending millions to improve and promote beaches, State parks and historic sites.

Summer and week-end homes line the man-made lakes in the Tennessee Valley. Mountain slopes in Tennessee and North Carolina, with the aid of artificial snow, have suddenly become skiing centers.

Officials in Virginia expect a 20 per cent rise in tourist income this year above 1965—not an unusual rise in the South these days. Mild weather makes many areas year-round attractions for vacationers.

MECHANIZED FARMS

In the South's farming areas, too, the pattern is one of change.

Cattle graze in fields where cotton was once grown. Production of broilers, dairy products, fruits and vegetables is rising, as agriculture diversifies.

Banks are taking the lead, says James Furniss, a vice president of the Citizens & Southern National Bank, Atlanta, "in providing the capital to mechanize agriculture and turn it into a business, rather than just a way of life."

Mr. Furniss adds: "Increasingly the South is building plants to process and package its own food products, rather than export raw materials."

Today, the South has become a breadbasket for the nation second only to the Midwest.

TREK TO CITIES

What is changing people's outlook more than anything else is the vast shift from farmlands to the cities. The South is urbanizing faster than the nation as a whole. In 1940, it was two-thirds rural. Now about 60 per cent of its people live in urban areas.

Atlanta is cementing its position as business, financial and distribution center of the developing Southeast. Since 1950, its metropolitan area has nearly doubled in population to 1.2 million. Employment has grown by 28 per cent in the last five years, one of the fastest rates for any big city in the U.S.

Stand atop one of Atlanta's new 40-story skyscrapers and you can see at least 20 new office buildings, many owned by banks and insurance companies, under construction or recently completed in this downtown area. Hotels, high-rise apartments and department stores are going up. Visible, too, in the distance are major expansion projects of the city's universities.

Other big cities are bidding for their shares of growth.

Houston, with 1.7 million people, has grown in population faster than any other major city in the South during the 1960s. It is a center of the petrochemical industry and the third-busiest port in the nation. In recent years, research industries have been flooding the area, in support of the 250-million-dollar Manned Spacecraft Center.

Dallas, rebuilding its downtown, is a growing center of trade, finance, education and culture. Big gains are being made in apparel merchandising and in output of aerospace equipment.

In Memphis, a new civic center rising a block from the Mississippi highlights a massive downtown rebuilding program. The city is in the midst of a 40-million-dollar expansion of its medical-research complex, which, its leaders say, will be one of the country's biggest when finished. Birmingham is also becoming a major medical center and is starting to reshape its downtown.

Jacksonville, already a major center for distribution, expects even greater demand for warehouse space once the Cross-Florida Barge Canal is finished. Also under way is a 100-million-dollar program to improve Jacksonville's port facilities.

BOOM IN AMBITION

Once-quiet towns now are metropolitan areas, bursting with ambition.

Charlotte now ranks second only to Chicago in volume of long-haul trucking, and a new interstate highway promises further growth.

Mobile and Charleston are becoming major ports. In Augusta, Ga., a big industrial complex, built around chemical and wood products, is rising.

Growth of insurance firms, recording studios and services to industry is sparking a boom in Nashville, Tenn. Chemical companies are coming to the area near Richmond, Va., once the capital of the Confederacy and now an expanding distribution center.

It is in these centers of population that long-held traditions are losing some of their grip in the new South. These burgeoning centers are bringing radical changes in politics and government once geared to the rural voter.

People in this region, it's true, still know the value of a dollar and keep a close eye on taxes and government spending. Yet the new cities of the South are loosening purse strings to build up assets, attract more people and industry. There is less resistance to accepting federal funds for education, hospitals, research, urban renewal.

FERMENT IN POLITICS

Politically, the trend toward a two-party system is picking up speed. Republican Party strength is growing in major cities, built around business leaders and the swelling white-collar class.

In today's South, problems of race relations seem to be diminishing. Incidents tend to be isolated, often the work of outsiders, and less violent than racial outbreaks now spreading in the North.

White bitterness over racial integration is still running high in many areas of the South, particularly small towns and rural areas. Yet racial barriers are being lowered.

School integration in most major cities is moving smoothly. All across the South, Negroes are going to college in growing numbers. The South's all-Negro colleges, in fact, are worried over the loss of top students—and faculty members—to formerly all-white colleges.

Many hotels, golf courses, other public accommodations are being desegregated with little fanfare. An Atlanta businessman says: "Whites and Negroes eat side by side in our top restaurants, something you never saw five years ago."

NEGRO MILLIONAIRES

The South's economic boom, creating plentiful jobs for Negroes and whites alike, has blunted a major source of racial friction. Negroes, meanwhile, are moving up the economic ladder. In Atlanta and Memphis, as examples, Negroes own banks, insurance companies and contracting firms that employ whites. A number of Negro businessmen have become millionaires.

The Negro, as a voter, also is moving up. The number of Negroes registered to vote in the South has increased to 2.5 million, from 1.1 million, since 1960, making Negroes a substantial political force. This is especially so in the cities, where Negroes have been elected or named to State legislatures, city commissions and judgeships.

Race is only one of many problems still being solved by the South. Labor shortages are beginning to crop up, particularly among skilled workers. Many businessmen feel that Southern schools still are not turning out researchers and scientists fast enough to keep pace with other regions. Traffic jams and "urban sprawl" are afflicting some cities.

REGION WITH A FUTURE

It's not a uniform picture of change you find in the South. There's a widening gap in outlook and growth between cities and rural areas, where many marginal farmers remain. Some States are industrializing more rapidly than others.

Yet you sense a growing power in this part of the nation and growing confidence that it is a "region with a future." J. L. Townshend, assistant vice president of the Southern Railway System, summed things up this way:

"I've been in the South for 30 years and I've never seen anything like the boom of the last five years. Every sign points to unslackening growth as far ahead as you can see."

HORACE DAVID GODFREY — 32 YEARS' SERVICE TO NATION'S AGRICULTURE

Mr. TALMADGE. Mr. President, it is my pleasure on this occasion to bring to the Senate's attention Mr. Horace David Godfrey's long and devoted service of 32 years to our Nation's agriculture. Mr. Godfrey, Administrator of the Agricultural Stabilization and Conservation Service, has been an agriculturist for his entire life, being born and reared on a farm near Waxhaw in Union County, N.C.

It has been my privilege to have been associated with Mr. Godfrey since first taking my position in the Senate and being assigned to serve on the Senate Committee on Agriculture and Forestry. In our work on the committee, Mr. Godfrey has been of great assistance and proven himself to be an able, knowledgeable, and conscientious Administrator whose main concern has been the advancement of agriculture in America to the benefit of our farmers.

He brought to the Agricultural Stabilization and Conservation Service many years of experience by working with the original Agriculture Adjustment Administration, the Production and Marketing Administration, and the Commodity Stabilization Service. He is well-respected by all Georgians who have worked under his leadership and he has dealt fairly with all agricultural problems in my State.

It is my pleasure today to salute Mr. Godfrey, to commend him for his outstanding work, and to wish him every future success.

WASTE OF U.S. TAXPAYERS' DOLLARS IN SOUTH VIETNAM

Mr. GRUENING. Mr. President, Jack Fosie reports in today's Washington Post that while money is lacking to improve the life of the peasants in Vietnam, funds are available to construct a huge 200-room palace in downtown Saigon.

It is estimated that the construction will cost $1.78 million and will contain such fancy "goodies" as 100 fountains lining the portico, 3,400 exterior lights to illuminate the 21 acres on which the palace is located, teak floors covered with imported rugs, an exterior built with materials from France—glass doors are massive St. Gobain panels.

Why this elaborate and costly palace is being built at a time when the very existence of South Vietnam is in the balance is a complete mystery. Mr. Fosie reports that:

No one knows what the elaborate and expansive building will be used for or when it will be completed—there are many suggestions on a use for the new palace-museum, a residence for the chief of state, a government office building.

It is perfectly evident, of course, that the United States is bearing the cost of this monstrosity. Every item imported by the Ky government for the palace requires the expenditure of dollars or other foreign exchange, and in one way or another the U.S. aid program foots the bill by providing Ky with its dollar and foreign exchange requirements. The entire economy of South Vietnam is, of course, supported by the U.S. aid program. Commodities given to Vietnam under the aid program are sold by the Vietnam Government to local importers and domestic buyers and the sales proceeds and customs duties are the major source of funds available to the Vietnamese to finance its Armed Forces and its programs of economic development in the villages.

It is inconceivable to me that a better use cannot be found for the almost $2 million in U.S.-provided funds than to build a palace for which no use exists. If this project serves as a bribe, or if my friends downtown prefer, as an inducement to Vietnamese Government officials, wouldn't we be better off if we arranged for the deposit in some Swiss banks of the $2 million to the account of Ky and his associates. This would at least have the advantage of saving on scarce and badly needed material for the lagging program of "revolutionary development" about which we heard so much a few months ago. We now hear very little about this program and how it will become the principal means by which the Saigon government will "win the hearts and minds of the Vietnamese people."

There is good reason for the silence about this program. It simply is not achieving the much-touted objectives of improving the lot of the Vietnamese peasant to the point where he becomes a strong and active supporter of the Ky government. Vietcong forces can and do operate with complete immunity a few miles outside of Saigon and every other major city in Vietnam until U.S. forces are sent in on "search and clear" operations. Vietcong bases and operations are still largely protected by the villagers whose devotion to the Saigon government has not been secured.

If anything, the situation is deteriorating. South Vietnamese forces in Tay Ninh Province have been unable, and there is some indication that they have been unwilling, to take on the Vietcong and large-scale operations by U.S. Army forces became necessary. In the crucial Mekong delta area, consideration is now being given to sending several divisions of American fightingmen there to do the job which the South Vietnamese forces cannot do. This will represent the first time it has been found necessary to dispatch our troops to that area.

The underlying reason for this is readily apparent. In most of the Vietnam countryside the Vietcong can operate without fear that their activities will be disclosed by the villagers. The Ky government does not yet control the allegiance of the peasant.

It was precisely to overcome this situation that the program for so-called revolutionary development was conceived. Schools, community development and agricultural projects were to be poured into the rural areas to make manifest the interest of the Saigon government in the welfare of the villager, to enlist his support of the Central Government and thereby to lessen his reluctance to provide information on the Vietcong. Village self-defense and effective participation of the rural population in pacification programs can be assured, it was argued, only if the peasants who make up the bulk of the population in South Vietnam could see tangible evidence of the interest of the Saigon government in their welfare. Recently one of my staff visited Vietnam and spent some time in the countryside talking to Vietnamese and American officials. He reported to me that the new programs for increasing the living standards in the villages is making very slow progress. Wherever he went he was told about the shortages of construction material and equipment and the greater efforts that could be made if needed supplies started flowing into the countryside.

These shortages have not developed because the United States has been chary in providing commodities. The hundreds of millions of dollars allocated to Vietnam have resulted in an unprecedented flow of commodities to that country. The docks in Saigon are bursting at the seams with the mountains of goods that have been offloaded. Where are these commodities going, if not to the villages and hamlets?

A trip through the city of Saigon provides the answer. A tremendous construction program is evident at every turn. Hundreds of speculative buildings have been put up by Vietnamese businessmen to house American personnel spurred on by the exorbitant rentals which U.S. forces pay. Hundreds of new bars have sprung up, fully and luxuriously equipped, including air conditioning, with items imported from the United

States through AID financing. The shops in downtown Saigon are loaded with every type of luxury item imaginable, all brought in under AID financing or made possible because of AID financing.

Mr. Bell, the former Director of AID, testifying last spring before the Foreign Relations Committee stated that he could not imagine that the Saigon black market was of much consequence since all the items could be found normally in the local shops. A walk along the main shopping streets in downtown Saigon will confirm the abundance of luxury items in local shops, though this has gone hand in hand with a flourishing black market conducted on the sidewalks outside American military billets.

The speculation in AID commodities and their use for nonproductive purposes is hardly confined to Saigon, of course. Angiang Province has been selected by Vietnamese and U.S. Government officials for a crash program to establish that the new program of "revolutionary development" can make a rapid impact. Ward Just commenting on the progress of this high priority program in the August 13, 1966, Washington Post states that:

> In Longxuyen, the capital of Angian province, there is little excitement over the coming of the Great Society. One might describe the attitude as cautious pessimism. The main topic among businessmen is said to be the arrival of a contingent from the U.S. Navy, for whose benefit licenses are being sought to open several new taverns.

The feverish speculation which has been going on using U.S.-financed commodities is graphically indicated by the following report I have received. One of the large American contractors in Vietnam engaged in construction for our military forces required a small building to house his administrative staff. He located a suitable building in downtown Saigon consisting of about 10 rooms which had been newly constructed. He estimated the cost of the building at about $30,000. The Vietnamese owners agreed to lease the building to him for 2 years for $80,000, all of which was to be paid in U.S. dollars in advance at the time of occupancy. The building was constructed, of course, with cement and other building material brought in from the United States and financed under our aid program. When the contractor attempted to negotiate the price he was told to take it or leave it since the U.S. military would pay at least that much for the building.

The contractor also needed some land to locate his warehouses and he found about 10 acres of unimproved land about 10 miles outside Saigon near the Bien Hoa Road. He was offered a 5-year lease for $1.25 million. Needless to say these exorbitant charges will be paid by the United States since the contractor operates on a cost-plus contract.

Perhaps some of this is inevitable in wartime when tremendous numbers of military forces pour into a small, underdeveloped country. But is it necessary for the United States to finance the construction of bars and palaces? Cannot AID find a better means of allocating the commodities we bring into the country? Must the commodity import program be run by Vietnamese officials working hand in hand with local commercial importers?

In order to try and remedy this situation I introduced an amendment to the Foreign Assistance Act which has been accepted by the Senate to require that commodities financed by the United States under the supporting assistance authorization of the act must be determined as making a contribution toward the economic development of the country receiving the assistance. The success of the amendment in foreclosing speculative and nonproductive uses of our commodity assistance will depend on the procedures AID establishes to carry out the amendment and the effectiveness with which these procedures are carried out. I have yet to see convincing evidence that AID or the State Department is at all concerned about this situation.

It is also uncertain, at this time, whether the conferees who are now considering the Foreign Assistance Act, will accept my amendment. In light of the facts which I have disclosed today I urge my Senate colleagues in the conference to remain adamant in insisting on enactment of the amendment.

I ask for unanimous consent that the newspaper articles written by Jack Foisie and Ward Just be printed in the RECORD.

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

DIEM PALACE STILL ABUILDING—DEATH OF DICTATOR DIDN'T STOP WORK ON "DREAM HOUSE"

(By Jack Foisie)

SAIGON.—In the midst of war, when money is lacking for projects to improve the life of the peasants, the Vietnamese government goes on building Ngo Dinh Diem's "dream house."

That Diem is dead, assassinated almost three years ago by those who called him a dictator, seems to make no difference.

No one knows what the elaborate and expansive building will now be used for or when it will be completed. But work on the gigantic palace goes on and is now in its fourth year, with completion still years away.

Situated in a 21-acre park in downtown Saigon, the site of the present palace is almost identical to that of the "old palace." The original building served as the residence of the French governor when Vietnam (then called Indochina) was a colony.

After France was defeated in 1954, the 200-room establishment became the home of Diem, who lived in it with his brother Ngo Dinh Nhu and Nhu's wife, the famous Madame Nhu. The three ruled Vietnam, but not without trouble.

In October, 1962, a year before Diem and the Nhus were overthrown, two Vietnamese Air Force pilots tried to kill the first family by bombing the palace.

The family escaped injury but the right wing of the old palace was badly damaged. Diem moved out, then asked Vietnamese architects to submit plans to rebuild the palace. Ten plans were offered, and he rejected them all.

Then a prestigious combine, headed by Ngo Viet Thu, a successful architect in Europe, produced the design that has provided a challenge to artisans and an army of laborers.

The new palace has done away with the gracious columns and arches of the old palace, which was in the tradition of French tropical buildings. The new palace is modern. The only elements that suggest the Orient are the overhanging roof of the penthouse (from which Diem planned to address crowds a la Mussolini), the dragons carved on the auto ramps and some details of decorations.

The main section of the building is as long as a football field and is rigorously symmetrical. It has a yellow stucco facade, but whether this is final remains to be seen.

"Many changes have occurred in the detailed plans since the death of Diem," said Tran Phi Hung, professor of architecture at the University of Saigon. "Many of the rooms have lost their reason for being since the death of the man for whom they were designed."

There are many suggestions on a use for the new palace—a museum, a residence for the chief of state, a government office building.

Whoever the tenant, he will have a fancy place. The palace and its spacious grounds will be illuminated by more than 3400 exterior lights. It will have its own power station to protect against a citywide power failure, which is not unusual.

There will be 100 fountains lining the portico. There will be an immense ballroom and several ceremonial rooms only slightly smaller in size.

The palace will have teak floors covered with imported rugs, according to present plans.

The exterior has been built with materials from France. Glass doors are massive Saint-Gobian panels. Electrical appliances and hardware have been shipped from the United States.

But other rooms will have a Vietnamese motif, with local woods and Bienhoa's celebrated ceramic tiles.

The cost for the entire job is now estimated at $1.78 million.

DELTA PROJECT TESTS DEVELOPMENT THEORY

(By Ward Just)

LONGXUYEN, August 12.—American and Vietnamese planners are putting their theories of "revolutionary development" to the test in the province of Angiang, 130 miles southwest of Saigon in the Mekong River Delta.

The plan is known bureaucratically as "a comprehensive program for the rapid social and economic development of the Angiang priority area." It is a joint effort of the U.S. aid mission and the Vietnamese Ministry of Revolutionary Development which began on July 1 and is scheduled for completion at the end of 1968.

The budget, though the largest allocated for any Vietnamese province, is not by American measurements large—some 384 million piastres ($4.8 million) spread over 30 months.

Unlike any other province, the Angiang priority area has a coordinator in Saigon, Bert Fraleigh, who is a deputy associate director of USAID, the aid mission here. Fraleigh and his Vietnamese counterpart at the "REVDEV" Ministry in Saigon are supposed to break bottlenecks and insure a large and steady flow of money.

The conditions for a successful program are, on paper, perfect, Angiang is rich in soil, and its roads are plentiful. The people have the reputation of being hard-working and the government administration, by Vietnamese standards, is effective. But most important, the province is 95 per cent pacified, largely because the population is 80 per cent Hoa Hao, a fiercely anti-Communist sect that controls the village and hamlet administrations.

The planners hope to move Angiang into "phase three" of aid, beyond mere development into tangible, material progress, in two and a half years, said an aid representative here. "We want to be able to bring visitors from Saigon and neighboring provinces to

show them what can be done by the government when you are working in a secure area," he said.

By "the government" the aid man meant the Vietnamese government, through which the lion's share of the funds are channeled. The programs are meant to be Vietnamese, not American, and when the credit comes it is meant to come to the government.

There was debate, and some criticism, by the Vietnamese and American experts who chose Angiang to launch the ambitious program, which includes:

A land reform program to free some 75 per cent of the province's farmers from tenancy and make them land owners.

A plan to increase real per capita income 30 per cent in two years.

Elementary education for all children in two years, vocational high schools in each of the province's four districts and an A&M college.

An improvement in local administration to promote "honest, inspired" government.

Maintenance and improvement of local security conditions.

The dissenters argued that there were many areas in Vietnam which needed aid more than Angiang, which is prosperous and peaceful. The dissidents said, in effect, that aid to Angiang is aid to the rich.

The advocates, who won the day, argued the need for a laboratory in which optimum conditions existed, to demonstrate what could be accomplished in a secure area. If this could once be shown, it was felt the example would inspire the leaders of other provinces and the people of the country.

With the program barely a month old, it would be idle to speculate on its chances for success or failure. Surely, if the trick cannot be done in Angiang it can be done nowhere in Vietnam.

Men in the field declare that 212 new classrooms (and 212 teachers to staff them) will be available by December, and 25,000 rural homes electrified by April. Secondary crop planting, to replace the traditional one-year one-crop planting, should be common at the end of two years.

In Longxuyen, the capital of Angiang province, there is little excitement over the coming of the Great Society. One might describe the attitude as cautious pessimism. The main topic among businessmen is said to be the arrival of a contingent from the U.S. Navy, for whose benefit licenses are being sought to open several new taverns.

Americans in the field say enthusiasm among the district, village and hamlet leaders is varied, usually according to age. Older administrators tend to regard the programs with suspicion, the younger ones with hope.

Among the average Vietnamese farmers, there is considerable resistance to changing agricultural methods. But agricultural advisers are confident that once they see a soybean plant three times as large, with a dozen times as many pods, as the old one, it will not require lessons in logic to convince the farmer that the new ways are better.

Meantime, those whose responsibility it is to carry out the program are cautiously optimistic, as they are supposed to be, and full of plans for the future and reasons why this has to succeed.

But they are not unmindful of the difficulties of hustling Southeast Asia.

ASSISTANT SECRETARY OF STATE FRANKEL SPEAKS OF THE NEED FOR OUR EDUCATIONAL INSTITUTIONS TO MAINTAIN THEIR INTEGRITY AND INDEPENDENCE

Mr. YARBOROUGH. Mr. President, on August 17 the Assistant Secretary of State for Educational and Cultural Affairs, the Honorable Charles Frankel, testified before the Subcommittee on Education on the International Education Act of 1966. He eloquently discussed one of the important public issues of the day, an issue that becomes more immediate as the Federal Government increases its involvement with education—the conflict between Federal aid to education and academic freedom.

I am a strong supporter of Federal aid to education. Since 1958 I have been a cosponsor or active supporter of every major education bill to pass Congress. This Federal support is vital. It is necessary to channel a sufficient amount of funds into education. Education is of the greatest value to our society, and this should be reflected through society's willingness to spend a sufficient amount of its income on education. The Federal Government, as the voice of the people, is a proper vehicle for channeling these Federal funds.

However, I am also concerned that our educational institutions maintain their freedom. Our teachers and researchers should be free to seek the truth. They should be free to voice responsible, reasoned criticism of society and of the Government. There should exist in our institutions of higher education a climate of academic freedom, of freedom to exchange ideas and to think new and even daring thoughts. There should be respect for the ideas of others, and an emphasis upon the search for truth.

Dr. Frankel summarized very well the issue with which the International Education Act presents Congress:

On one side, the colleges and universities of the country are resources for our society, and they can be better resources if they receive Government support. On the other side, such support must not be permitted to compromise the integrity and independence of our educational institutions and should not turn them aside from their central and enduring purposes.

I ask unanimous consent that Mr. Frankel's testimony be printed at this point in the RECORD.

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

TESTIMONY OF THE HONORABLE CHARLES FRANKEL, ASSISTANT SECRETARY OF STATE FOR EDUCATIONAL AND CULTURAL AFFAIRS, BEFORE THE SENATE SUBCOMMITTEE ON EDUCATION OF THE COMMITTEE ON LABOR AND PUBLIC WELFARE, AUGUST 17, 1966

Mr. Chairman and members of the Committee, I am honored to have the opportunity to appear before you in behalf of the proposed International Education Act of 1966. I speak as a member of the Administration and a representative of the Department of State. But I speak also as one who has spent most of his working life as a member of a university faculty, as a teacher and writer, and as a consultant and representative of various foundations and scholarly organizations.

Much of this work has touched on the fields of international studies and international relations. It is against the background of that experience that I come before you in the belief that the proposed Act deals with fundamental needs in a fundamental way.

There are a number of reasons, to my mind, why the proposed legislation is important.

It offers a better chance to American citizens to acquire the education they need to cope with the facts of international life.

It strengthens the American capacity to develop, to conduct, and to man informed and far-sighted policies in international affairs.

It takes steps that are essential if our Nation is to join with other nations in a more intensive effort to educate the people of the world in habits of mutual understanding and forbearance.

Finally, it is important because it makes a frontal attack on a fundamental issue in the relation between government and the universities, and attempts to deal with this issue from a long-term rather than a short-term point of view.

With your permission, I should like to address myself, first, to the contribution of this proposed program to the education of Americans.

Today, the international environment of the United States does not begin at the oceans' edge, but penetrates almost every corner of our society. It is revealed in the news we hear, the coffee we drink, the movies we see, the political decisions we debate. And precisely because we hear so much from and about other countries, we need to have a background of information, a sense of history and a sense of the day-to-day context of events, if we are to interpret what we hear correctly.

Today, an education without an international dimension is an inadequate education for Americans. We have long since left the day when foreign policy is a matter for experts alone. It affects too many people. It involves too many matters to which not only expert opinion but the common opinion of mankind is relevant. It is conducted in the arena of public debate and under conditions in which the electorate, quite properly, is the ultimate sovereign and arbiter. Education in international realities is thus a requirement of educational policy, private or public, local or national.

The legislation you are considering reflects this view. And it recognizes, I believe, that education that deserves the name cannot be an effort at selling a single point of view, official or otherwise.

In strengthening the education of Americans at home, the American capacity for foreign affairs will also be advanced. This is not merely a matter of training specialized manpower. We need more people with special skills, but in addition to their competence as doctors, teachers, agronomists or economists, such people must also have a special eye and a special ear for the differences in outlook and feeling that mark the people with whom they must work. And in addition to specialists who combine technical skills and international sophistication, we also need a citizenry that has received, as part of its general education, an exposure to the complex facts of the international scene. In the long run, as the President has observed, a nation's foreign policy can progress no faster than the curricula of its classrooms. American schools and colleges have done much in recent years to improve the study and teaching of international affairs. But much more still needs to be done. The International Education Act is an effort to meet this need.

There is a further reason for believing that the legislation you are considering is of importance to the United States in its foreign relations. This reason is that education has moved front and center in this nation's affairs and in every nation's. In the developing nations, little can be accomplished without the advancement of education. In the more prosperous industrial nations, education is the keystone on which depends these nations' power to keep up with the accelerating pace of change. In our own country, as we have discovered, we must turn to educa-

tion again and again as an indispensable element in the solution of pressing social problems.

In short, the role of educational systems in twentieth century societies is immense. Working together, rather than against each other, these educational systems have as much power as any human agency to build an international structure of peace in diversity. The legislation that is before you proposes that we in this country prepare ourselves to do our part in such an effort at international educational cooperation. And it proposes that we begin here at home by educating ourselves better about the needs and aspirations of others.

The steps it contemplates are, I believe, measured and modest. They do not assume that it is America's duty to educate the world. They do not commit the American taxpayer to underwriting the goal of universal education everywhere in the world. They are meant to meet specific needs in our own country, so that we will be better able to work with others to advance the process of mutual international education.

In sum, from the standpoint of foreign policy, I endorse this proposed legislation because it lays the foundation for an international effort that gives proper attention to the crucial role that education can play in realizing the promise of our time and offsetting its perils. The legislation you are considering gives expression to the proposition that education is a major and enduring activity of this nation, and that educational cooperation with other nations constitutes an abiding national interest.

It is in terms of such long-range goals, too, that I believe the potential contribution of this proposed legislation to the relations between the Federal Government and the American educational community should be measured. At the beginning of my remarks, I said that this legislation deals with a fundamental issue. The issue has two sides On one side, the colleges and universities of the country are resources for our society, and they can be better resources if they receive government support. On the other side, such support must not be permitted to compromise the integrity and independence of our educational institutions and should not turn them aside from their central and enduring purposes.

In 1960, a distinguished committee spoke to this issue in a report entitled *The University and World Affairs*. The Committee was constituted and supported by the Ford Foundation at the request of the Department of State, but worked as an *ad hoc* group independently of both organizations. Its members were:

Harold Boeschenstein, President, Owens-Corning Fiberglas Corp.;

Harvie Branscomb, then Chancellor, Vanderbilt University;

Arthur S. Flemming, then Secretary of Health, Education and Welfare;

J. W. FULBRIGHT, United States Senator.

John W. Gardner, then President, Carnegie Corp. of New York;

Franklin D. Murphy, Chancellor, University of California at Los Angeles;

Philip D. Reed, formerly Chairman of Board, General Electric Co.;

Dean Rusk, then President, The Rockefeller Foundation;

J. L. Morrill, Chairman, Formerly President, University of Minnesota.

I would like to quote a brief passage from this report:

"It is not surprising that conflicting views have been pressed upon the universities. On the one hand are those who, feeling keenly a grave sense of national urgency, would have the government tell the university how they must serve the new and pressing needs of the nation in world affairs. On the other hand are those who, cherishing the university's ancient tradition and spirit of scholarship, contend that the university's major contributions to world affairs should come mainly as a byproduct of its scholarship.

"If pressed to an extreme, these two points of view are incompatible and untenable. Each gives color to the fears expressed by those holding the other. Too much stress on the university's responsibility to meet pressing national needs, and to answer policy questions put to it by government, would risk overwhelming its distinctive tasks of scholarship and teaching with demands for topical research and emergency projects of service abroad. The university might well lose its autonomy. On the other hand, too much stress on the freedom of scholars to pursue their own interests would leave serious gaps in American competence of the kinds that only the universities can supply. To fulfill their public purpose, universities should take responsibility for contributing to these kinds of competence, and for defining and exploring the intellectual and educational issues that confront society.

"What is needed is a relationship of mutual confidence and accommodation. Universities would participate in the process of government, through contributing to the determination and implementation of educational policies and programs in world affairs. Government would participate in the process of education, through contributing to the strength of the educational institutions upon which our own society and other societies depend for their growth and freedom.

"Government would provide the means to do the educational tasks, at home and abroad, that the universities cannot undertake unaided. The universities would rise to the educational responsibilities which world affairs place on them and on their sister institutions in other nations."

The Committee then goes on to recommend the precedent of the Morrill Act of 1862, which inaugurated the Land-Grant College movement, and states: "Where government draws on the universities, it has a traditional obligation not only to respect their *integrity in the pursuit of free inquiry, but also to restore and maintain their strength, or to create new centers of strength, in order to sustain an essential national resource.*"

This is the purpose of the proposed International Education Act. The grant-making authorities it includes are intended to strengthen our intellectual resources while at the same time preserving the right and power of our educational institutions to chart their own course, ask their own questions, and think their own thoughts.

I believe that the International Education Act reflects our growing national awareness of the significance of our educational institutions in our relations with other countries. I also believe that it proposes a kind of support and encouragement for these institutions which will strengthen them in their capacity to remain what they should be—not merely passive agents of their government's or their society's purposes but independent guides and critics helping us all to choose our purposes better.

It is because I believe that the International Education Act has been conceived in this spirit that I feel particularly privileged to have the opportunity to appear before your distinguished Committee, Mr. Chairman, and to express my hope that the Committee will act favorably on it.

CONGRESS AND THE COUNTIES: A VIEW FROM CAPITOL HILL

Mr. ERVIN. Mr. President, the distinguished Senator from Maine [Mr. MUSKIE], who is chairman of the Subcommittee on Intergovernmental Relations and a member of the Advisory Commission on Intergovernmental Relations, has rendered signal services to government at all levels. He was one of the outstanding speakers at the Federal Aid Coordinators' Washington conference in June 1966. At that time he made a most penetrating speech in which he outlined how Congress can assist the counties in the more efficient performance of their governmental tasks.

The speech has been published in the July 1, 1966, issue of American County Government, which is the official publication of the National Association of Counties, and merits the widest possible dissemination. I ask unanimous consent that it be printed at this point in the RECORD.

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

CONGRESS AND THE COUNTIES: A VIEW FROM CAPITOL HILL

(By Senator EDMUND S. MUSKIE)

I have been asked to present today a Congressional view of the role of county government in our Great Society: What the counties can do to strengthen the bond of cooperative federalism, and what we in Congress can do to help the counties achieve this goal. This is a broad and important topic, and one which is receiving greater attention on Capitol Hill.

During the past five sessions of Congress we have appropriated almost twice as much federal aid to state and local governments as the total appropriated by all previous Congress going back to 1789. There are now approximately 170 federal programs being administered by some twenty-one federal departments and agencies. The total expenditure is expected to reach $14.6 billion this year. Projected to 1975, it could reach $50 billion.

This aid comes from Washington, to be sure, but it was inspired by the financial problems and pressures of state and local governments. And it recognizes the basic fact that these jurisdictions have the ultimate responsibility for making it work.

Too often this has been forgotten by federal lawmakers as they concentrate on the substance of new domestic programs and the limitations of the federal budget. But the issue is there, and it is fast becoming one of the most important concerns in both Congress and the Administration—that the success or failure of the Great Society programs will depend in large part on the administrative effectiveness and the readiness for action at the state and local levels.

When you ask the question, "What does the average Congressman think about the future role of county government?", you can be certain of the answer. He thinks a great deal about that role and he wants it to be much more effective than it has been in the past.

A DYNAMIC ROLE

This observation must, of course, be qualified in New England where the county is not, by tradition and concept, accepted as a general-purpose unit of government as it is elsewhere in the country. Hence, much of what I say today will be applicable to other units of local government in New England.

Congress, time and time and again, has specifically recognized county governments in its legislation—economic development, antipoverty, conservation, health, pollution control, and so forth—and it has always been sensitive to the efforts of your fine organization, whose views are so well presented in Washington.

I see a dynamic role for the county, both in urban and rural areas, wherever it is an accepted and viable unit of local government. It can be a coordinating mechanism for improving the efficiency and effectiveness of public services. It can provide an opportunity for consolidating and reforming local tax and financing efforts. It can be a method of bringing together, and perhaps eliminating, fragmented special-purpose districts and authorities. It can become an areawide planning authority for orderly long-range public development. And with your new, farsighted program for establishing a County Federal Aid Coordinator, it can serve as a major force in coordinating county-federal relations, in developing local grant programs, and in establishing effective interlevel contacts.

But let me make this clear. Where we see an emerging and future role for the county in our cooperative federal system, we also are apprehensive about some of its achievements to date, because in many instances the political and administrative structures of existing county governments reveal an incapacity to meet the economic and social responsibilities of modern public administration and of achieving substantial reform.

DANGER OF JUNIOR PARTNERSHIP

Three weeks ago, in a speech at Arden House, I told a conference of state legislators that if the states continued to ignore pressing public problems and failed to reach all of their citizens on an equitable basis, we can only expect the federal government to move in to help the communities adversely affected. The incredible riots in Los Angeles, Chicago, and Philadelphia; the school and poverty problems in Boston; the subversion of the Head Start program in some southern states; and the neglect of the rural poor throughout the country, are illustrative of accumulating problems requiring effective action. I warned that if the states do not step into the breach with respect to these and other public problems, they can claim only a junior partnership in our federal system.

The same warnings holds true for the counties—perhaps even more so. They can become the regional coordinators and administrators for the joint-action programs of the states. They can stimulate orderly planning, effective program implementation, and the application of cost-effectiveness techniques. They can help straighten out the inequities and inadequacies that exist in local taxing and financing procedures. And they can follow the example of the more than two hundred counties which, as of the first of this year, had established federal aid coordinators.

The overriding question is: Will more counties—not just a minority—do these things in sufficient degree to make their usefulness in the federal structure manifest and permanent, or will they have to be by-passed by some other type of federal-local relationship?

A meaningful answer to this querulous question can be provided only by raising two others: First, what can Congress do to help the counties strengthen and improve their function in meeting public needs; and second, what can the counties do to cooperate with the federal government in better fulfilling the goals of the Great Society as established by Congress?

WHAT CAN CONGRESS DO?

Actually, Congress can do very little directly to stimulate the vesting of increased legal responsibility and authority in the countries. This must come from the state legislatures and, in some instances, from amendments to state constitutions. But for many counties, substantial administrative and planning authority already exists; here, Congress can be helpful.

First, we must continue to make every possible use of our federal grant-in-aid system to zero in on key domestic problems: poverty, education, health, urban development. We must modernize the application of federal funds, permitting a greater flexibility and less red tape in their use and providing recipients with more freedom to plan their own approaches toward community development and to choose the programs that best suit them. Positive incentives must be given here to county governments to become regional planners and administrators of federal aid where they can demonstrate that they have the capability. The county federal aid coordinators can play a leading role in this effort.

Second, we can take action to insure better coordination of programs and planning assistance at the federal level. After all, we can hardly expect state and local governments to modernize their methods of public administration if the federal house is not in order. A good start in this direction can be made with the final passage of S. 561, the proposed Intergovernmental Cooperation Act which I introduced last year and which unanimously passed the Senate. Among other things, this legislation authorizes the President to establish "government-wide guides" in the formulation, evaluation, and review of federal urban development programs; and it establishes as a matter of Congressional policy that federal agencies must take into account all viewpoints—federal, state, county, and municipal—in administering their programs. In particular, the bill requires that federal aid programs shall be consistent with and further the objectives of state and local urban development planning. It contains a requirement that federal departments and agencies, to the extent possible, make aid available to general- rather than special-purpose districts. In the event a loan or grant-in-aid is to be made to a special-purpose district, the governing authority of the general-purpose district affected must be notified and given the opportunity to have its comments made a part of the loan or grant application.

AN EAR FOR LOCAL COMMENTS

S. 561 seeks to strengthen the basis of regional and local planning. It establishes local planning certification procedures for all applications made to the federal government for the construction of hospitals, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, water development, and land conservation. This procedure merely extends the principle Congress already has sanctioned in such federally-aided urban projects as highways, urban renewal, public housing, mass transit, and a number of water resources programs. The measure also provides—and this is highly significant—that all applications for federal loans or grants in eight basic urban project areas be accompanied by the comments and recommendations of an areawide agency performing metropolitan or regional planning and a statement by the applicant that it has considered such comments and recommendations prior to presenting the formal application.

The National Association of Counties has vigorously supported this legislation, but your support is still needed!

NEW NATIONAL COUNCIL

Third, to improve program coordination and planning and to strengthen the administrative relationships between the federal government, the states, counties, and local communities, I feel that a new and permanent operating unit should be established in the Executive Office of the President. It should have a "working secretariat" not connected with any department or agency, headed by a top-level executive secretary and available—and I emphasize—available to state, county, and local leaders for a discussion of their major problems and of the best methods of developing their areas through joint-action programs. This National Council for Intergovernmental Affairs would be chaired by the President and be composed of the Vice President and department and agency heads whose programs have a major impact on state and local government.

I want to emphasize that this mechanism would not be just another interagency committee or council. Instead, it would be the President's right hand for pulling the federal establishment together and obtaining better cooperation in the field of state and local development. I intend to introduce legislation embracing this idea within the next two weeks. In the ensuing hearings we will explore all suggestions for providing a better relationship between the Executive branch in Washington and the people on the firing line—the federal field services and the state and local administrators.

Fourth, the federal government must focus its attention on training and improving administrative personnel at the state and local levels. This has never been done on a comprehensive basis. It seems incredible that, as we have spent over $69 billion in federal monies on state and local programs during the past five years, we have done little to nothing to help these levels upgrade their personnel systems.

UPGRADING LOCAL PERSONNEL

Last week I introduced in the Senate a proposed Intergovernmental Personnel Act which focuses on these basic problems in the personnel area:

To stimulate expanded state and local merit systems, the bill authorizes the President to extend merit requirements to more grant-in-aid programs;

To encourage better personnel management the bill authorizes a program of grants to enable states to strengthen their own personnel administration, to provide state personnel services to smaller jurisdictions of local government, and to stimulate projects for the improvement of personnel administration in larger cities. It also permits the Civil Service Commission to join on a shared-cost basis with states and local governments in cooperative recruitment and examination programs.

To promote more and better training opportunities, the proposed legislation mounts an attack on four fronts. First, it would authorize federal departments and agencies conducting training programs for their own employees to open them up to state and local personnel in counterpart agencies. Second, it would authorize federal departments and agencies administering grant-in-aid programs to initiate training programs for counterpart state and local personnel in short-supply categories. Third, it would establish a grant-in-aid program for in-service training of state and local employees. Fourth, it would give congressional consent to interstate compacts or other agreements for cooperative efforts relating to the administration of state and local personnel training programs.

This legislation does not solve the personnel problem. But, it does constitute the first across-the-board attempt, at the national level, to assist those states, counties, and localities that want to upgrade the professional caliber of their public services.

Finally, we—in Washington—should carefully examine the various new proposals calling for additional federal financial assistance to state and local governments. In the near future, I intend to introduce a joint resolution supporting the present effort of

the Advisory Commission on Intergovernmental Relations to survey in depth intergovernmental finances and all feasible ways of strengthening the financial position of state and local governments.

The population explosion, urbanization, and rising living standards are generating steadily mounting demands on state and local governments for greater services. These jurisdictions are having difficulty providing these services with existing revenues. In addition, the intensive use of consumer and property taxes has created inequitable distributions of tax burdens among some income groups and businesses. The work of Advisory Commission and its staff has been exemplary, particularly with respect to taxation, financing and other fiscal matters. They are more than equipped to do a good job in this critical area.

WHAT THE COUNTIES CAN DO

The counties can do a great deal to help the states implement their broad planning, and to help the local communities improve the quality and scope of their services. They can provide a critical axis between the communities and the states, not only for the effective administration of programs, but for the generation of new ideas about planning and management. But two important conditions must be present if they are to achieve the major status and responsibility they seek.

The first prerequisite is political strength. Such strength comes from adequate jurisdictional authority. It also comes from an effective political system—one in which the elected leadership is responsible to all residents of the county and is chosen on a fair and equal basis. When the political role of the county is identified and strengthened, and when its people are assured of a meaningful role in county affairs, a new public interest and support for the county will develop—both in the local communities, in the state capitals, and in Congress.

The second essential condition is administrative capability. This condition is improving, but improvement is not keeping pace with the tremendous burgeoning of public problems and the demand for more efficient and effective administrative leadership. Your association, and other groups and individuals, are making a splendid effort to provide informational and technical assistance to county administrators.

More and more, the counties are employing professional managers and financial experts. Some states are setting up training programs and informational services to upgrade personnel ability. More county budget and planning agencies are being established. Some counties have joined together in areawide planning and the furnishing of basic public services.

THE NAGGING QUESTION

These are all encouraging signs. The nagging question in the minds of many Members of Congress is: Will the emergence of countywide government provide the most effective and most responsible vehicle for urban and rural public development?

This conference provides a partial answer. The establishment of a post of county urban adviser (or federal aid coordinator) in each of the 300-odd urban counties in the Nation would be a dramatic sign that counties can serve the 130 million citizens residing in their jurisdictions. A similar step in the rural counties would advance your cause with our non-metropolitan citizenry.

How successful the counties will be in playing the role of the program and planning coordinator in coming years depends on their ability to convince both the states and local communities that they can best do the job. The National Association of Counties is paving the way. But the rest is up to you.

SILENCING DISSENT

Mr. HARTKE. Mr. President, Robert Fangmeier, of Indianapolis, is a national officer of the United Christian Missionary Society, an arm of the Christian Church—Disciples—whose national headquarters is in Indianapolis.

Mr. Fangmeier is the contributor of an article published in the current issue of the Christian Century. In the article, he relates some of the events which occurred during the recent visit of the President to Indianapolis, events of which he had firsthand personal knowledge.

I ask unanimous consent that Mr. Fangmeier's observations entitled "'No Dissent' Also for Indianapolis," published in the August 17 issue of the Christian Century, be printed in the RECORD.

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

"NO DISSENT" ALSO FOR INDIANAPOLIS

ARRESTS FOLLOW PROTEST

Echoing an experience reported in these pages a fortnight ago ("Signs of Dissent Squelched in Iowa," Aug. 3), Pres. Lyndon B. Johnson's late July visit to Indianapolis to defend his Vietnam policy left in its wake a new freedom-of-speech controversy. Some 300 peaceful protesters carrying signs critical of that policy were shunted off to a corner of downtown Memorial Circle where L.B.J. could not see them, and 28 others were carted off to jail.

With few exceptions the signs objected to bore quotations from speeches by Senators J. WILLIAM FULBRIGHT, ROBERT F. KENNEDY and VANCE HARTKE. Those referring to Indiana's HARTKE were predominant; he was traveling with the President. Typical sentiments: "Welcome, HARTKE!" "HARTKE Speaks for Us," "Escalation Breeds Escalation"—the latter one of the senator's statements considered particularly apt.

Among the 28 persons arrested were several students from Indiana University and Antioch College, a number of clergymen and one attorney. The charges: "disturbing a public assembly," "taunting an officer," or "interfering with an officer in the performance of his duties." Normally such charges bring to mind harried policemen faced by jeering, rock-throwing mobs of rioters. Not so in this case! Some of those arrested lacked even the dubious satisfaction of having carried a sign, made a statement or questioned a police officer. The attorney, for instance, thought he was helping the police when he suggested to a group of out-of-town arrivals that they either put down their signs or take them over to East Market street where the President would not see them. At that point a police officer came up, made the same suggestion and told the sign-carriers to go by way of Ohio street. When the attorney volunteered the information that going by Wabash street would mean a shorter walk, he found himself arrested.

Somewhat similar was the experience of a clergyman who approached a sheriff's bus in which arrested protesters were awaiting transportation to jail. After learning from an officer on hand what charges were being lodged he turned to his companions and remarked: "This is certainly a violation of civil rights." Thereupon he too was arrested; the charge: "taunting an officer."

Though groups whose signs protested against a "soft" or "no win" policy were not molested, one disabled veteran whose sign called for the use of more bombs was not so fortunate. Apparently his disreputable appearance and the pitiful homemadeness of his sign led the police to conclude that he was a "leftist," or perhaps they felt that he and his sign were not up to the standards of propriety demanded by a presidential visit. At any rate, he was carted off with the others.

Police Chief Noel Jones had a ready defense of his efforts to keep all "anti" signs out of the President's sight. "This is a pro-Johnson crowd," he said. "I'm damned if we are going to have a riot." Later he explained that his orders on how to handle protesters came from the Secret Service. And the orders were effectively obeyed: when the President stood up to speak he must have been favorably impressed by the dearth of such protesting signs as have greeted him on similar occasions in the past.

COMMUNITY REACTION

The segregation of the antiwar protesters and the arrests have aroused a storm of criticism in the community. The Indiana civil liberties union immediately issued a condemnation. Observed Congressman ANDREW JACOBS, JR., of Indianapolis: "It is a sorry day for this community when people are arrested for carrying signs which disagree with the President." Perhaps the most surprising and influential condemnation of the police tactics came in a lead editorial in the conservative *Indianapolis Star*, whose publisher, Eugene C. Pulliam, was cohost with Gov. Roger Branigan at the luncheon tendered L.B.J. during his visit. It said, in part:

"A group of strange, shaggy youngsters gathered downtown Saturday morning to protest this country's involvement in Viet Nam. Many of their placards carried quotations from speeches by three United States senators. Other placards urged peace and goodwill among men. As a result of their actions more than a score of the youngsters were summarily arrested.

"These were not attractive young people, nor were their opinions agreeable to most of us.

"However . . .

"Their apparent intent was not to disrupt the day's festivities nor to practice either civil or uncivil disobedience nor to subvert the republic. Their intent was to protest, which ought surely to be their right.

"It was obviously not illegal to carry placards. The crowd allowed to view the President carried literally hundreds of them. These, however, were nice signs. Nor was it contrary to law to carry controversial signs. The signs supporting the President and his policies must have been just as annoying to the demonstrators as theirs were to the rest of the crowd.

"It may happen that in the course of the autumn campaigns the President will return to Indianapolis for another public appearance. Will all Republicans, conservatives, disaffected Democrats and other dissenters then be forcibly kept from his presence? Their case is truly no different from that of the strange, shaggy youngsters who disagree with the war in Viet Nam. Under the law all men are supposed to be treated equally."

On the Monday morning after the presidential visit most of the court cases were continued. Three juveniles were released, two adults were declared not guilty, one case was dismissed.

But even if the cases of the others are at length dismissed or voided in one legal way or another, the issue of arbitrary harassment and arrests by the police will remain. Beyond the local problem lies a troubling question: Does the Secret Service make a practice of issuing instructions to local police that exceed those called for by legitimate concern for the President's safety? If the Secret Service has indeed been instructed to suppress antiwar sentiment whenever and wherever the President appears in public, then it would appear that we are entering a new

and an ugly phase of the debate over what is the wise course to follow in Vietnam.

ROBERT A. FANGMEIER.

INDIANAPOLIS, IND.

LEGISLATIVE REORGANIZATION

Mr. MONRONEY. Mr. President, last week I called the attention of the Senate to several newspaper editorials dealing with the work of the Joint Committee on the Organization of the Congress. Many additional editorials have now been received on this important subject and I would like to insert some of them for inclusion in the RECORD.

The committee is naturally pleased that these reform proposals have been so uniformly supported. However, it is worth noting that many members of the public are also somewhat skeptical about the will of Congress to meet these organizational needs. The clear tenor of these editorials is that, first, the joint committee's recommendations are sound, second, the proposals are by no means revolutionary and the committee could well have gone further in its recommendations, and, third, the willingness of Congress to reform itself this session will be severely tested by these proposals.

I do not share the view that Congress is unwilling to take this important action. An omnibus reorganization bill—the Legislative Reorganization Act of 1966—has already been introduced in the House of Representatives by my distinguished cochairman, Representative RAY J. MADDEN. I have introduced a resolution on behalf of the Senate members of the joint committee to create a special committee composed of these Senators to report the reorganization bill in the Senate. I hope that this resolution will be reported favorably by the Rules and Administration Committee next Wednesday and acted on by the Senate immediately thereafter.

Many important measures remain for consideration by the Senate this session. But no bill will be more enduring in its impact than this proposal to enhance the vitality of the legislative branch itself.

The joint committee's study has been conducted for the better part of 2 years. There have been 5 months of hearings The final report of the committee's recommendations is in the hands of each Member of Congress. The bill has been drafted. Now, each House should have the right to work its will.

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

[From the Stevens Point (Wis.) Daily Journal, July 30, 1966]

CONGRESS FACES TEST OF WILL TO REFORM

When critics flay the House, the Senate, or both, they are joined by some voices from both august bodies. But how sincere congressmen are in their desire for reform will be shown in the weeks to follow.

The Joint Committee on the Organization of Congress, representing both branches and both major political parties, has reported more than 100 proposals for streamlining Congress.

Will the congressmen vote to split the House Education and Labor Committee into two committees, despite the threatened potent opposition of Rep. ADAM CLAYTON POWELL of New York, the present committee chairman? Will it also split the Senate equivalent, the Labor and Public Welfare Committee, as proposed?

Will members of Congress remove from themselves the privilege of all patronage in the Post Office Department? Will it also eliminate patronage appointments on the Washington, D.C., Capitol Police Force?

Will they actually vote to schedule committee and floor business on a five-day workweek, eliminating the famous "Tuesday-to-Thursday Club" which delays official business but allows committee members to spend those nice long weekends away from Washington?

Will they actually open congressional hearings to the public?

These are only a few of the proposed changes. But many of these take away little islands of privilege which individual congressmen guard with great vigor.

It has been 20 years since Congress has made any attempt to reform itself, but if some of these proposals are adopted it will be in better shape. The question is: Will Congress adopt them?

[From the Tuscaloosa (Ala.) News, July 27, 1966]

CONGRESSIONAL REFORM NEEDED

The Joint Committee on the Organization of Congress has made its report of some 100 recommendations for changes in policies and procedures in the House and Senate. It received little attention from the public and, we suspect, will get about as much attention from congressmen during this session.

This is the committee that was named to study congressional procedures and seek ways in which to make the House and Senate more effective and efficient. It was a committee that had to review congressional activity since the last reform legislation 20 years ago in making its recommendations.

The committee recommendations cannot be called sweeping or far reaching. But they do call for changes which, in most instances, would be helpful in streamlining congressional practices and would assist in giving congressmen a better chance to handle the increasing work load that has come during the past 20 years.

At the outset, the committee was ordered not to tamper with the seniority system for designation of committee chairmen. It did, however, propose that by a majority vote of the committee, bills could be called for consideration when a chairman refuses to permit it.

The report also calls for open meetings for most committee sessions and to divulge the record of voting when it is necessary to have closed sessions.

The committee also recommended that members of Congress stay in the capitol longer each week. The trend for sessions only from Tuesday through Thursday has made for long weekends by many members of Congress.

Some of these proposals, not considered radical changes by the public generally, do call for considerable change by some members of Congress. There is bound to be opposition to them.

While prospects for action on these recommendations are dim as the session gets into its final stage, the fact remains that reform and procedural changes are long overdue in Congress. During the 20 years since the last reorganization, the pace and pressure of congressional work have increased tremendously.

Congress needs to keep in touch with the times in its processes, procedures and policies. The alternative is to become so overburdened and bogged down that both effectiveness and efficiency of the national legislative processes will become disastrously snarled.

[From the Louisville (Ky.) Courier-Journal, Aug. 9, 1966]

CONGRESS HAS A GOOD PLAN FOR REFORM

Congress will be more efficient and the public interest will be served more effectively if the package of more than 100 reforms prepared by the Joint Committee on the Organization of Congress is adopted by both houses. It will not solve major problems which keep that branch of Federal Government more of a check than a balance but approval could clear the way for approaching some of the individual situations too explosive ever to be considered in so broad a sweep.

One of the recommendations is for continuing study of the organization and operations of Congress. It has been 20 years since the last broad program of reforms was adopted and the current package shows the waste of not having a continuing review.

Senator MIKE MONRONEY, an Oklahoma Democrat and a co-chairman of the joint committee, has said he would be pleased if 75 percent of the suggestions are adopted. As important as numbers, though, are some of the specific items that must be approved in the general interest of better government.

There is, for instance, a proposal which would weaken the hold of committee chairmen by making it possible for the majority of a committee to call meetings and require the chairman to report legislation.

Plans to open more committee meetings to the press and public should lead to a greater understanding of Congress and eventually to more faith in the work done there. This proposal, along with those to limit committee assignments in the Senate and to put Congress on a five-days-a-week, every-August-off schedule, should be a part of the final reorganization approved.

In all, the committee has done a good job within the limits set by Congress itself. It has prepared a broad package of mild but necessary changes. If 75 percent is the "passing grade" we would hope that Congress works for an A plus (95 to 100 percent) and does this well before the closing rush of an election year.

[From the San Francisco (Calif.) Chronicle, July 22, 1966]

REFORMS IN CONGRESS

Many of the proposals made yesterday for the reform of Congress by a joint House-Senate committee seem to us admirable and even, in a few cases, startlingly so.

The CONGRESSIONAL RECORD is made enormously bulky and difficult for reference because of the numerous, lengthy "extensions of remarks" introduced into it by unanimous consent. The committee proposes that it should be an honest account of each day's debate.

More than one-third of Congressional committee sessions are now behind closed doors. The committee proposes that all hearings should be open to press and public unless they concern national security and adversely affect someone's reputation.

We vote "aye" on both suggestions.

[From the St. Paul (Minn.) Dispatch, July 25, 1966]

CONGRESS REFORM PROGRAM

After 18 months of work, a joint Senate-House committee on congressional organization has recommended a series of constructive changes in procedures. While there was no agreement on such controversial proposals as public disclosure of congressional incomes or modification of the seniority system, the group gave support to several re-

forms which will be of substantial value if adopted.

One of the most important recommendations is a reduction in present near dictatorial powers of committee chairmen. A committee majority would be given authority to call meetings and act on bills without the consent of the chairman. Under present practice chairmen can prevent or delay consideration of a bill by refusing to call a meeting. It is also recommended that chairmen be required to report out approved bills promptly, something not always done. Elimination of proxy voting is urged. Use of proxies is sometimes abused.

Fewer closed meetings of committees are recommended. About 70 per cent of such meetings are now barred to press and public. Truthfulness of the CONGRESSIONAL RECORD would be increased by a recommendation denying Senators and Representatives the privilege of revising statements made on the floor so that the printed report is different from what was actually said.

Other recommendations include expansion of staff services, with increased representation of the minority party; a computer system for budget checking; strengthening of lobbyist registration rules, removal of postmaster appointments from congressional influence and an annual regular vacation recess in August.

Another change urged by the group is establishment of separate committees on education in both House and Senate. At present education matters are handled by the labor committees. This change is hotly opposed by Congressman ADAM CLAYTON POWELL, chairman of the House Labor Committee, who asserts it is aimed at him. However, federal support of education has expanded so greatly in recent years that the problems justify the attention of a special committee.

All the recommended changes appear sound and valuable. Congress should adopt them.

Republican members of the joint committee fought a losing battle for establishment of a permanent investigating committee controlled by the minority party. Its duty would be to check on allegations of misconduct involving the majority party when that party controls both houses and the presidency. That is, Republicans would have a vehicle for probing into such matters as the Bobby Baker scandals. In event of Republican control of both houses and the White House, the Democrats would be in charge of the investigatory group. While such an arrangement might serve partisan purposes too much under some circumstances, it also could provide public protection against political coverups by the majority. It would strengthen the checks and balances built into the legislative system.

[From the Fairmont (W. Va.) Times, July 23, 1966]

CONGRESSIONAL REFORM

A joint committee on modernizing Congress is working on the final stages of its report and hopes within the next few days to have it ready for submission to the Senate and House of Representatives. Some of the recommendations the report is expected to include make a lot of sense to those of us who are sometimes puzzled over congressional procedures.

One of the most recently improved recommendations by the Committee on Organization of Congress, as the group is officially known, would create an ethics committee in the House similar to the Senate's Committee on Standards and Conduct. It is the latter body which has been engaged recently in delving into the activities of Sen. THOMAS J. DODD and Gen. Julius Klein, a public relations representative for a number of German clients.

Before the final report is made, Sen. CLIFFORD CASE, the liberal Republican from New Jersey, is expected to seek inclusion of a section which would require all members of Congress and their top staff members to disclose all income, gifts, assets and business transactions. This would pave the way for legislation requiring the same "disclosures" by Senators and Representatives that they demand of other top government officials.

One section of the proposed report which strikes us as especially worthy would require verbatim reporting of House debates in the CONGRESSIONAL RECORD and eliminate the present system of "revising and extending remarks." Any undelivered speeches would be carried in a separate section.

It has long been the practice in the House of Representatives for a congressman to insert a speech in the RECORD, even though it was never actually delivered. Such a reform might have hard sledding in the House, whose members will not lightly relinquish the gimmick. But it is one which will save thousands of dollars a year by the elimination from the RECORD of "addresses" no one ever gave.

Another proposed change would compel Congress to adjourn by July 31 of each year unless a majority of each house voted otherwise. In any event, the month of August would be taken as a "vacation." It has been many years since Congress finished its work in what might be considered a "reasonable time," and the arbitrary establishment of an adjournment date might serve the purpose of speeding things up.

The Monroney-Madden Committee, as it is sometimes called, has approved nearly 100 proposals for inclusion in its report. The final details of the plan will be awaited with interest, for it looks like the report could form the springboard from which some vitally needed changes can be launched.

[From the Tulsa (Okla.) Tribune, Aug. 3, 1966]

STREAMLINING CONGRESS

Congressman ADAM CLAYTON POWELL's trip to Oklahoma was not entirely fruitless. He brought more publicity to Sen. A. S. MIKE MONRONEY's congressional reorganization plan than the senator has enjoyed in a long time.

For it was congressional reorganization that prompted Rep. POWELL's outburst. He doesn't want his House Education and Labor Committee reorganized into two committees. Suddenly, people who didn't give a fig for congressional reorganization found themselves profoundly interested.

Thus launched, we'd like to mention a few other things embraced by the Monroney committee—and a few that aren't embraced, but should be. For this is the biggest thing that's happened to Congress since 1946, which is the date of the famous Monroney-LaFollette reorganization bill.

The main recommendations take a good hard slap at the seniority system.

One would make it possible for a majority of the members of a committee to call meetings and report legislation. As things now stand, committee chairmen have been able to thwart legislation by simply refusing to hold hearings.

Another would limit the number of choice committee assignments and chairmanships that any one senator might hold. In the past, assignments to the important committees have normally gone to more senior members.

There is a dilemma for many people in this. The old seniority system has caused real grief at times, but it has also been known to slow down some demogogic, ill-considered legislation too. On balance, though, the reform is clearly needed.

Other recommendations include:

A five-day work-week for Congress, instead of the present Tuesday through Thursday sessions. Good.

Radio and television coverage of committee hearings in the House as well as (at present) in the Senate. Good, if the hearings don't become circuses.

Removal of congressmen's power to appoint postmasters, rural letter carriers and Capitol police on a patronage basis. Good; it is ridiculous to base a postmaster's qualifications on his party affiliation.

That's not all the recommendations, by a long chalk. They run to nearly a hundred pages of committee report, and lay particularly forward-looking emphasis on such matters as the use of data-processing and computerized equipment for coping with complex budget information. This is what Sen. MONRONEY means by getting Congress out of the "cracker-barrel" era of debating high finance. The Pentagon works with computers, and the Congress will have to do so too, if it is not to be outwitted.

This is still essentially a moderate bill, however. It avoids some of the toughest reform issues in an effort to be politically "safe." That, we regret. Changes the committee specifically ducked include:

That all Congressmen and their top aides disclose their incomes and assets;

that regulations on reporting of campaign contributions be tightened;

that House members' terms be lengthened from the present two years to four;

and that (as the Republicans have suggested) there be a congressional "watchdog" investigating committee to be controlled by the minority party whenever both the White House and Congress are controlled by the other party.

Sen. MONRONEY's committee is taking us a long step forward, but there's still a long way to go.

PACIFIC AREA CONFERENCE ON PROBLEMS OF URBAN GROWTH

Mr. INOUYE. Mr. President, urban growth problems are not indigenous to the United States but are beginning to plague large and small nations throughout the world.

For this reason I am delighted to announce plans for a Pacific Area Conference on Problems of Urban Growth to be held in Hawaii May 1 to 12, 1967, under the joint auspices of the State and Federal Governments.

Gov. John A. Burns, of Hawaii, a former Delegate to Congress, recently issued an announcement regarding the conference; and our two major daily newspapers, the Honolulu Star-Bulletin and the Honolulu Advertiser, commented editorially on the subject.

I ask unanimous consent to have printed in the RECORD Governor Burns' announcement and the two editorials.

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

Governor John A. Burns today announced plans for the first international conference to be held in Hawaii, a Pacific Area Conference on Problems of Urban Growth, to be sponsored jointly by the State and Federal governments.

Sponsors will be the Governor, Robert C. Weaver, Secretary of the Department of Housing and Urban Development, and William S. Gaud, Administrator of the Agency for Inter-National Development.

The conference, which will bring ministerial and cabinet-level delegations from throughout the Pacific basin and countries on the Pacific Rim, is scheduled for May 1–12, 1967.

The proposal was originally suggested by Governor Burns in a discussion with a representative of the HUD last year. Joint sponsorship by HUD was accepted by Secretary Weaver who wrote to the Governor:

"I do indeed share your feeling that a conference on problems of urban growth in the Pacific area is a timely venture and has great potential for success.

"Thank you for your invitation of cosponsorship of the proposed conference.

"Surely, in view of the active cooperation already evident between Hawaii and HUD, and assuming continued interest of AID, it is appropriate that we in HUD share in the planning and implementation of this worthy program.

"It will be an honor to join with you in sponsorship.

"Please be assured HUD will cooperate fully on this project and that we will enjoy working closely with you and your staff."

AID's sponsorship was accepted by David E. Bell former Administrator of the agency. Mr. Bell said that he had conferred with his successor, Mr. Gaud, in agreeing to cosponsor the conference.

Bell said: "In view of the importance and urgency of urban problems in the Pacific area, it seems most appropriate that you and the Secretary (Weaver) have taken the initiative at this time. I am glad to know that you expect assistance and participation of the UH and other institutions."

In announcing the forthcoming conference, Governor Burns said:

"In behalf of Secretary Weaver, AID Administrator Gaud and the State of Hawaii, it is my privilege to invite all the people of this State to join in welcoming representatives of the Pacific nations to Hawaii for an international conference on the problems of urban growth.

"This conference will bring to our Islands the highest policy-making officials from throughout the Pacific area to address themselves to the mounting problems of urban growth and development throughout the world.

"Invitations will be extended to all Asian nations with which the United States has diplomatic relations, as well as to the nations of the Pacific basin, including Australia and New Zealand.

"Additionally, participation is being invited from Canada and the Pacific Coast Latin American countries such as Colombia, Chile, Peru and Mexico.

"This conference will focus global attention on Hawaii as America's frontier in the Pacific.

"This is in thorough harmony with President Johnson's expressions of American concern for the future of the Pacific Asian world. In a recent speech, the President spoke of our country's objective of seeking peace in Asia. He said:

" 'It is a peace that can only be assisted through the durable bonds of peace: through international trade; through the free flow of people and ideas; through full participation of all nations in an international community under law; and through a common dedication to the great tasks of human progress and economic development.'

"The President also reminded the American people that the Pacific Era is upon us. He said further the goal of peace in this area is 'a goal worthy of our dreams and the deeds of brave men.'

"We in Hawaii will have an unprecedented opportunity at this conference to demonstrate what the American dream can be.

"We will have with us delegations of the highest officials from all the countries to the north, south, east and west of our Islands.

"The problems that they will discuss here are matters of urgent concern not only in their own nation but also among the emerging nations of the Pacific area.

"It is singularly appropriate to hold an international symposium of this scope in Hawaii.

"We look forward eagerly to hosting this meeting as a co-sponsor with AID and HUD, in the interest of promoting peaceful and orderly development among the peoples of the Pacific."

The Governor has designated Sunao Miyabara, Liberty Bank executive and Chairman of the Hawaii Housing Authority, as General Chairman for the conference. Mr. Miyabara has held preliminary meetings with representatives of the HUD in preparation for the conference.

Serving with Mr. Miyabara on the Conference Steering Committee in Hawaii are: George Izuta, Housing and Home Finance Agency representative, Mrs. Reuel (Ruth) Denney of the State Department of Planning and Economic Development, and Yoshio Yanagawa, Executive Director of the Hawaii Housing Authority.

An Advisory Board of the conference has been appointed jointly by the Governor, Secretary Weaver and Administrator Gaud. This group includes: as Chairman, Chancellor Howard P. Jones of the East West Center; Dr. Shelley Mark, Director of the Department of Planning and Economic Development; Mr. Robert Pitts, Regional Administrator of HUD in San Francisco; James Moore, Director of the Division of International Affairs, HUD; and Dr. Carrol K. Shaw of the Bureau for Far East, AID.

The Governor said a broad cross-section of support for the conference will be solicited, including the United Nations, trade union organizations, private enterprise, foundations, and the Asian Development Bank.

[From the Honolulu Star-Bulletin, Aug. 15, 1966]

HAWAII AT THE PACIFIC CENTER

The weekend selection of Honolulu as the scene of a Pacific Area Conference on Problems of Urban Growth underlines our increasing involvement with non-American areas in the Pacific.

The world is shrinking and so is the significance of national boundaries.

The forces drawing us together are greater than those that divide.

It is in this direction that we are likely to see the most dynamic developments of the late 20th century, and Honolulu is apt to be much involved.

A Chinese guest last week spoke of Hawaii's dedication to freedom, racial equality and racial harmony, recalled the support given here to the democratic movements of Sun Yat-Sen and Syngman Rhee, and suggested that ideas generated here might someday make Honolulu a capital of the world.

Pleasant as it is to hear such compliments, we know that it will be enough if we can just play in a small measure the role of an East-West bridge for which geography and ethnic background have equipped us.

The May 1–12 Pacific Area Conference on Urban Growth is expected to draw important leaders from throughout the Pacific Basin—even South and Central America as well as the Southern and Western Pacific.

The next month, many Pacific mayors will be here as invited guests at the Honolulu meeting of the U.S. Conference of Mayors.

These meetings will accentuate what is happening on a continuing basis at the East-West Center.

They also should strengthen contact and friendships around the Pacific, and build closer those ties that do exist such as Honolulu's sister city ties with cities on Taiwan, Okinawa and Japan.

Things move rapidly in the 20th century. What President Johnson chooses to call the Pacific Era is apt to break faster than we realize.

[From the Honolulu Advertiser, Tuesday, Aug. 16, 1966]

OUR CHALLENGING ROLE

Plans to hold the first Pacific Area Conference on Problems of Urban Growth in Honolulu next spring are both an honor and challenge for Hawaii.

It has, with good reason, been called by Governor Burns the most important international gathering of its kind ever planned for the state—an action-oriented gathering of policy-level officials from some of the world's most important nations.

Perhaps more than three dozen nations and territories will take part, ranging from India across the sweep of Asia to Japan, and including the big and small lands of the Pacific Basin as well as Canada, Mexico and nations of the West Coast of South America.

Two major Federal agencies, the Department of Housing and Urban Development and the Agency for International Development, are joining with the State of Hawaii to sponsor the gathering conceived by Governor Burns.

International agencies have been invited to join in planning the 12 days of sessions opening next May 1.

The subject of the conference is one of the great frontier problems of our time—how to deal with the physical, economic and social pressures resulting from the growth of cities.

It is a problem felt in relative degree by every nation in the area—from some of the world's largest cities in Japan and India to small Pacific islands where urbanization is a new phenomenon.

A recent United Nations report on the housing situation in the Far East says, for example, "the implications of the present rate of urban growth and gravity of the problem of housing for an urban population that is expected to double in the next 20 years have not yet been fully realized."

Hawaii's contribution to this gathering can be significant, not just in providing a pleasant physical atmosphere for the sessions but in constructively influencing their content.

Some of what we have achieved here can stand as an example in urban development in a tropical setting. In honesty, we can also provide examples of "how not to do it."

Most important, however, we can encourage the honest and equal exchange of ideas between officials and planners from the West and from Asia and the Pacific area.

Whatever gains the U.S. has made in meeting its mounting urban problems, it must be realized that conditions and the nature of our resources are far different than those of most nations attending.

This makes it likely that some of the best ideas coming from the meeting will be in the exchange among developing nations of ideas they have found useful in carrying out concepts of their own and those of the West.

For this reason it is well that Governor Burns has given an important role to the East-West Center in the conference.

It is the kind of a two-way role that suits both the Center—and the future of Hawaii.

JANESVILLE GAZETTE URGES CUTBACK IN PLANES SPENDING

Mr. PROXMIRE. Mr. President, last week the Senate rejected a proposal to reduce spending this fiscal year for the supersonic transport by $200 million.

No better reasons for such a cutback can be found than in an editorial from the Janesville Gazette of August 16. The

editorial points out that initial predictions of the cost of the TFX were almost 100 percent wrong. We have no evidence that the history of the SST will be any different. In fact, all the signs are that the stated estimates for the SST are highly unrealistic.

The Janesville Gazette has been a longtime and articulate advocate of economy in Government spending. I am proud to endorse without reservation its views on the SST and TFX.

I ask unanimous consent to place in the RECORD at this point the editorial from the August 16 edition of the Janesville Gazette.

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

TOMORROW'S PLANE TODAY

Even as experience proves the excessive cost of revolutionary aircraft development, the Senate has approved an appropriation for $280 million to step up efforts to build a giant supersonic airliner.

Fresh at hand is the evidence that the Defense Department's experimental TFX or F111 will cost at least twice as much as earlier estimates. When the matter was before Congress in 1962 Defense Secretary McNamara expressed the view that a basic military plane, which with some modifications could be made to serve many purposes, would save a billion dollars. The unit cost then was estimated at something less than $3 million. It now appears that the Air Force version will cost about $5 million, and the Navy version, $8 million. In any event, the planes are far from ready for use.

Despite his example, the senators rejected a plea of Sen. PROXMIRE to reduce the government's gamble on the new civilian plane by $80 million. In these days when inflation is taking its toll and there can be no answer on future costs of the war in Viet Nam, good judgment would indicate that a giant plane to carry crowds of people at high speed is scarcely a must item. Some time, when the country's financial situation is improved and the world at peace, it could merit attention.

Right now, huge areas of the world are closed to visitors, or seriously restricted. Because of our adverse trade balance and gold drain, the administration is doing what it can to limit tourism and avoid American spending abroad. The senators, in voting to get ahead with the oversized plane development, have not stopped to ask themselves where the speedy monsters will fly to, who will join in the mass flights or whether the U.S. financial situation will permit such wholesale foreign travel expenditures.

MIDWEST NEWSPAPERS AND ILLINOIS BAR ASSOCIATION HELP STOP DUMPING INTO LAKE MICHIGAN

Mr. HARTKE. Mr. President, since my speech in the Senate last Friday asking the Army Corps of Engineers and the Chicago Sanitary District to cease dumping nutrient laden dredge material from the north branch of the Chicago River into Lake Michigan, I have received many letters from concerned persons in Chicago and Indiana whose homes are located along Lake Michigan.

On August 16, 1966, I addressed a letter to Lt. Gen. William F. Cassidy asking for a report on this matter and that the corps find other receptacles for this filth-laden dredge material. Since I have received no answer, I sent the following telegram to the Army Corps of Engineers:

Lt. Gen. WILLIAM F. CASSIDY,
Chief, Army Corps of Engineers,
U.S. Army, The Pentagon,
Washington, D.C.:

Refer my letter August 16 for full report on dumping dredge material from North Branch of Chicago River into Lake Michigan. Please advise if the Corps has ceased such activity which will ultimately create a pollution situation which would require billions of federal dollars to erase. People of the Midwest are incensed at Corps flagrant disregard for welfare of population along Lake Michigan.

VANCE HARTKE,
U.S. Senator.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Friday, August 12, Chicago Daily News, entitled "Stop Lake Dumping Now."

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

STOP LAKE DUMPING NOW

Highly contaminated dredgings from the north branch of the Chicago River are being dumped into Lake Michigan with no regard to the health hazard involved. As in the case of polluted dredgings from the key harbors and waterways in the Calumet area, the culprit again is the U.S. Corps of Engineers. And again the excuse is that the engineers have no other dumping site.

In a confrontation in Washington with Sanitary District president Frank W. Chesrow, who wants the north branch dumping stopped immediately, the engineers contended that the dredging project would be completed in two weeks. Not enough time remained, they said, to devise workable plans to dump the river refuse elsewhere. Rep. EDWARD J. DERWINSKI (R-Ill.), one of the Chicago area congressmen who attended the meeting, reported that "there is no solution" to this problem.

Nonsense. In this case, the simple solution is what Chesrow proposed: Stop fouling the lake now! If the price of dredging the north channel to a new depth of 12 feet (from 9) is further pollution of the lake, most Chicagoans do not want to pay it. The channel is plied mostly by barges hauling cement and salt, and they have encountered no significant trouble in navigating at the present depth.

In the absence of an unequivocal federal policy on pollution, the engineers admittedly are faced with a dilemma: how to proceed with their task of keeping Chicago's waterways navigable and yet avoid contaminating Lake Michigan. But the north branch project is only a small part of their over-all responsibility; there is no reason why this project could not be suspended until a satisfactory dumping site is found.

The idea that a little pollution here and a little pollution there can do no harm is untenable. The cumulative effect of piecemeal pollution is pollution on a gigantic scale—with disastrous consequences to the public's health and well-being.

Mr. HARTKE. Mr. President, I call to the attention of the Senate a letter which I received from Mr. Frederick H. Lauder, chairman, Committee on Water Resources of the Illinois State Bar Association. Mr. Lauder joins me in efforts to bring a halt to further pollution by the corps of Lake Michigan. I ask unanimous consent to include his letter and the article from the Monmouth, Ill., Atlas in the RECORD.

Mr. President, I hope we can have a report from the Army Corps of Engineers soon.

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

ILLINOIS STATE BAR ASSOCIATION,
Springfield, Ill., August 16, 1966.

Hon. VANCE HARTKE,
Senate Office Building,
Washington, D.C.

DEAR SIR: For some time, the U.S. Army Corps of Engineers have been dumping in Lake Michigan debris and filth dredged up from the Chicago River and from elsewhere. This pollutes the water of the lake (which is used for drinking purposes by the inhabitants on shore), and contaminates water on bathing beaches. I understand that both the State of Illinois and the City of Chicago have protested against this practice, and it is the subject of a news item in the August 11, 1966, issue of the Chicago Tribune, on pages 1 and 2.

Many U.S. Government agencies and civilian organizations are trying to preserve the water resources of our country and prevent pollution of lakes, rivers and streams. It is very difficult for us to persuade cities, corporations, associations and individuals to cease and desist from polluting our water resources when they can point to the Army Corps of Engineers, an activity of the United States Government, as the greatest and most flagrant offender of all, in this field. It would seem to me that the proposed pollution of Lake Michigan would be a violation of Senate Bill 3107, passed by the Senate on June 9, 1966.

I have noticed an article in the Monmouth Review Atlas, published in the City of Monmouth, Illinois, under date of August 13, 1966, to the effect that you have protested against the Army Corps of Engineers dumping this sludge into the lake. I hope that your efforts and the efforts of other members of the Senate will prevent the continuation of this practice.

I protest this pollution of Lake Michigan, as well as the pollution of other lakes, rivers and streams, and believe that the other members of the Committee on Water Resources of the Illinois State Bar Association do, also. I hope you will do everything in your power to prevent further contamination of the waters of the lake in this way.

With my very best wishes for your continued success, I am

Sincerely yours,

FREDERICK H. LAUDER,
Chairman, Committee on Water Resources.

[From the Monmouth (Ill.) Atlas, Aug. 13, 1966]

LAKE MICHIGAN'S SLUDGE AN ISSUE

WASHINGTON.—Sludge, dredged from the North branch of the Chicago River and dumped into Lake Michigan, is endangering the health of millions, Sen. VANCE HARTKE, D-Ind., said Friday.

In a speech on the Senate floor, HARTKE said the Army Corps of Engineers is dumping large quantities of "polluted filth" 13 miles off the shoreline. The sludge is being dredged to deepen the river for navigation.

The Senator demanded an immediate halt to the dumping and said it "increases the pollution level of the lake and creates a menace to the health and welfare of millions of people in the Chicago area . . . Gary, Hammond and East Chicago, all in Indiana, and neighboring Wisconsin and Michigan communities."

HARTKE asked for long-range pollution planning in the Great Lakes and urged these three immediate steps:

The immediate halting of dumping in the lake by the Army Engineers.

More efficient methods of disposing of waste materials by the Chicago Sanitary District.

New research programs by federal agencies to find new methods of sewage treatment and water reclamation.

A BACK-DOOR OUTFLOW OF DOLLARS

Mr. HARTKE. Mr. President, monetary policy and balance of payments have been a continuing concern for us, one which grows ever sharper in its implications.

The economist and financial columnist Eliot Janeway, in his regular column of August 15, published in the Washington Star, discussed this and related financial problems. I ask unanimous consent that it be printed in the RECORD.

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

WORLD BANK ACTION HURTS

(By Eliot Janeway)

NEW YORK.—It's not just the Supreme Court that follows the election returns. Mr. Dooley's celebrated quip applies as well to the sophisticated denizens of Washington's swank embassy row. Their main job is to keep a sharp eye on the Yankee dollar. Every embassy in Washington has long since alerted its government to count on dollars being hard to come by—and not just because the money policies of the Johnson administration have left us strapped for cash for even our own needs here at home.

The war in Viet Nam—more precisely, the isolation in which we are fighting it—has clearly left the country with the belief that dollars advanced overseas have not come back as value received. Perhaps they never can: The suggestion is all the argument that's needed to cut down on dollar advances. Congress certainly took the suggestion at face value last month when it voted large slashes in the Johnson administration's foreign aid requests.

Governments in need of dollars—and most of them are—have been trying to turn up new ways of raising them without having to deal directly with the American government. The World Bank is proving to be a pretty convenient touch for the shrewdest, toughest-minded political dollar-foragers on the loose in Washington—South Africa, for example.

In June this column cited Sen. STUART SYMINGTON, D-Mo. as authority for the criticism it leveled against the World Bank for its sale of $175 million of 25-year bonds in the New York market. Its operations, we warned, were getting in the way of American borrowers in their own market; and its borowings were aggravating the overheated conditions which Johnson was exhorting American business to permit to cool off.

Adding insult to injury, the World Bank was preparing to siphon off scarce dollars, and send them abroad at the very time when Washington's money policies are shutting off financing opportunities to Americans.

Sen. SYMINGTON, in leveling his objections at this discrimination, noted the World Bank's clearly defensive agreement "initially" to keep the proceeds of its financing in dollars "in order to eliminate any immediate effect on our continuing unfavorable balance of payments." He asked the World Bank to define "initially" and "immediate" and before July was over, the World Bank had given him his answer. It was more reckless than even his critical attitude had bargained for. It announced a $20-million loan to South Africa to finance half the foreign exchange costs of a power plant.

As a matter of American bargaining in the national interest to get full value for dollars advanced, the position in which the loan puts us is as undignified economically as it is morally. For South Africa is an active participant in the international gold speculation against the dollar; and she is holding gold back from the market in order to add to the pressure on the dollar. This is her right, and it is to her interest. But it is not to America's interest to advance South Africa the dollars to operate while she holds back her gold. It is our right to hold back our dollars in order to make her use her gold.

In assessing this use of back-door dollar outflows, it behooves us to remember that it would take a crash in America to make South Africa's gold worth more. Any move that weakens the American dollar against South Africa gold, is bound to encourage the speculation against the dollar and to make it seem plausible.

On the record, SYMINGTON is on sound ground when he said: "Under the article of the charter of the Bank, the Treasury had the authority to disapprove the issue. I wish they had." Certainly, the lack of plan or purpose in our government's dealing with other governments, playing their own hands in their own interest, is hurting business and investment confidence nearly as much as the resultant cost of doing business.

CONCLUSION OF MORNING BUSINESS

The VICE PRESIDENT. Is there further morning business? If not, morning business is concluded.

DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the unfinished business.

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

The LEGISLATIVE CLERK. A bill (S. 3708) to assist the comprehensive city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in those areas, to assist and encourage planned metropolitan development, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill.

Mr. MUSKIE. Mr. President, will the Chair advise the Senate as to what is the pending business?

The ACTING PRESIDENT pro tempore. The question is on agreeing to the amendment of the Senator from Texas [Mr. TOWER].

Mr. MUSKIE. I thank the Chair.

Mr. President, I yield myself 5 minutes.

Mr. President, at this point I ask unanimous consent to have printed in the RECORD a list of organizations which support the pending legislation.

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

ORGANIZATIONS IN FAVOR OF THE DEMONSTRATION CITIES PROGRAM

AFL–CIO.
American Institute of Architects.
American Institute of Planners.
Americans for Democratic Action.
American Public Health Association.
American Public Welfare Association.
Atlanta Region Metropolitan Planning Commission.
California Commission of Housing and Community Development.
Cooperative League of the United States.
Council of Jewish Federations and Welfare Funds.
Family Service Association of America.
Georgia Municipal Association.
Group Health Association of America.
Industrial Union Department, AFL–CIO.
Methodist Church: Board of Christian Social Concerns.
National Association for the Advancement of Colored People.
National Association of County Officials.
National Association of Home Builders.
National Association of Housing and Redevelopment Officials.
National Association of Social Workers.
National Catholic Community Services.
National Conference of Catholic Charities.
National Council of Catholic Men.
National Council of Catholic Women.
National Council of Senior Citizens.
National Farmers Union.
National Federation of Settlements and Neighborhood Centers.
National Governors' Conference.
National Housing Conference.
National Jewish Welfare Board.
National League of Cities.
National Medical Association.
National Recreation and Park Association.
National Urban League.
Pennsylvania League of Cities.
Presbyterian Church, U.S.A.
Tennessee Municipal League.
Union of American Hebrew Congregations.
U.S. Conference of Mayors.

Mr. MUSKIE. Mr. President, the pending amendment, in effect, places before the Senate an issue which goes to the heart of the pending bill. The proposal of the distinguished Senator from Texas [Mr. TOWER] is to strike from the bill the program authorizations of $400 million in fiscal year 1968 and $500 million in fiscal year 1969.

The amendment of the Senator from Texas would retain in the bill the planning authorization of $12 million for the current fiscal year and $12 million for the following fiscal year. In effect, this would strike out the demonstration cities program. In effect this would require that the Congress again consider proposals for authorizations of this program after the studies which the Tower amendment would authorize.

The Tower amendment poses the question for the Senate as to whether or not the problems with which the bill proposes to deal should be dealt with now or postponed until some future time. On this point, I believe that all of us in the Senate should consider the urgency of the conditions it is proposed that the bill meet.

The distinguished columnist Joseph Alsop, in the Washington Post of August 5, 1966, had something to say on

this point which should appeal to the consciences of all of us. Mr. Alsop states:

The right way for all Americans to look at the desperate American urban problem is simply to think of our great cities as very important patients in a very expensive hospital.

In a healthy family, the father and children do not complain about being on short commons for a while, in order to pay for the mother's medical expenses. And if one may be cynical, this tends to be especially true if the father, the bread-winner, the source of the family's income and prosperity, is the person whose recovery from a dire disease is going to cost a small fortune.

In our almost wholly urbanized America, the great cities are the major sources of the general prosperity, and they are indeed direly diseased. They grow less and less fit for human habitation, year by year. They are afflicted with the open ulcers that are the Negro Ghettoes, which should fill every single American, be he Rocky Mountain sheepherder or Wall Street banker, with inextinguishable shame.

Furthermore, because of the population trends already examined in this series, most of the great cities are threatened with early transformation into vast, impoverished Negro reservations—city-sized super-Watts, in fact. Unless something is done, and done soon, to reverse the white emigration to the suburbs, that will be the end of the road, not just in one great American city, but in the majority.

Mr. President, I ask unanimous consent to have printed in the RECORD two articles written by Joseph Alsop which also appeared in the Washington Post.

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

A MODEST PROPOSAL—II

(By Joseph Alsop)

Why are most of the American great cities likely to be transformed into super-Watts? Why, in other words do more and more of the cities have heavy Negro majorities in their school systems, predicting virtually segregated Negro cities of the future?

The first answer is the schools. Here in Washington, for instance. we have elementary schools that are over 90 per cent Negro; we have a city-wide population that is two-thirds Negro; and we have a voting population that is still only about one-half Negro. (These differences appear in all major cities, although other cities' figures are down in the scale as yet.)

But although Washington has already become a predominantly Negro city, the District of Columbia retains a white population of about 250,000. There should, therefore, be a great many tens of thousands of white children of school age in the District. And in reality, there are almost none!

To be precise, Washington had 26,000 white children of elementary school age five years ago. It has lost half that number since then. And of the 13,000 white children of school age still in the District of Columbia, far more than a third attend private schools.

Those figures mean only one thing: That nowadays, white families with children almost automatically emigrate to the suburbs. That conclusion can be cross-checked, too, in half a dozen ways.

The Southwest redevelopment, for instance has caused many white people to return to live in the District of Columbia. But of these returners, almost none are families with children.

Again, there are two or three Catholic parishes in Washington with particularly strong parochial schools. As the Negro people moved into these neighborhoods, virtually all white Protestant families with children moved out, leaving the public schools almost solidly Negro.

But many of the white Catholic families have stayed, although the parochial schools, too, now have very high Negro percentages. This is because the parochial schools, being strongly led, have remained as good as ever, and the Catholic families therefore saw no reason to move.

It would be unrealistic to deny that the cruel fact of race prejudice has played a role in the white emigration to the suburbs. But the truly dominant role has been played, and is still being played, by the schools themselves.

If the admission of large numbers of disadvantaged children causes a school to go to hell in a hack, almost all families who are able to do so rather promptly move to a neighborhood with better schools—which nowadays means a suburban neighborhood. And as the Watts Report shows, the racial origin of the disadvantaged children has little to do with this emigration. The children's effect on the school, because of the extra burden they inevitably impose on the teachers, is the heart of the matter.

The truth of the matter is that the Justices of the Supreme Court left a needed job only one-half done, when they outlawed segregated schools. Because of this country's shameful history of economic and other injustices to its Negro people, the great majority of Negro children are disadvantaged. Desegregation of the schools should therefore have been accompanied by legislation sharply increasing outlays on the school systems, and particularly on the great urban school systems.

That can still be done. The question is whether it can be done in a way to halt the white movement to the suburbs, and even to bring a lot of white families back into the city centers—thereby making a reasonable population balance in both cities and school systems, and thus preventing the growth of the city-sized super-Watts that now threaten us.

The answer is not just good urban schools, which we do not now have. Merely good schools are no longer good enough to reverse the sinister population trend that may soon make our cities into vast Negro reservations. The answer, I fervently hope and strongly believe, is immensely superior urban schools, fine enough to hold and even to attract all families that want the best schooling for their children.

If New York spent $1700 per child per year, or a bit more than Scarsdale does; if St. Louis did the same—in short, if present urban school outlays were just about doubled in every great city—the cities would soon enough have the superior schools that are so desperately needed for social-political reasons as well as educational reasons.

That would leave the problem of safe streets, which has played a lesser, yet discernible, role in the white emigrations to the suburbs. For safe streets, more money must be poured out, not only on better police departments, but also on parks and playgrounds and other recreational facilities and all the other things that make a city a good place to live.

The total bill, as anyone can see, will be astronomically larger than the cities can hope to pay. But what if the Federal Government pays the whole cost of giving superior schools to the great cities, and further lets the cities use their present school budgets to make themselves habitable once again? That question will be examined in the last report in this series.

A MODEST PROPOSAL—III

(By Joseph Alsop)

The right way for all Americans to look at the desperate American urban problem is simply to think of our great cities as very important patients in a very expensive hospital.

In a healthy family, the father and children do not complain about being on short commons for a while, in order to pay for the mother's medical expenses. And if one may be cynical, this tends to be especially true if the father, the bread-winner, the source of the family's income and prosperity, is the person whose recovery from a dire disease is going to cost a small fortune.

In our almost wholly urbanized America, the great cities are the major sources of the general prosperity, and they are indeed direly diseased. They grow less and less fit for human habitation, year by year. They are afflicted with the open ulcers that are the Negro Ghettos, which should fill every single American, be he Rocky Mountain sheepherder or Wall Street banker, with inextinguishable shame.

Furthermore, because of the population trends already examined in this series, most of the great cities are threatened with early transformation into vast, impoverished Negro reservations—city-sized super-Watts, in fact. Unless something is done, and done soon, to reverse the white emigration to the suburbs, that will be the end of the road, not just in one great American city, but in the majority.

For the reasons set forth in two previous reports, there is only one expedient that offers much hope of reversing the present urban trend. The great cities must be given superior schools—not just good schools, mind you, but immensely superior schools, with a strong attractive power—and along with superior schools, the great cities must be given the resources to achieve safe streets again.

That means an astronomical expenditure. A good guess is that all the great cities' present levels of spending per child in school should be at least doubled. In many cases, further funds should also be provided for root and branch rebuilding of antiquated, jail-like urban schools. And in most cities, sums just about equal to the present school budgets are needed to get safe streets, by more spending on police, parks, recreational facilities and other neighborhood-builders.

How, then, is the job to be done? There is no use talking about increasing the cities' tax rates. High urban taxes are another influence behind the white emigration to the suburbs. Only the Federal Government can do the job.

Yet if the Federal Government is to spend many billions per year to cure the disease of the cities, this necessarily means discrimination in favor of the great cities, and against the suburbs, the small towns and the countryside. Nothing could be more politically difficult, yet the job must be done.

Suggesting remedies is not usually the reporter's task, but the aim of this series is none the less to offer a modest proposal for a remedy. We should begin, I think, by recognizing that the great cities are not merely a major source of the national wealth; they are also the sole source of the wealth of the metropolitan areas that extend for hundreds, even thousands of square miles beyond each city's limits.

The cities, therefore, may be regarded as engines which generate the whole flow of Federal revenue from each metropolitan area. And the cities are deeply diseased, endangering the revenue. Why not, then, take the three following steps:

First, let the President appoint a distinguished Federal commission, or even a series of commissions, to trace the true limits of the metropolitan areas of each of the great cities.

Second, let the Federal revenues from each metropolitan area be ascertained, and let the Congress recognize that the revenues from each area are in fact mainly generated in the diseased city center.

Third, let the Congress therefore provide that of these revenues from each metropolitan area, a generous percentage will be returned to each city-center, in order to pay for the superior schools that offer the main hope of cure for the urban disease.

In this manner, the subsidies to the cities that are so desperately needed will at least be placed on a rational basis. If the whole school bill is footed by the Federal Government (while the schools, of course, continue to be managed by the municipal school boards), the cities will then have enough financial elbow room to do all the things needed for safe streets.

There are other advantages in the plan. The newly traced metropolitan areas could later be used as a basis for metropolitan authorities, on the pattern of the TVA, to handle such urban-suburban problems as transportation—problems which are so urgent and grave. The superior schools should not merely cure the urban disease; they should also open the door out of the poverty trap for the children of the urban ghettoes.

But enough has been said, except for one thing. If you once grasp what this urban problem is going to do to the American future, you will automatically agree that any effort, any outlay, any sacrifice is justified to achieve a cure.

Mr. MUSKIE. In his series Mr. Alsop also suggests some of the treatment for this disease which is envisioned by the pending measure. He puts his finger on education. He suggests a massive Federal program designed to create in our cities "immensely superior schools with a strong attractive power." He suggests that this would be a significant contribution to the treatment of this disease.

Mr. President, I used the word "disease" yesterday and today, and I use it advisedly because I think that this is what we are dealing with.

Mr. President, I come from a State of small towns and small cities. The total population of my State, spread over one-half of the geographical area of New England, is about a million people. The largest city in my State has a population of 75,000.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MUSKIE. Mr. President, I ask unanimous consent that I may proceed for 3 additional minutes.

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

Mr. MUSKIE. Mr. President, in terms of my State we do not face a problem which calls for the kind of program which the pending measure proposes. My State is 1 of 50 States. More important, it is one part of a great country. Ever since we began this country, operating under the Constitution, we have been aiming at the objective of creating one country. Indeed, the establishment of the Constitution in the first instance, as a substitute for the Articles of Confederation, had the objective of creating a single nation out of 13 quarrelsome colonies.

This objective of creating one country, a whole country of citizens, all of them equal with each other, has been our objective for 180 years. The stark fact is that this year 1966 we are not yet one country. We are not yet a whole country. We are not yet a completely healthy country. We are not yet a completely free country, that is to say free from instability, disorder and many other problems.

I think that the series which has been written by Joseph Alsop pinpoints this fact. I think the headlines that have been staring at us in the newspapers of the Nation throughout this hot summer pinpoint this fact. The restlessness, instability, disorder, the violence which stems and grows from these diseased areas in our cities is testimony to that fact.

It is because of my concern that we live in one country, that we live in a whole country, that our citizens be free and equal, that this Senator, from a small, rural State, and without great cities, has undertaken to manage the bill, has undertaken to contribute to its authorship, and has undertaken to set forth the ideas it encompasses.

It is vital to my State that we deal with this problem which is plaguing metropolitan areas and the great cities of our country. As Mr. Alsop puts it, cities are the generators of prosperity in this country. Without them, we cannot hope to be viable economically, politically, or ideologically. We cannot hope to sustain our image before the world, but more importantly, we cannot hope to survive as a country and as a society which has meaning for its individual citizens.

Mr. President, this bill will launch an experiment. There are those who would like to see more specific and detailed blueprints of the experiment before it is launched. The point is that the problem is so great, the disease so virulent and spreading so rapidly, that we must undertake to learn as we go along. We must dare to experiment. We must come to grips with the problem. We cannot afford the delay, the study, and the procrastination which the Tower amendment proposes. We have got to get on with the job.

Mr. President, before I undertook to manage the bill, some 6 to 8 weeks ago, one of my conditions was that I would be given the opportunity to write safeguards into the bill which would insure that it would not launch irresponsible experimentation, that it would focus upon the problem, that it would not and could not be diverted into irrelevant directions, that it would not become a giant boondoggle and pork barrel, but that it would, indeed, focus the country's resources upon this disease.

That is what we have tried to do with this bill. It is not a perfect bill. I hope that if the bill is enacted by Congress and signed by the President, we will learn valuable lessons which will enable us to do an evermore effective job in dealing with this disease.

That is our hope. That was our plan. That is how the bill was written. But, just because it is not perfect, because it is not based upon complete information—which is not available—because it does not have the detailed blueprints, is no justification for further postponement and procrastination. We have postponed and procrastinated too long.

If we had applied this kind of experimental medicine a little earlier, we might not now have the problem in its present virulent state.

Indeed, the Tower amendment proposes for us the single, most important issue in the bill. We might just as well be voting on final passage. Essentially the same issue is involved. Obviously, the issue has been raised in the form of this amendment in order to give opponents of the bill more than one crack at it. They are going to try to kill it with this amendment. If they lose, then they may try another cutting amendment of lesser scope.

This is a heel-dragging, a foot-dragging amendment, designed to prevent us from coming to grips with the problem.

We cannot afford it.

I suggest that if I came from a metropolitan city State my motives might be suspect; but I do not come from such a State. Politically, it could be argued persuasively that I would be better off voting against the bill, let alone managing it on the floor of the Senate. But, as Americans, as Mr. Alsop pointed out, the condition in our cities in the Negro ghettos should fill every single American, be he Rocky Mountain sheepherder or Wall Street banker, with inextinguishable shame.

Mr. President, I suggest that emotional shame should be stimulated by these conditions and that we should have the courage and the will to come to grips with the problem. What we are talking about in terms of our resources, our gross national product, is negligible.

A week ago today, the Senate voted to add to the college housing program an increment of $900 million.

By coincidence, that figure is exactly the amount of money involved in the demonstration cities program.

Who supported that proposal to add $900 million to our college housing program?

The distinguished author of the pending amendment, the Senator from Texas [Mr. TOWER], who also signed the minority report along with two other signers, the distinguished Senator from South Carolina [Mr. THURMOND], and the distinguished Senator from Iowa [Mr. HICKENLOOPER], all three of whom have stated in the minority report on the bill that we cannot afford, with the economy moving in high gear, to add these new programs.

Yet, we are willing to spend $900 million—which the committee did not approve—for college housing, but refuse to spend $900 million to deal with the problem of demonstration cities.

Mr. President, I suggest that they search their consciences and decide whether they should not shift their support from the college housing $900 million to the demonstration cities $900 million.

The minority report states that there must be a sense of priorities.

Mr. President, what should that order of priorities be as between these two programs?

It is true that we face a college housing shortage. It is also true that we face a shortage of space in our institutions of higher education for the floodtide of youngsters who need to be served by

them, this year, and in the years to come. I do not minimize that problem at all, but it is not one which will lead to instability in this country. It is not one which will lead to disorder and violence in our cities.

Which is the more pressing demand for the $900 million which these gentlemen who wrote the minority reports are willing to spend on college housing, but are unwilling to spend on the disease which is running rampant and virulent throughout the cities of our land?

I know what my order of priorities is, Mr. President. I say that if we are going to spend that $900 million, as between these two programs, we should spend it on our cities.

That is the issue raised by the Tower amendment.

I do not quarrel at all with the motivation of the opponents, or question their sincerity or integrity, but, in my opinion, their order of priorities is misplaced.

In the Housing Committee, we discussed four bills all at once at the same committee session; namely, mass transportation, the FNMA bill to stimulate the flow of mortgage funds into housing construction, the housing and urban development bill, and the Demonstration Cities bill.

The issue of college housing was raised, and it was agreed to hold the line and not increase it.

It was voted unanimously to cut the demonstration cities program by $1.4 billion, because we were all concerned about not adding too much to the fires of inflation. Thus, the spirit of restraint motivated all members of the committee. The package reported by the committee—four bills—reflected that spirit of restraint; yet, on the floor of the Senate, a week ago today, three of the signers of the minority report on the demonstration cities bill voted to spend another $900 million. In effect they said that it is more important to spend that money on the college housing program than on this burning problem which is afflicting our cities.

So, Mr. President, on the basis of my order of priorities, on the basis of the relative importance of the two problems which are involved, I urge the Senate to reject the Tower amendment which, I repeat, puts the heart of the bill before us as an issue, and to go on from that point to pass the bill.

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

I might say that, without opposition present on the floor, this is something like punching at a pillow. I am not sure I am making myself persuasive on absent Senators, but I do want to make the RECORD and make one further point in connection with the Tower amendment.

The principal argument of the Senator from Texas for his amendment, and indeed the principal argument of those in opposition to the bill, is the alleged inflationary effect of the demonstration cities program.

May I say on this point, the program funds $900 million as the amount to be spent for it. As a matter of fact, the bill provides only $12 million for fiscal year 1967 unless the urban renewal increase would become operative, as contrasted with $300 million of additional college housing which the minority members of this subcommittee supported last week.

So only $12 million is provided for fiscal 1967. Four hundred million dollars is provided for grants in fiscal 1968 and $500 million for fiscal 1969, but no part would be spent before June 30, 1967.

For the most part, because of the lead-time involved in developing and planning comprehensive programs, most of the money will be spent in 1968 and 1969.

To the extent that we can expedite implementation of the program, we will undertake to advance this spending deadline which I have indicated, but in the realities of the situation of the present, the here and now, with the economy moving in high gear, as the opposition to this legislation has put it, this spending is not to take place in any substantial way now or in the immediate future.

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

Mr. President, I withdraw that suggestion, and I yield 1 minute to the Senator from Kansas [Mr. CARLSON] on the amendment.

Mr. CARLSON. I should like to call to the attention of the acting chairman of the committee the fact that I have an amendment pending that I shall be pleased to have called up at this time, if the acting chairman would care to withdraw the pending amendment temporarily.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Tower amendment be laid aside temporarily for that purpose.

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

Mr. CARLSON. Mr. President, I have an amendment at the desk, which I ask the clerk to state.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Kansas will be stated.

The legislative clerk read the amendment (No. 749) as follows:

On page 31, line 11, delete period and insert: "or a statewide agency or instrumentality of its political subdivision designated by such chief executive."

Mr. CARLSON. Mr. President, Senate bill 3708 provides for an orderly development of the metropolitan areas of our Nation, with which I am in accord.

The major cities of my State have expressed their strong interest in the legislation. They see in this bill hope for valuable tools to aid them in the resolution of many local problems which typify urban communities all over America.

There are other reasons for my conviction that this legislation should be approved at this time.

First, we need to recognize that the Congress has heretofore approved some 170 programs of aid to State and local governments. These now provide almost $15 billion in Federal funds. Of course, not all of this money goes to cities. Much of it is used for State-administered welfare, education, highway, and institutional programs. Nevertheless, a very significant sum finds its way into units of government within cities or to deal with problems of people who live in cities.

It can be said that our justification for approving these many aid programs over the years has been to improve the opportunities and environment for the people of this Nation. With three-quarters of the people living in urban centers, it is obvious that, one way or another, the impact of many Federal aids—by whoever administered—is most dramatically judged in the urban context.

Now it seems to me that our categorical aid approach has resulted in many justifiable programs falling far short of their potential because they compete or overlap with other federally aided programs. Our real need is to coordinate these programs at the point of use. They must be packaged into a total program, along with local public and private resources and programs to concentrate on the most critical problems as determined locally by careful community analysis. Unless this is done, we will go on increasing, year after year, the number of categorical aid programs further compounding the confusion of State and local administrators and the public.

The city demonstration bill does just that. In simple terms it says to each city, you prepare a comprehensive plan for correcting the human and physical problems of the most inadequate areas of your community and include in that plan a proposal for the coordinated use of existing Federal aid programs. To provide the inducement or leverage to secure coordination—and of course to fill in some financial gaps—the bill proposes to pay an additional share of the non-Federal cost of the total program.

The plan, as I understand it, is locally conceived and locally implemented. The Federal aids to be used are already authorized, funded, and in use. All we are provided in addition here is a nominal sum to aid in planning and an annual inducement to coordination which is less than one-thirtieth of our present annual State and local aid bill.

Second, I want to point out that our present aid system has had a very unfortunate effect on local general government—cities and counties. It has fragmented community policymaking and it has dismembered local government administration. We have reached the point where at the end of each Federal-aid string is a local agency, department, or constituency which is expected to follow Federal direction or receive no benefits. Local government has been seriously weakened and finds it difficult to respond as the result of the divide-and-conquer concept of existing Federal aid.

The inducements contained in the demonstration cities bill, encouraging diverse interests to sit down together to coordinate their individual programs, resources, and talents under the supervision of the city government or city demonstration agency, will materially aid in strengthening local government and reducing the possibility of detailed Federal intervention.

We are an urban nation. We have urban problems. Urban problems compel the attention of Congress. They require adequate fiscal resources. They

demand the fostering of strong local government. This bill is a realistic recognition of these needs of our times.

I am offering an amendment, which I have sent to the desk, which, if approved by the Senate, would make it clear that the pending bill would provide that either a State agency or an instrumentality of its political subdivsions could be selected if the appointing authority so desired.

Mr. President, I offer the amendment as one who has served as Governor, as has the distinguished acting chairman, and who is familiar with the problems involved.

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

The ACTING PRESIDENT pro tempore. Out of whose time shall this time come?

Mr. MUSKIE. Out of my time on the amendment.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

I say to the distinguished Senator from Kansas that his statement is an excellent analysis, in capsule form, of the bill, the proposed program for demonstration cities, and what it is intended to do. I have not seen a better one, and I compliment him on it. I welcome his support of the bill.

With reference to his amendment, it had been brought to my attention yesterday or the day before yesterday. I have checked it out carefully, and reviewed it with the agency. I see no objection to it. Indeed, I think it is a modification that can be very helpful and useful. I would be happy to accept it.

Mr. CARLSON. Mr. President, I appreciate very much the statement just made by the chairman of the committee.

The ACTING PRESIDENT pro tempore. Do both sides yield back their time?

Mr. MUSKIE. I yield back the remainder of my time.

Mr. CARLSON. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Kansas.

The amendment was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. MUSKIE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

The ACTING PRESIDENT pro tempore. On whose time?

Mr. TOWER. Mr. President, I ask unanimous consent that any time consumed by any quorum call be charged to neither side.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Texas? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

LEGISLATIVE APPROPRIATIONS, 1967—CONFERENCE REPORT—UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, at 1 o'clock, or, if the Tower amendment is still under consideration at that time, at the conclusion of its consideration, one-half hour be set aside to consider the conference report on the legislative appropriations bill, the time to be equally divided and under the control, respectively, of the distinguished senior Senator from Delaware [Mr. WILLIAMS], and the chairman of the subcommittee, the distinguished senior Senator from Oklahoma [Mr. MONRONEY].

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

Mr. TOWER. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. TOWER. Mr. President, the time will not be charged against the demonstration cities bill or against either side.

The ACTING PRESIDENT pro tempore. The Senator is correct.

DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966

The Senate resumed the consideration of the bill (S. 3708) to assist comprehensive city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in those areas, to assist and encourage planned metropolitan development, and for other purposes.

Mr. TOWER. Mr. President, I ask unanimous consent that my amendment be temporarily laid aside for the consideration of an amendment to be offered by the distinguished Senator from South Dakota.

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

Mr. McGOVERN. Mr. President, I send an amendment to the desk and ask that it be stated.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

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

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

On page 32, after line 14, insert the following:

"TITLE IV—COMPREHENSIVE RURAL DEMONSTRATION PROGRAMS

"Findings and declaration of purpose

"SEC. 401. The Congress further finds that a large part of the urban slum and blight problem is increasingly traceable to conditions in some predominantly rural areas which are experiencing rapid changes in their supporting economy, including towns, cities, and other places relying substantially upon such an economy for their vitality. Perpetuation of such rural blight and lack of opportunity in such areas will continue to generate an unnecessary flow of such people from such areas to metropolitan centers who are without marketable skills or other preparation for useful urban roles and who consequently gravitate to metropolitan slums. The purposes of this title are to provide in such predominantly rural areas additional technical and financial assistance to achieve the purposes stated in Section 101.

"Basic authority

"SEC. 402. The Secretary is authorized to make grants in amounts certified by the Secretary of Agriculture as provided by this title to enable predominantly rural district demonstration agencies as defined in Section 411 to carry out comprehensive demonstration programs. The Secretary of Agriculture is authorized to plan, develop, and provide technical assistance in carying out comprehensive demonstration programs in accordance with this title.

"Eligibility for assistance

"SEC. 403. (a) A comprehensive rural demonstration program is eligible for assistance under Sections 405 and 407 only if—

"(1) physical and social problems in the rural area covered by the program are such that a comprehensive rural demonstration program is necessary to carry out the policy of the Congress as expressed in section 401;

"(2) the program is of sufficient magnitude to make a substantial impact on the physical and social problems and to remove or arrest blight and decay in entire sections or neighborhoods; to contribute to the sound development of the entire rural area; to make marked progress in reducing social and educational disadvantages, ill health, underemployment, and enforced idleness; and to provide educational, health, and social services necessary to serve the poor and disadvantaged in the area, widespread citizen participation in the program, maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training;

"(3) the program, including rebuilding or restoration, will contribute to a well-balanced rural area with a substantial increase in the supply of standard housing of low and moderate cost, maximum opportunities in the choice of housing accommodations for all citizens of all income levels, adequate public facilities (including those needed for education, health and social services, transportation and recreation), commercial facilities adequate to serve the residential areas, and ease of access between the residential areas and centers of employment;

"(4) the various projects and activities to be undertaken in connection with such programs are scheduled to be initiated within a reasonably short period of time; adequate local resources are, or will be, available for the completion of the program as scheduled; administrative machinery is available at the local level for carrying out the program on a

consolidated and coordinated basis; substantive local laws, regulations, and other requirements are, or can be expected to be, consistent with the objectives of the program; the local governing body has approved the program and, where appropriate, applications for assistance under the program; agencies whose cooperation is necessary to the success of the program have indicated their intent to furnish such cooperation; the program is consistent with comprehensive planning in the entire rural area; and the locality will maintain, during the period an approved comprehensive rural demonstration program is being carried out, a level of aggregate expenditures for activities similar to those being assisted under this title which is not less than the level of aggregate expenditures for such activities prior to initiation of the comprehensive rural demonstration program; and

"(5) the program meets such additional requirements as the Secretary may establish, with the concurrence of the Secretary of Agriculture, to carry out the purposes of this title.

"(b) In implementing this title the Secretary of Agriculture shall—

"(1) emphasize local initiative in the planning, development, and implementation of comprehensive rural demonstration programs;

"(2) insure, in conjunction with other appropriate Federal departments and agencies and at the direction of the President, maximum coordination of Federal assistance provided in connection with this title, prompt response to local initiative, and maximum flexibility in programing, consistent with the requirements of law and sound administrative practice; and

"(3) encourage rural district demonstration agencies to (A) enhance neighborhoods by applying a high standard of design, (B) maintain, as appropriate, natural and historic sites and distinctive neighborhood characteristics, and (C) make maximum possible use of new and improved technology and design, including cost reduction techniques.

"Financial assistance for planning comprehensive rural demonstration programs

"SEC. 404. (a) The Secretary is authorized, with the concurrence of the Secretary of Agriculture, to make grants to, and to contract with, rural district demonstration agencies to pay 80 per centum of the costs of planning and developing comprehensive rural demonstration programs.

"(b) Financial assistance will be provided under this section only if (1) the application for such assistance has been approved by the local governing bodies of the rural area, and (2) the Secretary of Agriculture has determined that there exist (A) administrative machinery through which coordination of all related planning activities of local agencies can be achieved, and (B) evidence that necessary cooperation of agencies engaged in related local planning can be obtained.

"Financial assistance for approved comprehensive rural demonstration programs

"SEC. 405. (a) The Secretary is authorized to approve comprehensive rural demonstration programs if the Secretary of Agriculture, after review of the plans, determines that such plans satisfy the criteria for such programs set forth in section 403 and so certifies.

"(b) The Secretary is authorized to make grants to, and to contract with, rural district demonstration agencies to pay 80 per centum of the cost of administering comprehensive rural demonstration programs approved by the Secretary of Agriculture, but not the cost of administering any project or actively assisted under a Federal grant-in-aid program.

"(c) To assist the rural area to carry out the projects or activities included within an approved comprehensive rural demonstration program, the Secretary is authorized, with the concurrence of the Secretary of Agriculture, to make grants to the rural district demonstration agency of not to exceed 80 per centum of the aggregate amount of non-Federal contributions otherwise required to be made to all projects or activities assisted by Federal grant-in-aid programs (as defined in section 112(1)) which are carried out in connection with such demonstration program: *Provided*, That no Federal grant-in-aid program shall be considered to be carried out in connection with such demonstration program unless it is closely related to the physical and social problems in the area of the rural area covered by the program and unless it can reasonably be expected to have a noticeable effect upon such problems. The specific amount of any such grant shall take into account the number and intensity of the economic and social pressures in the sections or neighborhoods involved, such as those involving or resulting from population density, poverty levels, unemployment rate, public welfare participation, educational levels, health and disease characteristics, crime and delinquency rate, and degree of substandard and dilapidated housing. The amount of non-Federal contribution required for each project in a Federal grant-in-aid program shall be certified to the Secretary by the Federal department or agency (other than the Department of Housing and Urban Development) administering such program, and the Secretary shall accept such certification in computing the grants hereunder.

"(d) Grant funds provided to assist projects and activities included within an approved comprehensive rural demonstration program pursuant to subsection (c) of this section shall be made available to assist new and additional projects and activities not assisted under a Federal grant-in-aid program. To the extent such funds are not necessary to support fully such new and additional projects and activities, they may be used and credited as part or all of the required non-Federal contribution to projects or activities, assisted under a Federal grant-in-aid program, which are part of an approved comprehensive rural demonstration program. Such grant funds, however, shall not be used—

"(1) for the general administration of local governments; or

"(2) to replace non-Federal contributions in any federally aided project or activity included in an approved comprehensive rural demonstration program, if prior to the filing of an application for assistance under section 104 an agreement has been entered into with any Federal agency obligating such non-Federal contributions with respect to such project or activity.

"Technical assistance

"SEC. 406. The Secretary of Agriculture is authorized to undertake such activities as he determines to be desirable to provide, either directly or by contracts or other arrangements, technical assistance to rural district demonstration agencies to assist such agencies in planning, developing, and administering comprehensive rural demonstration programs.

"Continued availability of Federal grant-in-aid programs

"SEC. 407. Notwithstanding any other provision of law, unless hereafter enacted expressly in limitation of the provisions of this section, funds appropriated for a Federal grant-in-aid program which are reserved for any projects or activities assisted under such grant-in-aid program and undertaken in connection with an approved comprehensive rural demonstration program shall remain available until expended.

"Consultation

"SEC. 408. In carrying out the provisions of this title, including the issuance of regulations, the Secretary shall consult with and secure the concurrence of the Secretary of Agriculture. The Secretary of Agriculture shall consult with other Federal Departments and agencies administering Federal grant-in-aid programs and shall consult with each Federal Department and agency affected by each comprehensive rural demonstration program before approving a commitment by the Secretary of Housing and Urban Development to make grants for such program under section 405.

"Indian areas

"SEC. 409. In the case of rural areas in Indian reservations, the Secretary of the Interior shall exercise the authorities given to the Secretary of Agriculture under the provisions of this title.

"Labor provisions

"SEC. 410. The provisions of section 110 shall apply to projects assisted in whole or in part under this title.

"Funding

"SEC. 4100 (a). There shall be allocated for the purposes of this title out of funds appropriated pursuant to section 111 (a), (b) and (c) and section 113 of this Act, a share of funds based on the proportion of national population residing in predominantly rural areas.

"(b) Of the sums appropriated for administrative expenses, there shall be transferred to the Secretary of Agriculture and the Secretary of the Interior such sums as are determined by the Bureau of the Budget to be necessary to carry out their responsibilities.

"Definitions

"SEC. 412. In addition to the definitions in Section 112 which may be applicable to this title—

"(1) a 'rural district demonstration agency' means a town, city, county or any local public agency established or designated by the participating local governing body or bodies to administer the comprehensive rural demonstration program for an area; and

"(2) 'local governing body' means any council or board having general governmental and legislative powers in any municipality (or two or more municipalities acting jointly) or with respect to rural areas outside of incorporated municipalities, any county or other public body (or two or more acting jointly) having general governmental powers.

"(3) 'Predominantly rural district' means any district so designated by the State Planning Agency and certified by the Secretary of Agriculture—

"(1) which includes at least one urban town or place and the surrounding predominantly rural territory within convenient commuting distance of such urban center.

"(2) within which the residents thereof carry on their day-to-day commercial, vocational, public service, social, educational, and cultural pursuits; and

"(3) within which there has been established a district-wide planning board capable of planning comprehensively for both the urban and rural areas of the district's residents, and representative of, and responsible to, local governing bodies within the district.

"SEC. 413. Amend the title so as to read: 'A bill to assist demonstration programs for rebuilding slum and blighted areas and disadvantaged rural areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in these areas.' "

STOP UBRAN BLIGHT AT ITS RURAL SOURCES

Mr. McGOVERN. Mr. President, I am happy to give my support to the demonstration cities bill reported by the committee. There are no large metropolitan areas in South Dakota. However, there are smaller and medium size cities in South Dakota that might qualify for the benefits provided in this legislation,

and I am hopeful that if they qualify and apply, they will receive favorable consideration.

However, the crisis that confronts city life is of immediate concern to all Americans—rural and suburban residents as well as those who reside in large cities. We are Americans together, and even the remotest rural resident is not immune from the costs and dangers of continuing deterioration, blight, and misery in the slums of our great cities. It is basically in recognition of that fact, as a representative of one of the rural States, that I support the effort to regenerate our cities.

Mr. President, there is a serious weakness in the bill as it has come before us, both from the standpoint of equitable recognition of the interests of all Americans, and from the standpoint also of the special interests of the people in congested metropolitan centers. A great deal of the misery and squalor that infects our great cities today has its origins in depressed rural areas. Many millions of the inhabitants of our great city slums are recent migrants from farms and Indian reservations. During the past two decades, there has been a sharp decline in employment in agriculture. Millions of rural jobs have been eliminated by modern farming machinery and lessening agricultural opportunities. In spite of our generally rising prosperity, the creation and persistence of farm-bred poverty is continuing. The bill that is before us, Mr. President, overlooks the opportunity to overcome urban poverty at its source. It is both more humane and more economical to deal with poverty in rural areas where so much of it begins, before it has been exported to the cities.

At the time of the riots in the Watts section of Los Angeles just a year ago this month, Chalmers M. Roberts wrote a most perceptive report from the riot area in Los Angeles in the Washington Post. He asked:

Why did it happen, and why did it happen here?

Then he wrote:

The story of the Los Angeles riots is the story of the American Negro's revolution of rising expectations—not of its successes, however, but of its failures.

It is the story of expectations frustrated, of hopes denied, denied specifically to the rural and small-town Southern Negro caught in an urban world he does not understand and whose fruits he cannot share.

Mr. President, I would like at this point to have printed in the RECORD the full report by Chalmers M. Roberts in the Washington Post of August 18, 1965, which is headlined: "Rural Negroes Caught in Urban World; Frustration Is Blamed for Riots."

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

[From the Washington Post, Aug. 18, 1965]

RURAL NEGROES CAUGHT IN URBAN WORLD—FRUSTRATION BLAMED FOR RIOTS

(By Chalmers M. Roberts)

LOS ANGELES, Aug. 17.—Why? Why did it happen, and why did it happen here?

The story of the Los Angeles riots is the story of the American Negro's revolution of rising expectations—not of its successes, however, but of its failures.

It is the story of expectations frustrated, of hopes denied, denied specifically to the rural and small-town Southern Negro caught in an urban world he does not understand and whose fruits he cannot share.

And it is the story of men, women and children who feel hemmed in by a city police force they see as no different from the white man's exercise of authority they knew back home where they came from in the South.

It is most emphatically not the story of all Negroes here in Los Angeles, certainly not of those many thousands who have achieved, who have made it. Rather it is the story of the other Negro community, here as elsewhere in the big cities; the community, as Theodore H. White has described it, "that is threatened with collapse of all human values, all dignity, all function."

It is "a feeling of nobodyness and frustration," as the Rev. Thomas Kilgore of the Negro Second Baptist Church puts it. Mr. Kilgore, who is the Rev. Dr. Martin Luther King's associate here, estimates that up to 65,000 of the city's approximately half-million Negroes "are on or below the fringe."

These are the people, whatever their exact number, from whom came the mobs that pillaged and looted and burned and turned their guns on the white man. Hoodlums, dope addicts, alcoholics, common criminals were among them no doubt. But to lay the blame there or to contend, as Mayor Samuel Yorty did today, that Communists are at fault or, as others have hinted, that Black Muslims played a role, is to miss the depth of the story of what happened here.

NEGROES' "PORT OF ENTRY"

First, take a look at the area which exploded. The urban ghetto known as Watts (it was a small town annexed to the city in 1926) has long been considered "the port of entry" for Negroes coming to Southern California. Unlike the big Northern industrial cities, Los Angeles did not attract the Negro before World War II. Only during the wartime labor shortage did this golden horizon first beckon. The Urban League estimates the influx now is about 1000 a month to the city.

Today a sixth of the county's Negroes live in Watts and adjacent downtown and near-downtown areas have become, in words of a University of Southern California study, "a convenient dumping ground for the problems which the community has failed to solve and which the comfortable suburbanites would rather ignore."

In Watts 65 per cent came from the South, the rural and small-town South. Today Mississippi and Alabama natives represent the most numerous arrivals, whereas earlier it was Texas and Louisiana.

Here the newly arrived Negro family lives in crowded quarters and pays high rents, if it can pay at all.

"A lot of people here live in shacks," said a plumber's helper yesterday in Watts as he was boarding up the broken store window of his white employer. "Some people rent cars for the night for sleeping. And don't let a vegetable truck come down the street—it will look like a skeleton!"

The camera these past few days has presented Watts to America as an area of separate homes, green lawns, palm trees, back yards. But this is an optical illusion, strikingly different as the outward appearance is from Harlem's slum building or Washington's overcrowded row houses.

The 1960 population density in Watts was 14,090 per square mile compared to Harlem's 20,000, according to another report.

John A. Buggs, the Negro director of Los Angeles County Human Relations Commission, says that "you don't have 2000 people living in one block but many, many homes are dilapidated and deteriorating."

"There may be more play areas than in Harlem," says Buggs, "but inside that four walls there is very little difference."

FEW OWN HOMES

Most of the homes are rented from absentee landlords; home ownership in the city's poverty area is barely over 10 per cent. And repossession of homes by white owners is common in Watts.

In the UCLA study of Los Angeles' poverty problem, just over 13 per cent of the 341,000 studied were rated as functional illiterates; that is, they had less than five years of education.

The disparity in schooling is most marked among those Negroes who came here from the Deep South.

These, then, are the people ill-prepared to find a livelihood here in Los Angeles. The city's Negro unemployment rate is now 9.6 per cent and probably double that in Watts. Negro Congressman AUGUSTUS F. HAWKINS from Los Angeles says that 48 per cent of the area's youth are out of jobs.

The unskilled predominate, of course, in an industrial society calling for more and more skills. Yet so cut off from the mainstream are these people that the U.C.L.A. study found half the unemployed saying they had never heard of any of the Federal-state retraining programs.

JOB HUNTING DIFFICULT

Furthermore, industrial decentralization away from the central city here makes job hunting more and more difficult.

Given all these counts against them, it is no wonder that Dr. Harold W. Jones, a Negro psychiatrist who heads a mental health clinic in the riot area, stresses the disappointment of those who come here from the Deep South, seeing their great expectations die for reasons often beyond their control.

And so, Dr. Jones says, those who took part in the riots "feel morally right about what they have done. They look upon it as a revolt rather than a riot and therefore subject to a different value system.

"They see their insurrection as an opportunity to speak. It is as if they are saying, 'It's better to be feared than to be held in contempt.' "

FAMILY PROBLEMS

Dr. Jones, physician-in-charge of the South-Central Mental Health Service, agrees that the breakdown of the Negro family structure is a principal reason for a lack of respect for authority.

The psychiatrist point out that the typical Negro father in low-income areas is a nonentity with few work opportunities who is degraded in the eyes of his youngsters, by the women in his family, by the law and by white men in general.

"It's far easier for the Negro woman to get a job as a domestic than it is for a Negro man to get a job," they say. "When the children go to school, they see fathers depicted in books as men who wear white shirts and a tie and drive a car, and they know this isn't their father.

"Then they see him sitting around the kitchen drinking beer with his buddies while the mother is out working. Too often he has little to show the family that he is in charge.

DISTRUST OF AUTHORITY

"This absence of a figure whose function it is to set limits and establish controls leaves the children lacking in an essential part of upbringing—respect for loving authority—that will enable them to take on a meaningful role in society when they grow up.

"They grow up fighting authority, which usually for them is in the form of a police officer."

This leads you to the problem of the Negro and the Los Angeles police.

"Every kid wants a car," says Don Smith, the CORE head in the city. "He wants it as a social necessity and we have the humiliation of a boy sprawled against the fenders being searched while his date sits frightened."

It is not a matter of "widespread police brutality," Buggs says, but "of insensitive use of words and language, sometimes innocently," by the police.

RESENT TAG OF "BOY"

"To call a man in his 30s 'boy' here is as bad to the Negro as calling him 'nigger' back home in the South. The police say 'boy' to whites, too, but the implication to the Negro is quite different."

When one Negro is hit by a policeman, Buggs says, word spreads fast "and ipso facto the whole police force is brutal."

Buggs agrees that there is crime in Negro neighborhoods "and resistance to legitimate police authority among Negroes." He adds:

"A situation is thereby created in which a police officer believes that he is going to be resisted by any Negro as he attempts to discharge his law enforcement duty, and a large majority of Negroes feel that they are going to be treated roughly when approached by a police officer. These very expectations on the part of both parties tend to produce the kind of situation that each expects.

"This phenomenon may be called a 'self-fulfilling prophecy.'"

POLICE FORCE MAKEUP

The official Los Angeles police figures show a force of 5,000 men, of whom 200 are Negroes. There used to be two Negro lieutenants, but both have retired and today the 23 sergeants represent the highest rank attained on the force by Negroes.

Of the total force 13 percent, police records show, come from the South but this includes many of the Negroes. There appears to be no record of the political sympathies of the Los Angeles police but it is widely believed that all over the United States, especially in urban areas where Negroes have charged "police brutality" as they long have done here, the white men on the forces voted for Barry Goldwater because he promised to uphold their hand more than they thought the Democratic Administration was doing.

Individuals, too, make a difference and Los Angeles Police Chief William H. Parker is a man who speaks his mind. He is widely credited with being a first-class chief in terms of normal police work. But he is just as widely viewed as a man who lacks political tact in dealing with community relations problems, especially with the Negro community.

DEPUTY CHIEF CRITICIZED

His deputy, Roger Murdock, also comes in for a lot of criticism. One of the city's intense and voluble Negro ministers, the Rev. H. H. Brookins, said the other day that "Murdock's attitude is no less than that of Jim Clark in Alabama. Murdock said that the only use for Negro police was because he couldn't be seen after dark."

The result of all this antipathy, as Mr. Kilgore puts it, is that the ghetto Negro "say the white police beat us so we'll burn down the white man's town."

And Mr. Kilgore adds another factor. "The white power structure," he says, "the news media, the government and the police do not see Negroes as people but as Negroes."

This is the difference, he adds, between the fate of the waves of Irish, Italian and East European immigrants who came to America and in time fought their way up the economic and social ladder and gradually have been largely absorbed into what is more and more a middle-class nation. The Negro can't change the color of his skin.

The ghetto Negro, those who have not and cannot escape, thus form an undigested lump of millions in American society. They are in but not of that society.

HOPE IN POVERTY PLAN

The Federal antipoverty program, so far largely held up here in a political snarl, is, in Buggs' opinion, "absolutely the only hope if it is operated as it should be."

But time is running out and the problem grows. Here in Los Angeles the census shows 13.5 per cent of the population is Negro, but more than 20 per cent of the babies being born are Negro.

The Negro today is more urban than the whites. Between 1950 and 1960 two million whites in the cities were replaced by two million Negroes, so vast was the white flight to the suburbs and the Negro migration from the South.

Theodore H White, in his "The Making of the President—1964," notes that whereas today only Washington among major cities has a Negro majority, "by 1980—if the arithmetical projections of present population trends come to pass—Negroes will be the majority in Detroit, Cleveland, Baltimore, Chicago and St. Louis."

HIGH BIRTH RATE

White notes that the Negroes' urban birth rate is about 40 per cent higher than that of whites. Of infants today under a year old, he reports, one in six is non-white and one-fifth of all Negro children are illegitimate.

What White speaks of in national terms is true here in Los Angeles: "Fatherless babies grow up in a world with no family standard of decency—a burden and menace to all about them, white and black." Today the Nation's leaders, nationally and locally, are only beginning to recognize the importance of a massive birth-control program for those countless Negro women who want more out of life than a baby a year.

All this, then, is the story, at least part of the story, behind what happened here these past few days. It is a story of immense problems but not of insuperable problems, given their frank recognition and a widening determination to resolve them.

Mr. McGOVERN. Mr. President, the central fact that stands out in this account is that the transfer of displaced and impoverished rural people into the city slums does not square with their own economic interests, nor the most desirable goals of our society. Most of these rural people cannot find employment in the cities. Their migration benefits neither them, nor the national economy.

The most constructive, and the most economical course for the Nation to take is to raise the level of opportunity in rural America so that the people displaced from agricultural jobs, mining, forestry, and other rural occupations, can earn decent incomes in their home communities, rather than yielding to the pressures that draw them in a rising flood into the chaos of city slums.

Mr. President, I am proposing an amendment which will apply the same kind of concerted attack upon the problem of poverty and squalor, where much of it originates—in the small cities, rural towns, and the farming countryside—that the bill proposes to apply after it has reached the city.

There is ample living and working space in rural communities. There is no need for the reckless crowding of population into increasingly ugly cities, if we take the steps that are needed to make rural America more livable.

The purpose of my amendment, Mr. President, is to provide a demonstration that the rural countryside can offer new industrial and commercial jobs to the men and women displaced from agricultural employment and that urban poverty can be cut off at its source.

Rural poverty is not as highly visible as urban blight. It is found along the backroads and in the mountain valleys and the Indian reservations. But it does exist. The proportion of rural families in poverty is two times as high as it is among urban families.

Much is said, much is written, much is broadcast, much is pictured, of the wretched housing of our big city slums.

But it is generally overlooked that in rural areas there are more families living in houses that are unfit for human habitation than in all the slums of the cities of America.

According to the U.S. Census of 1960, there were 1,390,799 housing units classified as dilapidated and unfit for human habitation in urban areas. The same census reported 1,501,066 dilapidated, unsanitary, unfit housing units in the rural communities with populations of 2,500 or less.

Only 1 in 40 of the housing units in urban areas was classified as unfit for human habitation in 1960. The proportion so classified in rural areas was more than 1 in 12—more than three times as great as the urban proportion.

Educational disadvantage is a principal handicap afflicting rural people. The average rural male is about 2 years behind the national average in schooling. Only 30 percent of rural high school seniors go on to college, compared to 50 percent of the high school seniors in urban areas.

Inadequate health care is another serious rural disadvantage. Children in rural families get only one-third as much service time from doctors and dentists as do urban children. The death rate of children ages 5 to 14 is 50 percent higher in rural communities than in urban areas. The rural death rate is double the urban rate for young people ages 14 to 24.

Unsanitary water supplies and unsafe waste disposal facilities, create serious and chronic health hazards in many rural communities. Yet, modern technology has demonstrated that safe water and waste disposal is economically feasible and practical in rural areas and small towns.

If these barriers to good living can be lifted in our rural communities, they can attract new industries, to provide new jobs for millions of rural workers, without forcing them to migrate for all too often illusory opportunities in the cities.

The purpose of this legislation is to demonstrate ways and means whereby the barriers to decent living can be raised for city dwellers, how city blight and city slums can be corrected.

The purpose of my amendment, Mr. President, is to demonstrate how the same ways and means can be used in rural communities to prevent slums, to prevent city blight, to prevent urban

poverty before it reaches the metropolitan area.

I am convinced, Mr. President, that the cost of preventing city poverty by attacking it at its rural origins will be far less, both in human suffering and in dollars and cents, than the cost of curing it after it has reached the metropolitan slums.

My amendment recognizes that most local rural governments are too small to undertake alone either the efforts that are needed to raise the quality of life for their citizens or to generate the economic opportunity and jobs that are necesary to sustain human life in comfort and dignity. The amendment provides that groups of local governments must work together, both to plan and to carry out their development programs. It would offer to small cities, and the small towns and rural areas tributary to them, the same opportunity, if they cooperate with each other, that would be offered to residents of large metropolitan areas.

Just as the predominantly rural people of South Dakota share with all Americans in their interests in reversing the decay and misery of the large American cities, so do all Americans, city man and rural alike, share an interest in raising the quality of life in rural communities. But for the city resident, rural development is doubly important. It is important to him as a citizen because it will strengthen the economy and insure the tranquillity of our society as a whole. And it is doubly important to him as a city resident, because it will help to slow down the tide of rural poverty flowing into his city slums. It will give to the city planners and city officials the breathing space they need so desperately in order to catch up with and overcome the gigantic problems already upon them.

My amendment provides for the same sort of rural district or area programs provided in the demonstration cities title, modified to be applicable to the rural areas and Indian reservations. The areas must meet appropriate criteria comparable to those for cities demonstration projects. They must be certified by the Secretary of Agriculture.

My amendment directs that a portion of the funds authorized and appropriated under the act, based on the proportion of our national population in rural areas, shall be allocated to rural areas. Thirty percent of our population lives in communities of 2,500 or less. Predominantly rural areas will, in some instances, include somewhat larger towns, but approximately one-third of the funds should, in my opinion, go to the countryside where much of our urban distress is spawned.

Mr. MUSKIE. Mr. President, I yield myself such time on the amendment as I may need to respond to the distinguished Senator from South Dakota.

The Senator and I have discussed his amendment privately. I must say that the rationale for it, the argument he makes as to the nature of the problem, the fact that much of the poverty that we find in our cities has been transported from rural areas which provide less than adequate opportunity—all these factors are difficult to dispute.

In response, may I say to the distinguished Senator from South Dakota, as I did yesterday, in connection with another amendment which was offered by the Senator and accepted by the Senate, that the city demonstration program in the pending legislation is not limited to large cities.

May I again repeat language to which I referred the Senator and the Senate yesterday. Reading from page 2 of the bill, the findings and declaration of purpose:

> The Congress further finds and declares that cities of all sizes do not have adequate resources to deal effectively with the critical problems facing them . . .

Proceeding to language in the same section:

> The purposes of this title are to provide additional financial and technical assistance to enable cities of all sizes (with equal regard to the problems of small as well as large cities) to plan, develop, and carry out locally prepared and scheduled comprehensive city demonstration programs containing new and imaginative proposals to rebuild or revitalize large slum and blighted areas;

So it is the intent of the bill, and of those of us who have participated in its authorship, that we deal with this problem wherever it exists—in the large metropolitan areas, in the smaller cities, in towns or groups of towns. We recognize that poverty is not confined to cities. It is recognized that poverty, indeed, is sometimes transported from rural areas to the cities, and so we wish to deal with it and its causes.

May I say, in addition, Mr. President, that the base of this demonstration program is made up of existing and current Federal aid programs, some 170 of them, as the distinguished Senator from Kansas pointed out earlier this morning. These existing Federal aid programs are the base, and eligibility under them is not confined to the cities. Eligibility is open to all citizens in all parts of the country, whether they come from sparsely settled rural areas or heavily concentrated populations in our cities. So that our current Federal aid programs are the base of the demonstration program, and are available to deal with the problems that the distinguished Senator from South Dakota has spelled out.

Second, it is our objective to coordinate these existing programs, and this coordination effort under the bill is available to the rural areas as well as the city areas.

Title III, for example, I point out to the distinguished Senator from South Dakota, would set up effective centers of technical assistance, with particular reference to the problems of small towns and rural areas, so that they may have readier access to existing Federal aid programs; so that they may be given technical assistance enabling them more effectively to coordinate those problems and focus those Federal resources upon the problems of rural areas and small towns.

Mr. President, may I say to the distinguished Senator from South Dakota that although what is in the bill may not be applicable to the problems of rural areas in exactly the same way that he might desire, the provisions and benefits of the bill and the financial resources of the Federal Government which would be unleased by the bill would be available in rural areas—and I believe should be made available in rural areas—to deal with the root causes of the problem which is plaguing our cities.

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

Mr. MUSKIE. I yield.

Mr. McGOVERN. Mr. President, first of all, I wish to thank the Senator from Maine [Mr. MUSKIE] and the Senator from Texas [Mr. TOWER] for accepting, as they did yesterday, the amendment which I offered that would permit the counties to play a role in executing this program; because I think that, in itself, will give our rural people a greater voice in the execution of the purposes and the goals of this program.

With reference to the further suggestion that a certain portion of the funds be set aside for the small towns and rural areas, I am greatly encouraged by the remarks the Senator has just made, and by the assurance that he provides that some reasonable share of the funds will be made available to the rural areas and to the small cities and towns.

I believe that it is extremely important to recognize that we cannot deal with poverty and with congestion and with crime and with urban blight in the great metropolitan areas alone, recognizing that much of it has its origins in the smaller towns and rural areas where migration is taking place because of the absence of opportunities in those areas.

Do I understand the Senator correctly that in his judgment some reasonable consideration will be given to the allocation of funds to our smaller cities, and that not all the funds will go into a few great metropolitan centers?

Mr. MUSKIE. It is the intent of the legislation, as I understand it—and it is certainly part of my intent—that all facets and all denominations of this problem be explored and studied.

The title of this program was chosen advisedly. It is a demonstration cities program, designed to demonstrate what ought to be done, what can be done effectively, to deal with this root problem of poverty and social unrest. When we deal with a problem of this kind, we must be concerned not only with the big taproot, but also with the smaller roots from which the disease springs.

I could not agree more with the Senator that our rural areas and some of our blighted small towns are the source of much of the problem that we find in our cities.

So I would say to the Senator that I would expect that we would get demonstration city programs in these small areas, and I would be disappointed if we did not.

Mr. McGOVERN. I am as concerned as the Senator is with the problems that have erupted and have caught the head-

lines in areas such as Chicago, Watts, Harlem, Detroit, and elsewhere. Much of the discussion centering around this bill had focused on those three or four areas in the news.

It seems to me that it is important for us to underscore here and to make some legislative history indicating that this is legislation aimed at cities of all sizes—small, middle, and large—and not confined to a few areas that happen to have caught the news and are in the forefront at the moment.

On the basis of the assurance that the Senator from Maine [Mr. MUSKIE] has given me, and his acceptance of the amendment on yesterday, I ask unanimous consent to withdraw the amendment from further consideration.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from South Dakota [Mr. MCGOVERN] is withdrawn.

Mr. GORE. Mr. President, I ask unanimous consent that I may proceed out of order for 3 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Tennessee [Mr. GORE] is recognized for 3 minutes.

HIGH INTEREST RATES AND HOUSING

Mr. GORE. Mr. President, the Commerce Department announced on yesterday that housing starts in July dropped again, this time to the lowest level since December 1960. In 1960 we were in the depths of the final Eisenhower tight-money-induced recession. Purchasing power was pinched. Buying had slowed down.

Today, of course, we are not in a recession. Purchasing power is high, personal income continues to grow, family formations are high, housing demand great. But the housing market is dependent upon long-term financing, and it is here that high interest rates take their first big bite. Automobiles and other consumer durables, such as appliances for the home, are next in line.

The slowdown in housing is already being felt in other areas. A constituent who has a furniture store in a medium-size city in Tennessee wrote to me a few days ago to say that he was feeling the pinch of the drop in activity in the housing market. His furniture and appliance sales have fallen off.

And so it goes. Other industries will be next, and, if interest rates are not brought back down to a livable level, we will soon be in the midst of vaster dislocations.

Unfortunately, the leadership of the Democratic Party has adopted the Andrew Mellon-George Humphrey-Douglas Dillion "trickle down" theory of governmental economics. We can expect, then, continuation of policies which favor big business at the expense of the general public and less organized industries unless there is a change of heart in the administration.

The large corporations continue to get all the funds they need, and to be compensated for their contribution to inflationary pressures by receiving huge tax benefits, particularly the investment tax credit.

And the Federal Reserve continues to push interest rates higher. The Fed, however, is not the only one to blame.

Other agencies continue to do their part to push interest rates higher and to dispense favors.

For the past 2 days, the New York Times has run front page articles on the latest tightening move of the Federal Reserve Board. The Fed has raised the reserve requirement on certain time deposits to 6 percent, and this will result in pulling some $450 million out of the banking stream, thus probably pushing interest rates even higher.

But I have not heard anyone mention the effect of a private tax ruling which the Internal Revenue Service granted yesterday for the benefit of George Humphrey, Secretary of the Treasury under President Eisenhower, and other large stockholders in our largest coal mining company, Consolidation Coal, a part of the M. A. Hanna empire. This one ruling will pull $460 million out of the banking stream.

Mr. President, I have touched on other unfair, inequitable, and, in my view, illegal aspects of this ruling in remarks on the floor of the Senate on June 8, August 11, and August 16 of this year. I shall now only deplore the tax favoritism involved in this private tax ruling which makes it possible for Continental Oil, the 37th largest U.S. corporation, to buy Consolidation Coal with pretax dollars.

But this one private ruling, Mr. President, will pull $460 million out of the banking stream by way of a tax deal that should shock the conscience of all who understand it.

It can be said in defense of the Federal Reserve Board, with respect to this latest raising of reserve requirements on time deposits, that a possible effect will be to slow down the rate war between banks and savings and loan institutions in which large certificates of deposit have played a part. I doubt that it will have this effect, but in theory it could.

But I can think of no defense for Commissioner Cohen of the Internal Revenue Service in issuing this private ruling for a few big stockholders in Consolidation Coal who want to cash out. His complicity in the Du Pont-General Motors ruling is remembered, too.

From the standpoint of tax favoritism and interest rates, large vested interests have not had it so good since the Harding administration. Tax favoritism is rampant. Johnson interest rates are higher than Hoover rates.

On his trip to Campobello, I hope that President Johnson will take a nap in Roosevelt's bed. Perhaps this would inspire reflection upon the historic tradition of the Democratic Party.

HIGHWAY SAFETY ACT OF 1966

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 3052) to provide for a coordinated national highway safety program through financial assistance to the States to accelerate highway traffic safety programs, and for other purposes, which was, to strike out all after the enacting clause and insert:

TITLE I—HIGHWAY SAFETY

SEC. 101. Title 23, United States Code, is hereby amended by adding at the end thereof a new chapter:

"CHAPTER 4.—HIGHWAY SAFETY

"Sec.
"401. Authority of the Secretary.
"402. Highway safety programs.
"403. Highway safety research and development.
"404. National Highway Safety Advisory Committee.

"§ 401. Authority of the Secretary

"The Secretary is authorized and directed to assist and cooperate with other Federal departments and agencies, State and local governments, private industry, and other interested parties, to increase highway safety.

"§ 402. Highway safety programs

"(a) Each State shall have a highway safety program approved by the Secretary, designed to reduce traffic accidents and deaths, injuries, and property damage resulting therefrom. Such programs shall be in accordance with uniform standards promulgated by the Secretary. Such uniform standards shall be expressed in terms of performance criteria. Such uniform standards shall be promulgated by the Secretary so as to improve driver performance (including, but not limited to, driver education, driver testing to determine proficiency to operate motor vehicles, driver examinations (both physical and mental) and driver licensing) and to improve pedestrian performance. In addition such uniform standards shall include, but not be limited to, provisions for an effective record system of accidents (including injuries and deaths resulting therefrom), accident investigations to determine the probable causes of accidents, injuries, and deaths, vehicle registration, operation, and inspection, highway design and maintenance (including lighting, markings, and surface treatment), traffic control, vehicle codes and laws, surveillance of traffic for detection and correction of high or potentially high accident locations, and emergency services. Such standards as are applicable to State highway safety programs shall, to the extent determined appropriate by the Secretary, be applicable to federally administered areas where a Federal department or agency controls the highways or supervises traffic operations.

"(b)(1) The Secretary shall not approve any State highway safety program under this section which does not—

"(A) provide that the Governor of the State shall be responsible for the administration of the program.

"(B) authorize political subdivisions of such State to carry out local highway safety programs within their jurisdictions as a part of the State highway safety program if such local highway safety programs are approved by the Governor and are in accordance with the uniform standards of the Secretary promulgated under this section.

"(C) provide that at least 25 per centum of all Federal funds apportioned under this section to such State for any fiscal year will be expended by the political subdivisions of such State in carrying out local highway safety programs authorized in accordance with subparagraph (B) of this paragraph.

"(D) provide that the aggregate expenditure of funds of the State and political subdivisions thereof, exclusive of Federal funds, for highway safety programs will be maintained at a level which does not fall below the average level of such expenditures for

its last two full fiscal years preceding the date of enactment of this section.

"(E) provide for comprehensive driver training programs, including (1) the initiation of a State program for driver education in the school systems or for a significant expansion and improvement of such a program already in existence, to be administered by appropriate school officials under the supervision of the Governor as set forth in subparagraph (A) of this paragraph; (2) the training of qualified school instructors and their certification; (3) appropriate regulation of other driver training schools, including licensing of the schools and certification of their instructors; (4) adult driver training programs, and programs for the retraining of selected drivers; and (5) adequate research, development and procurement of practice driving facilities, simulators, and other similar teaching aids for both school and other driver training use.

"(2) The Secretary is authorized to waive the requirement of subparagraph (C) of paragraph (1) of this subsection, in whole or in part, for a fiscal year for any State whenever he determines that there is an insufficient number of local highway safety programs to justify the expenditure in such State of such percentage of Federal funds during such fiscal year.

"(c) Funds authorized to be appropriated to carry out this section shall be used to aid the States to conduct the highway safety programs approved in accordance with subsection (a), shall be subject to a deduction not to exceed 5 per centum for the necessary costs of administering the provisions of this section, and the remainder shall be apportioned among the several States. For the fiscal years ending June 30, 1967, June 30, 1968, and June 30, 1969, such funds shall be apportioned 75 per centum on the basis of population and 25 per centum as the Secretary in his administrative discretion may deem appropriate and thereafter such funds shall be apportioned as Congress, by law enacted hereafter, shall provide. On or before January 1, 1969, the Secretary shall report to Congress his recommendations with respect to a nondiscretionary formula for apportionment of funds authorized to carry out this section for the fiscal year ending June 30, 1970, and fiscal years thereafter. After December 31, 1967, the Secretary shall not apportion any funds under this subsection to any State which is not implementing a highway safety program approved by the Secretary in accordance with this section. Federal aid highway funds apportioned on or after January 1, 1968, to any State which is not implementing a highway safety program approved by the Secretary in accordance with this section shall be reduced by amounts equal to 10 per centum of the amounts which would otherwise be apportioned to such State under section 104 of this title, until such time as such State is implementing an approved highway safety program. Whenever he determines it to be in the public interest, the Secretary may suspend, for such periods as he deems necessary, the application of the preceding sentence to a State. Any amount which is withheld from apportionment to any State under this section shall be reapportioned to the other States in accordance with the applicable provisions of law.

"(d) All provisions of chapter 1 of this title that are applicable to Federal-aid primary highway funds other than provisions relating to the apportionment formula and provisions limiting the expenditure of such funds to the Federal-aid systems, shall apply to the highway safety funds authorized to be appropriated to carry out this section, except as determined by the Secretary to be inconsistent with this section. In applying such provisions of chapter 1 in carrying out this section the term 'State highway department' as used in such provisions shall mean the Governor of a State for the purposes of this section.

"(e) No State activity or project shall be approved by the Secretary for utilization of funds apportioned to carry out this section which would require the expenditure for a period of more than three years, from the date of approval of such activity or project, of Federal funds appropriated under authority of this section.

"(f) Uniform standards promulgated by the Secretary to carry out this section shall be developed in cooperation with the States, their political subdivisions, appropriate Federal departments and agencies, and such other public and private organizations as the Secretary deems appropriate.

"(g) The Secretary may make arrangements with other Federal departments and agencies for assistance in the preparation of uniform standards for the highway safety programs contemplated by subsection (a) and in the administration of such programs. Such departments and agencies are directed to cooperate in such preparation and administration, on a reimbursable basis.

"(h) Nothing in this section authorizes the appropriation or expenditure of funds for (1) highway construction, maintenance, or design (other than design of safety features of highways to be incorporated into standards) or (2) any purpose for which funds are authorized by section 403 of this title.

"§ 403. Highway safety research and development

"The Secretary is authorized to use funds appropriated to carry out this section to carry out safety research which he is authorized to conduct by subsection (a) of section 307 of this title. In addition, the Secretary may use the funds appropriated to carry out this section, either independently or in cooperation with other Federal departments or agencies, for (1) grants to State or local agencies, institutions, and individuals for training or education of highway safty personnel, (2) research fellowships in highway safety, (3) development of improved accident investigation procedures, (4) emergency service plans, (5) demonstration projects, and (6) related activities which are deemed by the Secretary to be necessary to carry out the purposes of this section.

"§ 404. National Highway Safety Advisory Committee

"(a) There is hereby established in the Department of Commerce a National Highway Safety Advisory Committee composed of the Secretary, who shall be Chairman, the Federal Highway Administrator, and twenty-nine members appointed by the President as follows:

"(1) six from among persons who are chief executives of States or political subdivisions,

"(2) four from among persons who are public administrators in the fields of highway safety,

"(3) four from affected industries,

"(4) one from among automotive engineers, one from among highway engineers, and one from among traffic engineers,

"(5) four from among persons who are research scientists in the fields of highway safety, and

"(6) eight from among the general public, except that at least one so appointed shall be a lawyer, one a doctor, one a farmer, and one an educator.

"(b) Each member appointed by the President shall hold office for a term of four years, except that (1) any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and (2)the terms of office of members first taking office after the date of enactment of this section shall expire as follows: seven at the end of one year after such date, seven at the end of two years after such date, seven at the end of three years after such date, and eight at the end of four years after such date, as designated by the President at the time of appointment, and (3) no person appointed pursuant to paragraph (1) or (2) of subsection (a) of this section shall hold office as a member of the Committee after he ceases to serve as a chief executive, or public administrator, as the case may be, and (4) the term of any member shall be extended until the date on which the successor's appointment is effective.

"(c) Members of the Committee who are not officers or employees of the United States shall, while attending meetings or conferences of such Committee or otherwise engaged in the business of such Committee, be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding $100 per diem, including traveltime, and while away from their homes or regular places of business they may be allowed travel expenses, including per diem in lieu of subsistence, as authorized in section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b–2) for persons in the Government service employed intermittently.

"(d) The National Highway Safety Advisory Committee shall advise, consult with, and make recommendations to, the Secretary on matters relating to his activities and functions in the field of highway safety. The Committee is authorized (1) to review research projects or programs in the field of highway safety and recommend to the Secretary for prosecution under this title, any such projects which it believes show promise of making valuable contributions to human knowledge with respect to the cause and prevention of highway accidents; (2) to review, prior to issuance, standards proposed to be issued by order of the Secretary under section 402(a) of this title and to make recommendations thereon. Such recommendations shall be published in connection with the Secretary's determination or order, and shall be reported annually to Congress.

"(e) The National Highway Safety Advisory Committee shall meet from time to time as the Secretary shall direct, but at least once each year.

"(f) The Secretary shall provide to the National Highway Safety Committee from among the personnel and facilities of the Department of Commerce such staff and facilities as are necessary to carry out the functions of such Committee."

SEC. 102. (a) Sections 135 and 313 of title 23 of the United States Code are hereby repealed.

(b)(1) The analysis of chapter 1 of title 23, United States Code, is hereby amended by deleting:

"135. Highway safety programs."

(2) The analysis of chapter 3 of title 23, United States Code, is hereby amended by deleting:

"313. Highway safety conference."

(3) There is hereby added at the end of the table of chapters at the beginning of title 23, United States Code, the following: "4. Highway safety..... 401".

SEC. 103. Section 307 of title 23, United States Code, is amended (1) by inserting in subsection (a) thereof immediately after "section 104 of this title" the following: ", funds authorized to carry out section 403 of this title," and (2) by adding at the end of such section the following new subsection:

"(d) As used in this section the term 'safety' includes, but is not limited to, highway safety systems, research, and development relating to vehicle, highway, and driver characteristics, accident investigations, communications, emergency medical care, and transportation of the injured."

SEC. 104. For the purpose of carrying out section 402 of title 23, United States Code, there is hereby authorized to be appropriated

the sum of $55,000,000 for the fiscal year ending June 30, 1967; $80,000,000 for the fiscal year ending June 30, 1968; and $80,000,000 for the fiscal year ending June 30, 1969.

SEC. 105. For the purpose of carrying out sections 307(a) and 403 of title 23, United States Code, there is hereby authorized to be appropriated the additional sum of $10,000,000 for the fiscal year ending June 30, 1967; $20,000,000 for the fiscal year ending June 30, 1968; and $25,000,000 for the fiscal year ending June 30, 1969.

SEC. 106. The highway trust fund established by section 209 of the Highway Revenue Act of 1956 shall not be available for any appropriation to carry out sections 131, 136, 319(b) or chapter 4 of title 23 of the United States Code in an aggregate amount which exceeds the amount of tax that would be imposed under section 4061(a)(2) of the Internal Revenue Code of 1954 if such section imposed a tax at the rate of 1 per centum plus such additional amounts as are appropriated from the general fund to the highway trust fund for such purposes, but the total of all appropriations made from such fund to carry out these sections shall never exceed the total of all appropriations made to such fund based on the imposition of such tax plus such additional amounts as are appropriated from the general fund to the highway trust fund for such purposes.

SEC. 107. All facts contained in any report of any Federal department or agency or any officer, employee, or agent thereof, relating to any highway traffic accident or the investigation thereof conducted pursuant to chapter 4 of title 23 of the United States Code shall be available for use in any civil, criminal, or other judicial proceeding arising out of such accident, and any such officer, employee, or agent may be required to testify in such proceedings as to the facts developed in such investigation. Any such report shall be made available to the public in a manner which does not identify individuals. All completed reports on research projects, demonstration projects, and other related activities conducted under sections 307 and 403 of title 23, United States Code, shall be made available to the public in a manner which does not identify individuals.

TITLE II—ADMINISTRATION AND REPORTING

SEC. 201. The Secretary shall carry out the provisions of the Highway Safety Act of 1966 (including chapter 4 of title 23 of the United States Code) through a National Highway Safety Agency (hereinafter referred to as the "Agency"), which he shall establish in the Department of Commerce. The Agency shall be headed by an Administrator who shall be appointed by the Secretary who shall be compensated at the rate prescribed for level V of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964. The Administrator shall be a citizen of the United States, and shall be appointed with due regard for his fitness to discharge efficiently the powers and the duties delegated to him. The Administrator shall have no pecuniary interest in or own any stock in or bonds of any enterprise involved in (1) manufacturing motor vehicles or motor vehicle equipment, or (2) constructing highways, nor shall he engage in any other business, vocation, or employment. The Administrator shall perform such duties as are delegated to him by the Secretary. On highway matters the Administrator shall consult with the Federal Highway Administrator.

SEC. 202. (a) The Secretary shall prepare and submit to the President for transmittal to the Congress on March 1 of each year a comprehensive report on the administration of the Highway Safety Act of 1966 (including chapter 4 of title 23 of the United States Code) for the preceding calendar year. Such report should include but not be restricted to (1) a thorough statistical compilation of the accidents and injuries occurring in such year; (2) a list of all safety standards issued or in effect in such year; (3) the scope of observance of applicable Federal standards; (4) a statement of enforcement actions including judicial decisions, settlements, or pending litigation during the year; (5) a summary of all current research grants and contracts together with a description of the problems to be considered by such grants and contracts; (6) an analysis and evaluation of completed research activities and technological progress achieved during such year together with the relevant policy recommendations flowing therefrom; (7) the effectiveness of State highway safety programs (including local highway safety programs); and (8) the extent to which technical information was being disseminated to the scientific community and consumer-oriented material was made available to the motoring public.

(b) The annual report shall also contain such recommendations for additional legislation as the Secretary deems necessary to promote cooperation among the several States in the improvement of highway safety and to strengthen the national highway safety program.

SEC. 203. The Secretary of Commerce shall report to Congress, not later than January 10, 1967, all standards to be initially applied in carrying out section 402 of title 23 of the United States Code.

SEC. 204. The Secretary of Commerce shall in consultation with other government and private agencies make a comprehensive study of alcoholism and the comsumption of alcohol and their effects upon and relation to highway safety. Such study shall include, but need not be limited to, review and evaluation of State and local laws and enforcement procedures concerning driving while under the influence of alcohol, and State and local programs for the treatment or rehabilitation of alcoholics and habitual drunkards. The Secretary shall report the results of his study to the Congress not later than July 1, 1967. Such report shall include the Secretary's recommendations concerning needed legislation, if any.

SEC. 205. The Federal Highway Administrator and any other officer who may subsequent to the date of enactment of this Act become the operating head of the Bureau of Public Roads shall receive compensation at the rate prescribed for level IV of the Federal Executive Salary Schedule established by the Federal Executive Salary Act of 1964.

SEC. 206. This Act may be cited as the "Highway Safety Act of 1966".

Mr. MUSKIE. Mr. President, I move that the Senate disagree to the amendments of the House to S. 3052 and request a conference with the House on the disagreeing votes, and that the conferees on the part of the Senate be appointed by the Chair.

The motion was agreed to; and the Acting President pro tempore appointed Mr. RANDOLPH, Mr. GRUENING, Mr. MUSKIE, Mr. MOSS, Mr. COOPER, and Mr. FONG conferees on the part of the Senate.

DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966

The Senate resumed the consideration of the bill (S. 3708) to assist comprehensive city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in those areas, to assist and encourage planned metropolitan development, and for other purposes.

The ACTING PRESIDENT pro tempore. The question is on the amendment of the Senator from Texas [Mr. TOWER].

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

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. FULBRIGHT addressed the Chair.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. MUSKIE. Mr. President, I yield such time as the Senator from Arkansas [Mr. FULBRIGHT] requires, under the pending amendment.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas [Mr. FULBRIGHT] is recognized.

Mr. FULBRIGHT. Mr. President, I intend to vote for S. 3708, because something must be done to arrest the human and environmental decay that blights the cities of America. No one suggests that this bill contains solutions to all the problems of our cities. But no one denies that solutions must be found.

Whatever may be the values or the shortcomings of S. 3708, it proposes very modest appropriations in relation to the dimension of the job to be done. It represents the labor and conscientious conclusions of one of the great committees of the Senate. It comes before us in a summer filled with strife and violence born of the despair and frustrations of those who seek a better life. I do not condone or excuse acts of violence, but I recognize the need to change the conditions out of which violence is spawned.

Mr. President, it has been announced that on September 6 the Senate will begin debate upon another civil rights bill. Whatever may be the nature of the bill to be debated, it will do nothing whatsoever to enlarge the real civil rights of anyone. S. 3708 may be the true civil rights bill of 1966, if it can result in programs which come to grips with the problems of our cities.

Even if this effort to save urban America is a failure, it will help guide us toward more successful alternatives. And, hopefully, when the first Americans land on the moon several years in the future, they will be able to report with pride that, in time, the cities of their country may become fairly pleasant places to visit.

I want especially to commend the Senator from Maine for his leadership in this field. It happens to be one of the activities deserving of the highest priority in our country today. Unfortunately this and its allied activities are given a low priority compared to the space program and our military program. Thus, I particularly wish to commend the Senator from Maine for helping us at least to get back on the track that we should have been on during the past several years.

Mr. MUSKIE. Mr. President, I thank the distinguished Senator from Arkansas

for his remarks and for his most welcome support of the pending bill. He and I concur in our impression of the gravity of the problem and the pressing need for action.

As I stated earlier, I come from a small rural State, whose largest city has a population of 75,000. I suspect that there may not be another State whose largest city is as small in population as mine.

The majority leader tells me that Montana's largest city is smaller. In any case, the point I made earlier is that 180 years ago, we undertook the task of building one country, a whole country, with all its citizens given equal opportunity. We have reached this year of 1966, and our country is producing goods and services at the rate of $730 billion a year, but we are not yet one country, we are not yet a whole country.

The $900 million we are speaking about today is a small enough beginning for such a massive problem and for such a worthy objective.

I deeply appreciate the support of the distinguished Senator from Arkansas.

Mr. FULBRIGHT. There is only one urban center in my State, a combination of Little Rock and North Little Rock, split by a river, which is larger than the city the Senator mentions in his own State. No other urban center is as large as 75,000 in population in Arkansas. Thus, this is not a program designed to be of primary significance to Arkansas. Our urban centers are not afflicted with any slum areas as serious as those in some other States, I am happy to say.

What I have in mind is of national interest in this regard because I can see how all of our activities, political as well as economic, and domestic as well as foreign, are affected by the disease which is now spreading through our large urban cities.

My interest is not local. I can assure the Senator from Maine that I have no great pressures upon me from my constituents about this bill at all. It is for the national interest that I favor it. I think it is a serious matter.

I am very much embarrassed trying to give advice to foreigners when I look at what is going on in America today. How can we presume to tell people in other countries how to conduct their business, whether it be in NATO, the United Nations, or anywhere else, afflicted as we are with riots in Cleveland, in Chicago, in California, with general unrest, and especially the shootings which have recently occurred?

In that connection, I have never seen such an outbreak of such barbarous shootings as the one in Austin, Tex., at the University there, a few days ago, as well as the killing of the eight nurses in Chicago where the same kind of thing took place.

Mr. TOWER. Mr. President, will the Senator from Arkansas yield at that point?

Mr. FULBRIGHT. It seems to me that this is a symptom of a deep unrest, of a malaise, a display of the evils of our society. One of these evils is the deplorable condition of our great cities today.

Mr. TOWER. Mr. President, will the Senator from Arkansas yield?

Mr. FULBRIGHT. I am happy to yield to the Senator from Texas.

Mr. TOWER. It should be noted that the tragic Whitman episode in Austin, Tex., was committed by a man who did not come from a socially disadvantaged group. He probably belonged to a middle income or a fairly well-to-do family.

By the way, he was a Floridian and not a Texan.

This sort of psychosis can occur in persons who are not necessarily socially disadvantaged. I do not believe that we are going to wipe out psychotic crimes by passing a demonstration cities bill.

Mr. MUSKIE. To dismiss the Whitman tragedy is not to solve the problem of our cities. If rebuttal to the demonstration cities program is the Whitman episode——

Mr. TOWER. Of course, that is not a total rebuttal.

Mr. MUSKIE. It is not the result of the blight on our cities, then the case falls. I could not agree with the Senator from Arkansas more.

Mr. FULBRIGHT. I think the Senator from Texas [Mr. TOWER] takes a much too narrow view of the afflictions which arise in our society. An atmosphere, an attitude develops from the conditions which I mention. This constant agitation over racial matters which has been burdening us for many, many years, creates an apprehension, a nervousness that finally leads to mental problems and mental imbalance throughout the country. Generally, I think it has a connection with the distortions in our society.

In a veterans hospital in my State, there is a crowded waiting room for mental patients, although there are other rooms available for other kinds of patients.

Again, this grows out of the conditions existing in this country which I think are most unfortunate. We live at such a fast pace. It is not just all the city. Even driving to work, I sometimes get caught in a traffic jam. This may not be directly related to the problem we are discussing, but it does something to one's nervous system.

It makes me furious that with all the skill and technology, the wealth and capacity in this country, we cannot manage to get to work with reasonable comfort. I get stuck in a traffic jam every now and then, when I drive on Constitution Avenue past the Commerce Building. Every day, there is some kind of congestion in that area, which to me is inexcusable. So I try to find a different way around that bottleneck. Occasionally, I am successful.

As a Senator, I do not have to come to the Capitol at a very early hour, although I am generally here until quite late in the day. Most Government workers, of course, have a fixed time to get to work and they are in much worse shape than I am. Yet I try to avoid the worst part of that congestion along Constitution Avenue, either early or late. I certainly sympathize with people going to and from work. They must feel helpless about it.

We can say that this is a minor thing, but they all add up to this imbalance which I feel is going on in this country. The country seems to be going crazy, if that is possible.

The priorities exhibited in this body sometimes give me great grounds for apprehension. We vote $5 billion to go to the moon—which is one of the silliest undertakings any great nation ever undertook—and Congress votes $58 billion for its defense appropriation, with practically no opposition except from a handful of Senators.

Perhaps it has to be done. When it comes to the furnishing of essential funds, of course it has to be done, but not to be able even to reduce it back to what the administration's request was, indicates a situation which to me is very disturbing.

We seem to think that the solution to all our ills is more and more money for arms. That is about what it amounts to. It is incredible to me that the one great program on which Congress insists on giving more money than the administration asks for is armaments. They do not do it for health any more—there was a time when they did—or for education, but now it is for armaments.

There is certainly this feeling that we are afflicted with terrible ills and that if we provide more armaments it will take care of them. I do not know why we should have provided $500 million more than the Pentagon asked for—although it will probably not use it—with the idea that this will salve our consciences.

In this week's U.S. News & World Report, under the column headed "Washington Whispers," it is stated that the people of Europe look upon the United States as the sick man of the world. I recall the time when we used to call Turkey the sick man of Europe.

What are we sick about? It is not due to our Treasury, or our financial condition, or our supply of food. It is our mind or mentality, a lack of comprehension of what is going on. I subscribe to that view.

It is evident by the priorities for which we vote in the Senate. Day after day, with respect to programs like the one now before us, we grudgingly grant money; but the funds provided for in this bill are little more than what the Senate added beyond the requests of the Defense Department in the bill we considered yesterday. We voted over $58 billion to build arms, and yet this bill goes to some of the sources of our trouble.

I think it is a matter that goes to our minds and our attitudes. When an advantaged student like Mr. Whitman can do what he did, it is even more discouraging for people who do not have those advantages. For people who grow up in the slums, perhaps there is some excuse for such action, because they had no such advantages, but when somebody from the middle class becomes disturbed and acts this way, who is left?

I think the Senator from Maine is on the right track. I hope he succeeds.

Mr. MUSKIE. I thank the Senator from Arkansas. I make one further point. I know of no more root causes for instability, disorder, and violence than deprivation and discontent. We recognize it in our policy of trying to aid the underdeveloped countries of the

world. We ought to recognize it in our own cities. This was one of the causes for the original separation of our colonies from Great Britain.

Discontent with our situation and deprivation are the causes for instability and disorder and are more responsible for the riots, violence, and restlessness in America today than anything else.

Mr. FULBRIGHT. If the Senator will yield, particularly when it is inexcusable. There is no excuse for it. It is not that we do not have money and cannot afford needed programs. It is because of our judgment of what our priorities are and what matters we base our priorities on.

What makes me more furious about the conditions in the cities is that there is no good excuse for it. It is due to negligence and lack of interest in those conditions, because we spend money in other ways. That is what sends people off their "rockers" and makes them lose confidence in their society. This is what raises a question about whether we have the right kind of system. I think we do, but——

Mr. MUSKIE. I read in the paper yesterday the number of families in Washington with incomes of over $20,000 a year and the number of swimming pools here. We read that 27,000 families in the city of Washington have incomes of over $20,000 a year, and there are 1,500 swimming pools.

Mr. FULBRIGHT. How many swimming pools are there?

Mr. MUSKIE. I do not have that number, but I suggest that the number would fade into insignificance by comparison.

How can we expect people who observe all that affluence to be content with their lot when they are deprived, when they do not have adequate recreation facilities? The sprinklers had to be turned on in the streets to provide them with recreation. These 1,500 swimming pools were not available to them. The gap between affluence and having nothing is too much.

Mr. FULBRIGHT. Did they not put up one of those swimming pools and it collapsed?

Mr. MUSKIE. It was described as a collapsible swimming pool, and apparently it worked.

Mr. TOWER. Mr. President, I yield myself 5 minutes.

I reject the notion that the United States of America is the sick man of the world. I reject the notion that we do not know or comprehend what is going on in the world. Simply because we are engaged in a war, many people beat their breasts and proclaim the guilt of the United States.

We do not like to spend billions of dollars on armaments. We are not a warlike people. In modern history, the United States has not initiated or resorted to war as a national policy on its own initiative. The reason we are fighting this war and spending this money on weapons is that armed aggression has been committed against people who are not capable of defending themselves.

If we did not spend any money on armaments, we can bet that the Communist materialists would have taken over this world by now, and we would not be here debating the demonstration cities bill, because everything would be dictated.

I submit that the people of the United States, even those who live in the slums, are more privileged than are those who live under a socialistic system. There are no private swimming pools in the Soviet Union, except perhaps those owned by the officials. There are no private swimming pools in Peking. But our people, in all parts of our socioeconomic scale, even those who have been oppressed—and I speak with shame about the way we have treated the American Negro—but even those people are better off—and I think they would admit it—than are the people of the Soviet Union.

The United States of America is not sick. We are a growing, dynamic people. We have our problems, yes. From time to time we have our psychoses. But I still think we possess the genius and toughness that allowed us to grub a civilization out of the wilderness. I think it is despicable that we should hear someone stand on the floor of the Senate and call the United States sick.

Mr. MUSKIE. Mr. President, I yield the Senator from Arkansas [Mr. FULBRIGHT] 2 minutes on the bill.

Mr. FULBRIGHT. Mr. President, I hesitate to remind the Senator, when he says that he does not think the United States has ever been a warlike people——

Mr. TOWER. I said "in modern history."

Mr. FULBRIGHT. If the Senator will yield just a moment—he does not know what I am going to say yet—I remind him of the war against Spain in Cuba. I think that is considered to be in modern history, and I think that most historians agree we had some part in initiating that activity, which brought about certain results, as well as our involvement in the Far East, the Philippines, with which we are still stuck in many respects. That is one instance.

I think the Senator will recall Abraham Lincoln, of his party, and his attitude toward the war against Mexico. I have often cited his dissent as a reputable precedent for our disagreement with this war. I have used it recently. So that I do not think that the Senator can say that we have always been a peaceloving country.

I am not trying to denigrate this country. There is no question that this is the most powerful and the richest country in the world. We have often said that.

The thing that is disturbing to me is that we are beginning to act as have all powerful countries in history. I do not like that. I want us to act much better, and much more wisely. If we are to follow the road followed by the great empires of the past, we are headed for eventual disaster. Not immediately; we can withstand a great deal. We can lose lots of men; we can spend a lot of money in Asia, or anywhere else we like, and we can obtain glory, in the process, of a temporary nature.

What I have been trying to say on various occasions recently is that this country has the greatest opportunity that any country ever had. It is powerful, it is rich, and it has great ingenuity, if it applies it in the right place. I think it is applying it in the wrong place.

I believe that the good example we could set of a fine society here at home would be infinitely more persuasive to the rest of the world, including the Communists, that we have something of value for the world, and would do more to undermine what I consider to be a false concept of how to organize society—that is, the Communist system as promoted in China and a few other countries. I think such an example would be much more powerful than constantly increasing our armament and constantly increasing the tempo of destruction.

I realize that this is the old, traditional pattern; and it may be expecting entirely too much to expect the United States, which is made up of people who came from these ancient traditional empires, to assume a different role, or to follow a different path. Perhaps that is idealistic and unrealistic.

It may be; but I should like to urge that we attempt it. I believe that the existence of nuclear weapons is a very persuasive reason why we should try to follow a different course. That is all I am saying. If we follow the priorities exemplified by the pending bill, and some of the others that have been before us, we might take a different course. Others might rely upon our example as an intelligent, civilized, discriminating community, and try to follow our example. They might say, "Here is a country that knows how to manage its affairs in such a way as we would like to manage ours."

As to what I said about Western Europe regarding us as a sick nation, I did not initiate the idea that we are the sick man of the world. That statement was made in the U.S. News & World Report. And the U.S. News & World Report, after all, is a rather conservative organ.

Mr. TOWER. I object.

Mr. FULBRIGHT. The U.S. News & World Report is the one who says that we are regarded now by the most civilized part of the world outside of the United States—that is, Western Europe—as being the sick man.

This is very disturbing. Would it not be a much more powerful step toward achieving our objective of a peaceful world if they regarded this Nation as the outstanding example of an intelligently organized and run society? That is what I am talking about. Rather than their having the other view, and we confirming it by voting here the biggest peacetime military budget in the history of the world—much the largest in peacetime; the only one approaching it was one we voted during the midst of the war.

But according to the morning paper—and I read it just a few minutes ago—we are doing everything we can to confirm that view, as I see it. Certainly for the last several days we have. We voted down efforts to moderate the devotion of our efforts and our money to militarism, and voted to increase the amounts for a number of military programs.

So I think we are confirming that attitude. I am not at all ready to give up, and say this is final. I am only trying to persuade the Senate and the country to follow a somewhat different course. I think we still can, and I hope we will. That is all I am trying to say. We have not given up.

But I wish to say this: Every time a suggestion is made about a change in the present policies, there always creeps into the response an implication that we are not patriotic and not interested in this country. My view is just the opposite. If we are really interested in this country, would we not like to make it a little better than it is? Using patriotism in its purest sense, does a true patriot just accept everything as is, and deny that anything can be improved? Is it not more patriotic, if I may use that term—and I do not like to use these terms—and indicative of more genuine interest in the welfare of this country, to try to search always for some way to improve it?

One way to do that is the manner in which the Senate is discussing this bill. We have discussed what is wrong with our cities, and what is wrong with the country. I know there is much that is right with the country. Goodness gracious, we could spend all day talking about that.

But it does no good just to be complacent, and say that everything is placid and tranquil. It is not.

We do have troubles, and we should try to get at them. And I suggest to the Senator from Texas that those who suggest there are ways to do things better are not disloyal to the United States. We are not trying to promote communism. What we are trying to do is to make our system more attractive, not only to us, but to everybody abroad, by making it work better and by having better conditions of life here, which I think would appeal far more than going to the moon, or having the biggest bomb, or being able to kill more people than anybody else.

I do not think those things appeal either to our own people or to people abroad. It gives a certain satisfaction; power always does, to those who wield it. But I do not think it is particularly appealing to foreigners, or even to our own people. I do not believe the people of my State are especially impressed by the capacity to go to the moon, or to kill 5,000 Vietcong in 24 hours. I think they are impressed by these other things that we can do and such as we are trying to do in this bill. That is the point I am trying to make. I am not trying to denigrate or to run down the United States by calling attention to these matters.

We are only trying to discuss the situation for the purpose of improving it.

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

The ACTING PRESIDENT pro tempore. Does the Senator from Texas yield to the Senator from Ohio?

Mr. TOWER. I yield 5 minutes to the Senator from Ohio.

Mr. LAUSCHE. Mr. President, I cannot stand silently by while these statements are being made on the floor.

The U.S. News & World Report reports someone in Europe as saying that the United States is sick. The premise for that accusation is that we have not put our fiscal house into order. That is the basis of the charge.

We do know that 15 years ago, we had $25 billion in gold and we owed the nations of the world in American dollars about $6 billion. Since that time our gold reserves have dropped to $13 billion and our indebtedness in American dollars to foreign creditors has risen to $30 billion. We have begged foreign bankers not to call for payments of our debt. We have begged foreign nations to repay to us the dollars which they owe. We have sought other means to bring our fiscal house in order, but have not been able to do it.

The foreign creditors and those who undoubtedly were quoted by the U.S. News & World Report are those who know of our distressed position with regard to fiscal matters. And the question is, who is to blame?

I have been in the Senate now for 10 years, and for 10 years I have been arguing that we must do something to bring our fiscal house into order. The President has begged us, in this session—though not in previous sessions—to quit spending. But what have we done? We have disregarded his request. We have spent more than he has recommended. And I submit to my fellow Senators that when we do that, we are feeding a bane, not a boon, to the physical anatomy of the United States. We are making it a sick nation because of our fear of fulfilling our responsibility as Members of the Congress.

Mr. President, in reply to the statement made concerning the article in the U.S. News & World Report, I cannot look with favor upon the constant denigration of the United States.

Our Nation has been good to the people of the world. We have spent $110 billion in trying to uplift the lives of other people. Yet, from the floor of the Senate and out of committee hearings, quotations are broadcast to the world concerning statements made by Senators.

What is the substance and the core of those statements?

From the Committee on Foreign Relations, through statements and through question put, various impressions concerning the United States were given to the world.

The first was that the United States is the aggressor in South Vietnam.

If U.S. Senators make those statements what do we expect the Communist and our enemies to do?

The second impression was that the United States is seeking to impose colonial domination upon South Vietnam, that it wants to exploit the human and natural resources of South Vietnam.

That is a falsehood. It is completely in conflict with the truth. We are not seeking to exploit the human or natural resources of South Vietnam or of any other place in the world.

The third impression created is that the United States, in effect, is making prostitutes out of the women of South Vietnam.

I reject that statement as indefensible and a slur on the honor of the United States.

The fourth impression created is that the United States is committing atrocities by putting to death innocent civilian men and women.

A recent radio program stated that the era of atrocities has sprung into intense fury within the last few days. By whom are these atrocities being committed? The atrocities have been and now are being perpetrated not by the United States but by the Vietcong.

One of our Senators has made the statement that the U.S. Intelligence Agency dressed its agents in the uniform of the Vietcong and then sent them into the villages to kill innocent men and to rape women solely for the purpose of placing the blame on the Communists.

That statement was carried all over the world. The news agencies in Peking and Moscow grabbed that story and spread it.

The fifth impression created is that the United States is demanding unconditional surrender which makes it impossible for Ho Chi Minh to go to the negotiation table.

That is not a fact. We sought every avenue available by which to get the Communist Ho Chi Minh to the negotiating table. We have not been able to do it.

I do agree with some aspects of the statements made here concerning the placing of a man on the moon. I have fought for reductions in the cost of that program.

My clear purpose has been to speak one word on behalf of a country that has been good to the people of the world and has been extraordinarily beneficent to its own people.

Any statements to the contrary are not in accord with the facts.

Mr. MUSKIE. Mr. President, I yield 2 minutes on the bill to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I do not think anyone in this Chamber has ever attempted to denigrate our country.

I think every Senator is patriotic, regardless of his point of view. I think that he does his best for the Nation in the light as he views it.

I do not agree with the statement made by the U.S. News & World Report in its "whisper" column, as it has been called. It probably should be labeled the gossip column.

The United States is not the sick man of the world. However, we must recognize that our cities are suffering from an illness.

In a meeting held before a Senate committee earlier this week, when the Attorney General was asked whether there was any agitation connected with the situations existing in Cleveland, Minneapolis, Chicago, Detroit, Los Angeles, Rochester, and the many other large cities in our Nation, he said:

> Yes. There were agitators involved, and those agitators were named disease and poverty and hunger and lack of opportunity.

It appears to me that the pending bill, on which both the manager of the bill and the ranking minority member are in accord as far as the ultimate objectives

are concerned, is a step in the right direction.

The pending bill does not apply to a State like mine, any more than it does to a State like that of the Senator from Maine or the Senator from Arkansas. However, it is a national problem which we must recognize.

There is a growing disrespect for the rule of law in this country. Respect for the rule of law is the bedrock of any society. Disrespect is symptomatic of society which does not face up to its responsibilities. We cannot blink our eyes at this situation.

The cities themselves evidently cannot cope with this problem alone. It is up to us to try to do something because it is a national problem and ours is a national responsibility. It is unfortunate, but every summer the situation in our major cities seems to get worse.

Insofar as civil rights legislation is concerned, Congress, year after year, beginning under the leadership of the President of the United States when he was majority leader in the Senate, has passed many civil rights bills. However, they are no panacea: The problem we try to meet in this bill is of much greater scope and its causes and remedies far more complicated than the problems faced in those measures.

I think it is proposals like this, which try to reach down into the heart of large metropolitan areas, which present some hope in reaching the core of their problems—some hope, so to speak, of finding a remedy for the illness, the poverty, the lack of education, and the disease; it is an attempt to cure rather than disperse these problems.

I hope that no one in this Chamber will ever be accused of denigration of this country because, to my knowledge, no one has done so.

I certainly would not place any substance in a statement carried in the "whisper" column of the U.S. News & World Report which, incidentally, was reporting something it had heard in Europe.

When a Member of the Senate refers to an allegation of this kind on the floor and identifies it and its source, he certainly should not be charged with having made that statement or the validity of the opinion stated therein. He has made a referral and identified its source.

The business now before the Senate is to decide what we are going to do to help the people in the large cities where unrest has become perennial and where some action must be taken or the situation will get worse.

Mr. FULBRIGHT. Mr. President, will the Senator yield so that I can place in the RECORD the exact words that have been discussed?

Mr. TOWER. Mr. President, I yield to the Senator from Arkansas.

Mr. FULBRIGHT. Mr. President, in order to clarify the item that has been discussed and distorted by some of my colleagues, I want to read precisely what was said on page 21 of the U.S. News & World Report of August 22, 1966. It reads:

In Europe, western leaders are beginning to call the United States "The sick man of the world," plagued wtih war, strikes, street riots—including arsons and looting crime running wild, and with a dollar facing an uncertain future.

I only wish to point out that we know we have had this unfortunate strike. It has inconvenienced all of us. We have had the riots, accompanied by arson and looting. We have seen the pictures. Nevertheless, I am not alleging, and never have, that these are incurable or that the whole country has it. We have not had this in Arkansas and many other places. It is only a symptom of a problem that we ought to deal with. I do not like to have the United States referred to by anybody as a "sick man." That is why we ought to do something about it.

Mr. TOWER. Mr. President, I yield myself 5 minutes.

Mr. President, I wish to make it clear that it was not the intent of my remarks to imply that any Member of this body is unpatriotic.

I realize that we have our foibles and weaknesses in this country; and I know, too, that one of the things that makes the United States great is that by virtue of the fact that we have free speech, free press, and freedom of assembly, we can speak out about the things that are wrong with this country. I hope that we will never lose the facility for self-analysis and self-criticism, because I believe that this is one of the things that has made our country great.

I become a little riled sometimes when it is implied that the United States has precipitated war. We have been in four wars in this century, none of which we started ourselves, two of which we certainly were not ready for, and the one in which we are involved now is a nasty, filthy little thing that I wish we were not involved in. The fact of the matter is that we are. Why are we? Because a great and tyrannical power has sought to impose its will on a people who are not capable of defending themselves.

We seek no territorial or population aggrandizement for the United States. We do not want any more territory, and we do not want any more people for whom to be responsible. As I see it, our national goal is to attempt to create a climate in this world, or help create a climate in this world, in which all people can aspire to self-determination and have some reasonable hope of realizing that aspiration.

I wish that we did not have to spend so much money on defense, but we must. It is a matter of necessity. Not only must we fight a war, but also we must deter bigger wars, and that is why we spend what we spend on defense.

With respect to the problems of the United States, the national defense is a function that can be performed only by the Government of the United States. The raising of arms is a peculiar concomitant of nationality. Therefore, only the Government of the United States is competent to authorize and appropriate money for the national defense. But as far as our social problems are concerned, as far as our economic problems are concerned, as far as the problems of cities are concerned, many other entities work on these problems—the city government itself, the private organizations, the nonprofit organizations that operate within cities, State governments, and the Federal Government. It is applied to the cities; it is not solely the responsibility of 535 men sitting here on Capitol Hill, in Washington. And when we say that it is, we are being arrogant and we are being presumptuous.

I still believe that the people of the United States, acting in their capacity as citizens of the community and of the State, are capable of disciplining themselves to do for themselves what they should and must do. What we propose to do is very little compared to what they have already done.

I think that sometimes in our presumptuousness we arrogate power unto ourselves that ultimately results in weakening—or perhaps, in some instances, destroying—the sense of individual and local initiative and responsibility of the people of the United States.

I submit that this program is not necessary. We are doing things for the cities. We have an urban renewal program in operation. How much money in that program has not been used? Billions of dollars have been authorized which have not been used. So that we are not even making full utilization of all the money that has been authorized and made available for urban renewal. I shall place those figures in the RECORD.

Mr. President, this proposition with which we are dealing, with inadequate guidelines, somewhat vague in character, leaving so much to the arbitrary will and discretion of one or a few men, will not be the panacea for all the ills of the cities.

Urban renewal has spent $1.5 billion in Federal funds since 1949, out of a total of $7.6 authorized. Full utilization has not been made of that money.

The PRESIDING OFFICER (Mr. MONDALE in the chair). The time of the Senator has expired.

Mr. TOWER. Mr. President, I yield myself 3 additional minutes.

Mr. President, we have heard from a number of distinguished Senators from rural States. I come from an urban State. In my State are at least 15 cities with a larger population than the largest city in the State of the distinguished Senator from Maine. Houston has a million and a quarter people, Dallas has a million, San Antonio has 800,000. There are many big cities in my States. I was born in the sixth largest city of the United States, Houston, and I am not insisting on the needs of the cities; but I submit that if the vast majority of the people in the urban State of Texas do not want this program, I cannot understand why these rural gentlemen are advocating it.

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

Mr. MUSKIE. I yield 5 minutes to the Senator from Rhode Island.

Mr. PASTORE. Mr. President, I have listened attentively to our distinguished colleague, the Senator from Texas. I believe in his sincerity. I believe he is consistent as he is constant in his persistency in counseling us to be cautious and very careful in expending money on a Federal

level to perform tasks that possibly could be performed on a local level. But I hope that he would look at the other side of the coin as well.

I come from a very urbanized State. As a matter of fact, my beloved densely populated State of Rhode Island has been characterized as a city State. More than half of the people of Rhode Island live in metropolitan Providence.

I have been Governor of my State for 6 years, and I have been honored to be in the U.S. Senate for 16 years. Ours is a State founded on religious and racial tolerance and I never dreamed that in my own State we would have demonstrations in any of our cities, but they have taken place.

I believe that the world is going through a transition period. It may be called an evolution or it may be called revolution, but people are beginning to understand more and more about what the dignity of man means. They are reaching out for those basic values that are known as freedom and liberty and the right to think as one feels he should think, and the right to say what a man thinks.

As depressed and oppressed people understand more, they demand more—and those demands are not limited to any one locality—and are beyond the means of any one locality to meet.

It is a wise local authority that recognizes this and it is a conscientious local authority that seeks the help to avoid calamity.

Mr. President, my experience has been that many mayors are asking for this kind of a program. It is not because they desire to extend their hand and dip their fingers into the Treasury of the United States. But the problem is so gigantic and the task is so herculean that it is almost impossible, on a parochial level, to do the things that need to be done to remove these scourges, the genesis of which goes back 100 years. Sometimes we become a little impatient because we think we should be able to do it in a fortnight. We cannot do it in a fortnight, but we must begin to do something about it. And here is our opportunity, and here is our necessity.

The television is our teacher when one sees Americans rising against Americans. Yet, Mr. President, I wish to say at this point that I have not been discouraged in this country. Good heavens, no. I can understand the burning desire of the humble heart to share in the glory that America can and does mean. There is no man who can understand the glory of America better than the Senator who is now speaking. No one can understand that better than I. No one should understand more and appreciate more about what America means than the senior Senator from Rhode Island. I am a product of the glory, the benevolence, and the opportunity of America. For otherwise I would never have been Governor of my State, or would I be in the Senate today.

Sometimes those glories seem a little tarnished. It is true that sometimes a handful of rowdies take over in the cities and make the situation look bad. Those are sore spots—and they stand out because they are sore spots. But they are not symbolic of the vast youth of America.

I have visited college after college. I have talked to college groups by the hundreds across this Nation. I dare to say that the youth of today is as clean, good, and law abiding, perhaps even better today than in my day of youth.

Violence rather than virtue makes the headlines. So there are news items published on the front pages of the newspapers and people, perhaps somewhere in London or Rome, without looking at their own troubles, say that America is falling apart.

Of course, America is not falling apart. I do not care where anyone lives in the world; he would like to come to America. I do not care whether they live in Italy, France, or Germany, people look toward America with awe. There is no place in the world like America. One need only travel to discover that fact—and our good fortune. It is a good fortune that we know—only too well—all Americans do not share in equal measure.

On this question I know that it is not easy to find a cure for our ills.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PASTORE. Mr. President, I ask unanimous consent that I may proceed for 4 additional minutes.

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

Mr. PASTORE. What do we hold out to these depressed people? What do we hold out to these denied people? What is the answer for the slums? We build a big freeway to accommodate air-conditioned Cadillacs so that they will not be interrupted in their travel. We build tremendous highways. Where do we build them? We build them right through a slum area.

Do we say to ourselves, "Where do these poor people go?" Where do they go? Is there a worse ghetto than the ghetto they are leaving? If there is, that is a despicable and deplorable situation. We have to act. We have to do something about it. We have to find housing for the dispossessed.

There is not a city in my State which can meet that responsibility on its own. We have succeeded in taxing nearly everything on a national level. About all that can be done in the State of Rhode Island is to raise the tax on real estate. It gets so that a family man with two or three children cannot afford to own his own home.

After awhile the burden becomes so great that even here in Washington we raise the income tax from time to time. We do this and we do that. Everyone gets the idea, "Let's go to Washington."

I do not encourage that. I do not endorse that. I do not condone anyone who looks at it that way.

I understand that Governors had a group conference not too long ago, as did a group of mayors. They thought that the billions and billions of dollars that we collect on a national level should be sent back without limitation for them to spend as they see fit. I do not like that idea. Anybody who seeks the privilege to spend money should have the obligation to raise it. That is my philosophy. If money is going to be spent, then the responsibility for raising it must be assumed by the spender. That is our responsibility here. We raised the money here, and now we have the privilege of spending it.

The question is: Are we throwing the money away? Are we wasting it away? Or are we beginning to do what needs to be done, as a first step? I say, "as a first step," because if you do not take that first step, you cannot take the second step and the succeeding steps to do something about removing the deplorable conditions that exist in some of our urban areas.

Possibly some States do not have the problem which others have in their congested areas. But there has been an exodus of Negroes from the South to the North. There has been an exodus of Puerto Ricans from Puerto Rico. There has been a trend for them to go to the urban areas of the North. In many instances four or five members of one family live in one room. Their history is not a pleasant one. Many of these places are rat infested. Many young babies in their cribs are being bitten by rats. When that happens one can imagine how resentful that mother and father become. Protest is proper. Then, there comes the question of whether there are going to be violent or nonviolent demonstrations.

I respect the sincerity of the Senator from Texas [Mr. TOWER], but I think that he goes too far when he says that this program is unnecessary. The minute that that is said one would be closing his eyes to the many scourges that are afflicting American society. Unless we begin to do something about this situation, in time we will pay a severe price. Necessity is not to be met by neglect.

Today industry is organized. Today labor is organized on a lofty level. Today even the oppressed are organized on a major level. One does not quarrel, contest, or fight against that individual as an individual any more. That would be fighting against the cause that he represents, and you are not going to sweep that mighty issue under the carpet. That is not going to happen.

Yes, there are two sides to this point. There is sincerity on both sides of the argument, I understand that. But I am not carried off by the idea that all we have to do is to sit back and say, "Let's let the town people do it; let the city people do it; let the State people do it, and the job will be done."

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. PASTORE. I ask unanimous consent that I may proceed for 2 additional minutes.

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

Mr. PASTORE. The job will not be done in that fashion. I realize that this is not even a ripple in the ocean. I realize that this is hardly a drop in the bucket. But it is a start.

There was a report by a commission headed by John McCone, the distinguished industrialist and one of the greatest public servants that we have known—at least, that I have known in my term in the Senate. He was formerly the Chairman of the Atomic Energy

Commission. His report said we need $5 billion to take care of Watts. Would you levy that on a local level?

Where would $5 billion be raised in Watts? I am not saying that we should start appropriating $5 billion, but somewhere along the way someone has to help. This is a national responsibility. If this situation is permitted to grow and grow, whether it is in Chicago, whether it is in Providence, whether it is in Austin, Tex., whether it is in Houston, or Billings, Mont., or Augusta, Maine, I do not care; let it grow, and grow, and grow, and it will be a cancerous growth that could well destroy the American system. Let us operate while there is time.

The time to do something is now, today. Do it with moderation, and not, as we have done in some other programs, where we proceeded on a crash basis and found ourselves in trouble.

I am not defending waste or maladministration. I am defending a philosophy. This problem has assumed national proportions. It has become a national concern, and it needs some kind of national remedy. And this Senate must do its part.

I thank the Senator for yielding to me.

Mr. TOWER. Mr. President, I yield 2 minutes unto myself.

I think that sometimes we delude ourselves into thinking that wherever a problem presents itself, if we just throw some Federal money at it it will go away. I might point out that Federal programs themselves have caused some displacement and some discomfort for slum dwellers because Federal bulldozers for urban projects have more often than not displaced people with no other place to go and left them with inadequate housing.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. TOWER. Mr. President, I yield 3 additional minutes unto myself.

The PRESIDING OFFICER. The Senator from Texas [Mr. TOWER] is recognized for 3 minutes.

Mr. TOWER. Mr. President, this demonstration cities bill and the testimony supporting it in the House and in the Senate leave the Congress almost completely in the dark as to the scope of the program.

At no time has the Congress been told in the hearings to how many cities the supporters of the program intend to give these broad benefits;

Or what cities they believe will be able to qualify for the benefits as demonstration cities;

Or what the estimated cost of the total program might be.

The minority members of the committee said in their report that this is no time to expand extensive spending programs, yet there is an authorization of nearly $1 billion in this measure for a program about which the Members of Congress have been given minute evidence of need.

I recognize the plight of our big cities—and of some of our smaller cities as well—but with the country's money demands what they are and with cost-of-living dangers what they are, it would be wiser to consider this inflationary period to be the time for planning instead of spending—planning for the days when spending is more in keeping with the supply and cost of money.

I will offer an amendment which will keep all of the provisions of the demonstration cities bill intact for planning purposes for fiscal years 1967 and 1968.

We can hope and pray that before those 2 planning years have ended Vietnam will be only a blot on history's picture, that the dangers of inflation will have passed, and that we will be in far better fiscal position to take up billion-dollar expenditures for new programs.

My amendment would leave in the bill the requested $12 million authorization for each of the fiscal years 1967 and 1968, but would provide that no funds be appropriated for the actual operation of the program. Thus, we would have a planning program—and we could use some planning.

My amendment adds a requirement that the Secretary of Housing and Urban Development shall report to Congress not later than June 1 of each year, 1967 and 1968, the number of programs which have been submitted to him for approval; the number of such programs which the Secretary feels meet the criteria contained in the bill; the city demonstration agencies which have submitted satisfactory applications and an estimate of the cost of the satisfactory applications.

These reports will serve as a guide to the Congress as to who might get the benefits of this program and how much they might get. It will demonstrate, also, whether only the major cities can prepare qualifying plans in time to share in the benefits of such a program.

This amendment would set up a "plan now, pay later" program.

In the meantime, the cities can work with those urban renewal billions which have not yet been used up.

Mr. President, in short, my amendment would not gut the bill. It would simply eliminate the authorization for fiscal years 1968 and 1969. Let us give the money for plans. Let us get the plans and let us look at the plans. Let Congress have an opportunity to see the results of the planning and what the judgment of the Secretary will be, as to how he will apply the standards and the criteria. Otherwise, we will be leaving a great deal of arbitrary power in the hands of one man. Thus, I think we had better go ahead and authorize the planning, but not bind ourselves hand and foot by authorizing $900 million at this time.

Mr. MUSKIE. Mr. President, the Senator from Ohio has asked me to yield to him for the purpose of answering some questions, which I am delighted to do at this point; and I therefore yield myself 5 minutes for that purpose.

The PRESIDING OFFICER. The Senator from Maine is recognized for 5 minutes.

Mr. LAUSCHE. I thank the Senator. What was the amount that the administration recommended be expended for the program outlining the problem?

Mr. MUSKIE. For title I, the demonstration cities program, the President asked for an open-ended authorization which he indicated would call for $2.3 billion over a 5-year period. This is spelled out in Secretary Weaver's testimony.

Mr. LAUSCHE. What is the amount allowed in the bill?

Mr. MUSKIE. We have cut that amount to $900 million, and have cut the period from 5 years to 3 years. That is, the bill now provides for planning money in this fiscal year of $12 million, and planning money in the next fiscal year of $12 million; and then $400 million for program money for fiscal 1968; third, $500 million in program money for fiscal 1969.

Mr. LAUSCHE. There will be no money available for the execution of the project in the first year?

Mr. MUSKIE. The Senator is correct.

Mr. LAUSCHE. The only money allocated is the $12 million for planning? In the second year, there is $12 million for planning, and then there is $400 million for execution?

Mr. MUSKIE. The Senator is correct.

Mr. TOWER. If I may interject there, actually there is another $250 million in the bill—section 113.

Mr. LAUSCHE. I will get to that later.

Mr. MUSKIE. We were addressing ourselves to the demonstration cities part of the program. I think we will get to that point later.

Mr. LAUSCHE. What is the amount in the third year?

Mr. MUSKIE. Five hundred million.

Mr. LAUSCHE. That is new money for planning?

Mr. MUSKIE. There is no planning money in the third year.

Mr. LAUSCHE. By the time of the third year the planning is supposed to have been completed?

Mr. MUSKIE. The Senator is correct.

Mr. LAUSCHE. What has the committee done with respect to the open-ended authorization?

Mr. MUSKIE. We have eliminated the open-ended authorization.

Mr. LAUSCHE. Mention has been made by the Senator from Texas of the $250 million item. Will the Senator explain that, please?

Mr. MUSKIE. On the House side—although the House has not yet acted on the bill—in the House committee, $600 million was added for urban renewal because it was feared that otherwise the outstanding urban renewal authorization might be drained for the demonstration cities program to the detriment of other cities in other communities that would not be in the demonstration cities program. Thus, the $600 million was added. We have cut that amount to $250 million, which is in this bill.

Mr. LAUSCHE. I think that answers all my questions, and I thank the Senator for his information.

Mr. TOWER. Mr. President, the way the bill reads is, in part, as follows:

The Secretary may contract to make grants under this title, on or after July 1, 1967, in an amount not to exceed $250,000,000: *Provided*, That the authority to contract to make grants provided by this sentence shall be exercised only with respect to an urban renewal project which is identified and scheduled to be carried out as one of the projects

or activities included within an approved comprehensive city demonstration program * * *.

Mr. MUSKIE. That is right. That means that we would have to resort to the outstanding urban renewal authorization. The Senator has stated exactly what I said. There is no difference.

Mr. JAVITS. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield 3 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 3 minutes.

Mr. JAVITS. Mr. President, I rise to oppose the amendment offered by the Senator from Texas because I think it would gut the program. I hope that the Senate will turn it down.

Mr. President, we are now engaged in a series of hearings before the Executive Reorganization Subcommittee of the Government Operations Committee, of which I am a member and of which my colleague from New York [Mr. KENNEDY] is also a member.

We are learning from the Attorney General of the United States that he regards the incendiary potential building up within the cities as being so great that he cannot assure us there will be no riots in as many as 40 cities.

We are suffering from great demographic and social changes in the great cities of this country, from an enormous increase in population—it now amounts to 125 million people out of an aggregate population in the United States of somewhat under 200 million—which represents a literal revolution in population change, the flow of people from the rural areas to the urban areas—including a great outpouring from the Southern States, heavily attributable to a century of suppression of the Negro people in the South.

All this has created enormous problems of the greatest moment to public order and tranquillity.

One thing is clear—whatever we may do, whatever it is our intention to do, the time to do it is now and not tomorrow. With the best faith in the world, if it is given us to have only planning funds for great projects in the cities of a comprehensive nature such as are contemplated in the pending bill, it will be necessary to defer realization for at least the 2 years which could be indispensible in preventing what may happen in many of our great cities.

It is unfortunate that we have this concentration of problems in the cities at the same time we are fighting a war in Vietnam. But, let us remember, we have the great productive power of the United States with us. We must therefore try to utilize a fair allocation of our resources so that we do not, by design, delay the consummation of what is urgently required in order to bring a condition of tranquillity back to the country and return security to the people of the cities—125 million strong.

It is clear from the testimony to which we have been listening every morning—including this morning—that one of the most urgent problems on which this program can zero in is the comprehensive approach to do something with important sections of the city, especially its central core.

We have had express testimony from the Attorney General, from the Secretary of Health, Education, and Welfare, from the Secretary of Housing and Urban Development, from the Government officials who testified. They pick out this demonstration cities program as the key to whether or not we can get moving toward a solution of the problems. If we let this slide, we are inviting what we will get—to wit, disorder in the cities, disorders and riots. If we do not pass it, we leave them no alternative but to loot and burn as a product of their despair. Of course, we will suppress that disorder. Neither I nor anyone else will condone anarchy, but it is a terrible cost to pay for failure to generate what is proposed here on the part of the Congress.

I shall marshal my arguments in favor of the bill for a later time.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. JAVITS. Mr. President, I ask for 1 additional minute.

Mr. MUSKIE. I yield 1 additional minute to the Senator from New York.

Mr. JAVITS. If we gut this bill, we will be intentionally and designedly doing something that we should not do with respect to the situation which faces us in 40 cities of America, as the Attorney General testified. We will be facing riots and fires unless we give the people something to which they can look for relief. I hope that the Senate will pass the bill in an attempt to do something about the problem.

Mr. MUSKIE. Mr. President, I yield 5 minutes to the Senator from New York [Mr. KENNEDY], in order to engage in a colloquy with him.

The PRESIDING OFFICER. The time on the amendment has expired.

Mr. MUSKIE. I yield time on the bill.

The PRESIDING OFFICER. The Senator from New York.

Mr. KENNEDY of New York. Mr. President, I want to join with my senior colleague from New York [Mr. JAVITS] in opposing the amendment offered by the Senator from Texas. If adopted, I think it would destroy the bill. In view of the disorders that have taken place in our cities over the last few years, it is quite clear that there are major problems for the country to deal with. The question is whether we are going to develop any proposal to deal with our urban problems in an orderly way.

When we realize that 80 percent of our people will live in the cities within the next few decades, when we ask ourselves whether those cities will be allowed to grow and develop as places were people will want to live in peace, and whether industries will remain in the cities, the answer is really going to depend on the judgment of Congress and the executive branch as to how Federal law will be structured and how it will be used in conjunction with the local communities and cities.

My disagreement with the demonstration cities program is not that it goes too far, but that it does not go far enough. It is but a beginning in an effort to meet some of the problems of urban areas across the United States.

Although I join with my colleague from New York about the need to prevent violence, I think we also have a responsibility to the people who live in urban areas, who live in poverty, who lack opportunity to obtain proper training and education, and therefore to obtain jobs.

When we consider that 43 percent of the Negro families who live in urban ghettos are now living in dilapidated and substandard housing, when we consider that one-quarter of the children in the ghettos are "aid to dependent" children, we realize the importance of this opportunity, this legislation, which will, for the first time, bring all of the Federal programs together in a coordinated way. It is an opportunity for the first time to put together the Federal program which the cities and the States might use. I think it is the first opportunity to really bring private enterprise into the effort to bring about a solution.

Does the Senator from Maine agree?

Mr. MUSKIE. The Senator is correct. It is difficult to project the extent to which the cities and States and the private sector will proceed with the program which will be stimulated and generated by the supplemental money provided by the Federal Government, but it is estimated that the total expenditure will be on the order of $5.5 billion, considering local governments, State governments, the private sector, as well as the Federal Government, under the existing and supplemental programs. It is this effort that we need to unleash.

Mr. KENNEDY of New York. Through the hearings conducted by the Senator from Connecticut [Mr. RIBICOFF] and also the hearings conducted by the Senator from Maine for some years, the necessity has been shown for a coordinated approach to these problems, and it has been shown that it is a coordinated approach that has been lacking. This bill will be a means of coordinating the various programs and there will be an opportunity for these programs, of which there are hundreds, to bear on the problems in a coordinated way.

We had an example of this in New York City, when $10 million worth of poverty money had to be turned back because they were not dealing with it properly.

This program will enable all the programs to bear on the problem for the first time in a coordinated way. For the first time it will bring private enterprise into the ghetto areas. There are no General Electrics in Harlem or Bedford-Stuyvesant. Private enterprise, which has been responsible for so much of the success of this country, will for the first time be able to play a part in this effort.

We have all talked about coordination at the Federal, State, and local community level. All of us have been critical when it has not existed. We have all said that our private enterprise should be utilized.

For the first time we have come up with a program—a limited but necessary program—which will give us a coordinated attack against the problems

and bring in private enterprise in a substantial way.

Mr. MUSKIE. The Senator from New York is eminently correct, and I deeply appreciate his cooperation.

Mr. President, I yield 3 minutes to the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I should like to join my colleague from New York [Mr. KENNEDY] in expressing my support for the bill. In many ways, the problems of our cities in New York and Pennsylvania are identical.

I strongly commend the Senator from Maine [Mr. MUSKIE] for his magnificent job in shepherding this bill to the Senate floor. I hope he will be successful in getting it passed by the Senate.

It is even more commendable because of the fact that the Senator from Maine does not come from an urban area. Yet he has mastered these facts better than many of us to bring out the problems of the metropolitan areas and the smaller cities, too.

I join with the Senator from New York [Mr. KENNEDY] in stating that this program is inadequate. It ought to be 10 times as large as it is. I say that in all seriousness. It should be in the neighborhood of $9 billion instead of $900 million. But it is still a foot in the door. Perhaps with this start, we can get moving—if we can ever get the war in Vietnam cleaned up—and proceed to do what should be done.

I am particularly interested in the table which the Senator from Maine placed in the RECORD of yesterday, on page 19871, which shows the Federal programs brought together for coordination under this program.

Is that correct?

Mr. MUSKIE. That list includes 49 of the programs most likely to be under the demonstration cities program. It is not all of them, but these 49 appear the most likely to be brought under it.

Mr. CLARK. This is a magnificent job.

As I have said, I do not think the bill provides enough money, but with the initial expenditures for planning and coordination, perhaps we can get rolling.

It is clear to me that many of these programs overlap. As chairman of the Subcommittee on Employment and Manpower of the Committee on Labor and Public Welfare, I am aware that there are projects which can be coordinated under the bill for the benefit of the people in the urban areas. There are a host of problems under the education programs which are involved. I have the honor to serve on that subcommittee, as well.

I think the Senator from Maine has done a magnificent job in getting this "show on the road." I hope that the amendment of the Senator from Texas, which would destroy that good work, will be defeated.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. MUSKIE. Does the Senator want more time?

Mr. CLARK. No.

Mr. DOUGLAS. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. May I say to the Senator from Illinois, the Senator from South Carolina asked for some time earlier. I should like to have him go ahead; then I shall yield to the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Maine.

The PRESIDING OFFICER (Mr. HARRIS in the chair). Who yields time?

Mr. TOWER. Mr. President, I yield 4 minutes to the Senator from South Carolina.

The PRESIDING OFFICER. The Senator from South Carolina is recognized for 4 minutes.

Mr. THURMOND. Mr. President, I enthusiastically support the amendment offered by the distinguished Senator from Texas [Mr. TOWER] to the pending bill.

In the present context of fiscal and monetary affairs of our country, I am not at all convinced that S. 3708, the Demonstrations Cities and Metropolitan Development Act of 1966 should even be considered on its merits. A major portion of the Senate session yesterday was devoted to a very thorough discussion of inflation and high interest rates. Many Senators joined in and expressed their concern in this area and their support in taking positive steps to correct the decidedly inflationary tendencies in our economy and the trend toward higher and higher rates of interest.

The distinguished Senator from Wisconsin [Mr. PROXMIRE] discussed this matter in great detail, and he made one particularly significant point which I would like to emphasize by quoting his statement verbatim from the CONGRESSIONAL RECORD as it appears on page 19826.

Beginning at the top of the first column on that page, Mr. PROXMIRE says:

> But the inflation in both interest rates and prices is coming from the boom in construction, and to this the Government is directly contributing, and in a big way.
>
> Consider these shocking facts, Mr. President, and recognize that this is taking place in a period of inflationary boom in construction that has contributed to a homebuilding recession.
>
> Here is the Government's spending for civil public works, excluding national defense. I repeat, excluding national defense.
>
> For 1958, the total civilian Federal spending in this area was $3.1 billion. By 1963, it hit $5.8 billion. And for the present fiscal year of 1967 this year of construction inflation—it is $7.6 billion of Federal civil construction.
>
> This spending has far more than doubled in 9 short years. It is civilian, not national defense spending; it is directly inflationary; it requires Government borrowing that drives up interest rates; and in past wars it has been either partly or wholly deferred.

Mr. President, this point is very well taken, and it certainly has a significant bearing upon the Senate's action with regard to the pending Tower amendment.

The Tower amendment makes this bill a planning bill and would allow the Congress the opportunity to review the plans before deciding whether they merit the tremendous outlay of funds which is contemplated in the bill. Unquestionably, this is a wiser course of action to follow.

Mr. President, it has been said here that we will have more demonstrations, more riots, and more trouble unless we pass this demonstration cities bill. In other words, the demonstrators are laying down an ultimatum as to what they are going to do unless we pass this bill, as I understand.

I wish to say here and now that if we pass this demonstration cities bill it will not stop the demonstrations and the riots. It will not stop all, or even a significant portion of the demonstrations, such as have occurred in Chicago, in Cleveland, in Harlem, in Buffalo, in Detroit, and in the other places throughout the country, because there is evidence that some of those demonstrations are either Communist inspired, Communist directed, or Communist controlled. Even the mayor of Chicago, Mayor Daley, found evidence of Communist involvement or instigation as a result of a thorough study of the riots in Chicago. Until the President of the United States takes steps to expose the individuals involved in demonstration after demonstration, and shows up those people for what they are, we are not going to stop the riots. Certainly passing this demonstration cities bill will not stop the demonstrations.

Mr. President, I urge the Senate to adopt the Tower amendment in the interest of fiscal responsibility and the stability of the dollar.

Mr. MUSKIE. Mr. President, I yield 2 minutes to the Senator from Illinois.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DOUGLAS. Mr. President, first I wish to congratulate the Senator from Maine on his magnificent handling of this bill. I had the pleasure and the honor of introducing the original bill. I think the Senator from Maine has improved it very markedly, and it is probable that we would not have had the bill before the Senate had it not been for the convincing efforts of the Senator from Maine, both in the subcommittee and in the Committee on Banking and Currency.

I think it should be noted that the only amounts authorized by this bill for the current fiscal year are $12 million for planning, and that the authorized appropriation of $400 million for fiscal year 1968, which begins on July 1, 1967, would probably not be spent until 1968. So there is in this bill no immediate addition to the danger of inflation; and during this period, we can certainly expect the processes of natural growth of the economy—which last year were well over 5 percent—to continue.

So the bill is not inflationary. It deals with a problem which we should have faced long ago, and which, if we do not deal with it now, will be infinitely more difficult in the future.

In conclusion, let me say that we should realize this program is not a substitute for urban renewal. It is intended as a supplement to urban renewal, and to help the very programs to be carried through by the cities which have been losing their taxpaying capacity by the exodus of wealthier citizens and of light industries to the countryside; and which, at the same time, have been taxed by an

influx of poorer citizens into the cities themselves.

I hope very much that the Tower amendment, which would "gut" this bill completely, will be defeated by an overwhelming vote.

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

My amendment would not "gut" the bill. A quarter of a billion dollars is earmarked in the bill for urban renewal projects for fiscal 1968. My amendment would simply serve to give us adequate time to examine the proposed programs, and then to vote for the appropriations the following year.

Mr. President, I yield as much time as he may desire to the distinguished minority leader.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

Mr. DIRKSEN. Mr. President, it would be folly for the Senate not to adopt the Tower amendment, and it would be a greater folly if the Senate should pass the bill in its present form.

It has all the prospects and all the potential of becoming one of the greatest boondoggles that this country has ever witnessed. It will be shot through with waste and corruption and goodness knows what all before we get through.

All we have to do is to look at the language of the criteria, such as they are, because under the section termed "Eligibility for Assistance," among other things, there is a question whether the "physical and social problems in the area of the city covered by the program are such that a comprehensive city demonstration program is necessary to carry out the policy of the Congress."

Who is going to make that determination? It is going to be an individual whom we refer to as the Secretary. The second item under that same section reads:

The program is of sufficient magnitude—

And among other things, it states:

The program is of sufficient magnitude to make marked progress in reducing social and educational disadvantages.

You tell me what that means, and you tell me how that will be interpreted.

As to the magnitude, it will have ample magnitude, believe me, because in the Great Society they think of nothing else except the magnitude of these programs.

It is further provided under this section that the program has to contribute to a well-balanced city.

I ask, Mr. President, what is a well-balanced city—balanced with respect to what? Oh, it speaks about housing and maximum opportunities in the choice of housing accommodations, adequate public facilities, health and social services, transportation and recreation.

The sky is the limit. The world is the oyster under this bill.

Then, of course, it has to be scheduled to be initiated within a reasonable period of time. Well, that is all right. I am glad to see that provision, but where are the plans, where are the blueprints, and where are the specifications? Where is the data with which to go forward and initiate an early program?

The last idea is "ducky" indeed, because the program must meet such additional requirements as the Secretary may establish to carry out the purposes of this title.

One man shall say what the additional requirements shall be. That is the language of the bill.

They have one of the secretaries on the pan now. They say his ideas are outmoded, that he is behind the times, and that what his department has done just does not fit the modern situation, as I read the press accounts. I could not go to the hearing.

I concluded that all they wanted was $10 billion a year, and maybe for a 10-year period.

The distinguished Senator from Rhode Island was on the floor a moment ago. In his most impassioned tone, he said: "Let it grow, grow, grow."

He will not be disappointed. It will grow, even as everything in Government grows, and it will be something to contemplate this business a few years from now.

This is a vague kind of a plan. It has not been thought out. It is half baked. They now want a commitment of $900 million for 2 years. However, that is not the end of it.

The Senator from Pennsylvania said: "Let us put a toe in the door." He was not kidding. This is the toe in the door, and from here on it will be dollars and dollars and dollars. It will not be millions, but it will be billions before we get through.

I have looked around from time to time to get a little expert information in this general field. I discovered the book entitled "The Federal Bulldozer," written by a professor named Martin Anderson. I should have saved the jacket. He is a good-looking fellow. I guess he did this as a research fellow for the Massachusetts Institute of Technology. However, in reading the foreword, he certainly went into the matter thoroughly.

He was not content with the published reports of HUD and HEW. He came down here and talked to the Assistant Commissioners. He discovered that there were unpublished reports.

I wonder if those reports ever came to the attention of the Senate committee, the House committee, the Senate, or the House of Representatives. I doubt it very much.

Professor Anderson spent a lot of time putting this information together, and he comes to some rather interesting conclusions, which I want to relate for a moment, particularly so because he dealt with urban renewal and development.

My colleague, the senior Senator from Illinois, just got through saying that this bill before us is a supplement to urban renewal. Well, if urban renewal is a colossal failure—and it is—then, of course, we are just going to supplement a failure, and that will be a double failure before we get through.

Professor Anderson lays the information out in great style. He did not overlook a thing. I was delighted, of course, that, among other things, he included here what he discovered to be the beliefs about urban renewal as distinguished from the facts and estimates.

Mr. President, I ask unanimous consent that the data from the bottom of page 219 to virtually the bottom of page 223 of Dr. Anderson's volume be printed in parallel columns in the RECORD, exactly as it appears in the book.

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

BELIEFS	FACTS AND ESTIMATES
Housing quality in the United States deteriorated badly during the decade from 1950 to 1960, especially in the major cities.	The decade from 1950 to 1960 witnessed what was probably the greatest improvement in housing quality ever shown in the United States. This was also true for the cities, especially the major ones.
The middle-income group is becoming less important in the life of the city, as the low-income, minority groups and the high-income groups gain in relative importance.	Middle-income people today constitute 57 per cent of the population of cities with over 100,000 population. Their importance relative to low- and high-income groups has remained essentially unchanged since 1950. Large cities have a relatively greater share of the middle-income population than does the country as a whole.
The federal urban renewal program has made a significant contribution toward solving the housing problem, especially for low- and middle-income groups.	The federal urban renewal program has made it more difficult for low- and middle-income groups to obtain housing because of the amount of low-rent housing it has destroyed.
Most of the new buildings constructed in urban renewal areas are public housing for low-income families.	Most of the new buildings constructed in urban renewal areas are high-rise apartment buildings for high-income families; only 6 per cent of the construction is public housing.
The families that are required to move from their homes by the federal urban renewal program move into better housing in better neighborhoods.	Many of the families that are required to move go into housing as bad as or worse than their original homes in neighborhoods that are as bad or worse than their original neighborhoods. And they often pay higher rents at the new location.
Urban renewal helps poor people, especially those from minority groups.	Urban renewal helps upper-income people and a few elite groups. It hurts low-income people, especially those from minority groups.
Urban renewal does not affect one racial group more than any other.	Over 60 per cent of the people forced to move are either Negroes, Puerto Ricans, or members of other minority groups.

BELIEFS	FACTS AND ESTIMATES
The federal urban renewal does not really affect many people.	In 1962, 1,665,000 persons had been or were about to be required to move from their homes. If the program continues to expand, more millions will be displaced in the future.
Urban renewal eliminates slums and prevents the spread of blight.	It is likely that urban renewal simply shifts slums and thus encourages the spread of slums and blight.
Urban renewal generates a large increase in the tax revenues of the city.	So far, urban renewal may have caused a decrease in cities' tax revenues. Indications are that the chances of urban renewal increasing tax revenues are small, and if they do increase, it is likely that the increase will be slight.
Urban renewal plays an important role in the economy of the United States; its role in the economy of cities is very important.	Urban renewal plays an insignificant role in the economy of the United States; its role in the economy of cities is slightly greater, but still insignificant.
If it had not been for the federal urban renewal program, the new buildings erected on urban renewal sites would not have been built within the city.	It is estimated that 50 per cent of the new construction put up on urban renewal sites would have been put up elsewhere in the city, even if the federal urban renewal program had not existed.
The private construction put up in urban renewal areas is wholly financed by private lending institutions.	Approximately 35 per cent of the private construction in urban renewal areas has been financed by the federal government through one of its agencies, the Federal National Mortgage Association.
Most of the money used for urban renewal comes from private sources. For every $1 contributed by the government, private interests invest about $4.	A large part of the money used for urban renewal comes from the government. For every $1 contributed by the government in the form of grants and loans, private interests invest about $1, not $4.
A typical urban renewal project only takes a few years to complete.	Urban renewal takes a very long time. The typical project takes almost twelve years to complete.
Urban renewal construction is profitable for private developers.	So far the private developers have not made much money. The potential profit is there, but they have been unable to tap it.
Rehabilitation is superior to redevelopment. People are not required to move from their homes, it does not cost as much, and it is fairly easy to accomplish.	Rehabilitation has most of the same consequences as redevelopment. People are required to move from their homes either because they cannot afford to rehabilitate them, or because they do not want to rehabilitate them. Relatively large amounts of public subsidy are necessary, and the administration of the program is complex and time-consuming. It seems doubtful that any significant progress will be made in this area.
The constitutionality of the federal urban renewal program has been established beyond question.	The constitutionality of the federal urban renewal program is still an open issue, and a strong case can be made that it is not constitutional.
Urban renewal is definitely in the public interest, that is, its net result is "good" when looked at from the national viewpoint.	It has never been clearly established that urban renewal is in the public interest. In fact, a strong argument can be made that it is not in the public interest.
The acceptance of the urban renewal program has been widespread, and the politicians are only responding to the desires of the people.	Few individuals know any of the consequences of urban renewal. Widespread ignorance of the program and apathy toward it have been interpreted as widespread acceptance. Believing this, the politicians have been quick to accept arguments for urban renewal presented by a few elite groups.
(The preceding beliefs indicate that the net results of the federal urban renewal program have been favorable.)	(The preceding facts and estimates indicate that the net results of the federal urban renewal program have been unfavorable.)

Mr. DIRKSEN. Having worked very diligently on this matter for a long time, he states in the column under "Beliefs":

Housing quality in the United States deteriorated badly during the decade from 1950 to 1960, especially in the major cities.

In the column under "Facts and Estimates," he states:

The decade from 1950 to 1960 witnessed what was probably the greatest improvement in housing quality ever shown in the United States. This was also true for the cities, especially the major ones.

As the second item under "Beliefs," he states:

The middle-income group is becoming less important in the life of the city, as the low-income, minority groups and the high-income groups gain in relative importance.

In the column under "Facts and Estimates," he states:

Middle-income people today constitute 57 per cent of the population of cities with over 100,000 population. Their importance relative to low- and high-income groups has remained essentially unchanged since 1950. Large cities have a relatively greater share of the middle-income population than does the country as a whole.

Some of the myths in the "beliefs" do not stack up with the "facts."

I will let the Senators read this in the RECORD for themselves.

I now come to Dr. Anderson's conclusion which, of course, is rather interesting. It is quite something.

First he says:

There are strong indications that private enterprise made substantial gains while the federal government did not.

He also says:

Of the estimated $824 million of construction started by March of 1961, 56 per cent was private residential housing, 6 per cent public housing, 24 per cent public facilities, 10 per cent commercial, and 4 per cent industrial.

Then his final conclusion is:

It is recommended that the federal urban renewal program be repealed now. No new projects should be authorized; the program should be phased out by completing, as soon as possible, all current projects. The federal urban renewal program conceived in 1949 had admirable goals. Unfortunately, it has not and cannot achieve them. Only private enterprise can do so.

That from a man who was a research fellow at Massachusetts Institute of Technology, a great scientific institution, who did his work very well and over a long period of time. I would rather take that judgment than a judgment that has been based, perhaps, on inadequate figures, to show where we are going.

I reaffirm and reassert, Mr. President, that this bill has all the possibilities of a huge boondoggle. And it will grow—I repeat, in the language of the Senator from Rhode Island; he will have his wish, if we do it—it will grow, it will grow, and it will grow.

If we do nothing else, we might defer this matter and ascertain what kind of report we will get from the Committee on Government Operations, and especially from the subcommittee under the distinguished leadership of the Senator from Connecticut [Mr. RIBICOFF].

Here, they pass upon the inadequacy of all the programs, and they are building up an image of a program that, as I evaluate the language, probably will run into the billions and billions every year, for a long time to come.

So this bill is what? It is a toe in the door, and the program will be undertaken without any adequate planning whatsoever.

The distinguished Senator from Texas, who has been most diligent in following this bill, has laid it all on the line in capsule form. The authorizations are for 1968 and 1969. Why not see what kind of planning they do? Why not first get a little information, and then determine whether or not we should authorize and ultimately appropriate that kind of money?

The Tower amendment ought to be adopted, because it would be folly for the Senate not to do so. I wish to say to Senators that if the Tower amendment is not adopted, the minority leader does not propose to vote for this bill. And I say that advisedly, because in my State is one of the large metropolitan centers of this country, at the north end of the State, along Lake Michigan. I refer to the city of Chicago.

I shall not commit this kind of authority and this kind of money, only to see colossal waste and inadequate results.

Dr. Anderson, a really diligent student, who has applied himself, comes up with the answer that urban renewal ought to be repealed. Let us not, as my colleague said, supplement a failure and make it a double failure.

So that as we vote, let us support the Tower amendment—first, $12 million for planning, and then let them come back here, hat in hand, and respectfully, to show us precisely what they propose to do under the vague criteria of this bill.

Mr. MUSKIE. Mr. President, I yield myself 5 minutes.

Mr. President, let us understand the nature of the issue before us. It is not urban renewal. A vote for or against the Tower amendment will have absolutely no effect on the current authorization for the urban renewal program.

The opportunity of the Senate to pass on urban renewal is behind us, until the next authorization bill comes before us.

This is not an urban renewal program. What is it? Very simply, it undertakes to do two things. First, it undertakes to coordinate existing Federal grant-in-aid programs so that they can be focused more efficiently and more effectively on the diseased areas of our metropolitan areas and our cities. It undertakes the coordination of existing Federal aid programs. And in those programs we will find all the criteria, all the standards, all the experience, all the planning that has been built into those programs over the years.

Yesterday, I included in the RECORD an analysis of some 49 current grant-in-aid programs that are likely to be included, or are most likely to be included, in the demonstration city programs. So that we have ample criteria and ample standards, well established in the RECORD, for all to read, if what the Senators desire is some indication of standards and criteria.

That is the first thing that the bill does: It coordinates existing grant-in-aid programs and brings them to bear upon the human problems of these diseased areas in our cities.

Urban renewal is involved in the physical reconstruction of our cities. What we are undertaking here is to launch programs to reconstruct the lives of the people who live in these cities.

I have said over and over again in this debate that of course this is an experimental program, but not insofar as its base is concerned, because its base is the 170 Federal grant-in-aid programs that we now have.

The second thing that the bill would do is to provide some additional Federal money. For what? To stimulate local initiative, local imagination, local enterprise, to develop comprehensive plans designed to deal with the disease of these cities, the blighted areas of these cities, the blighted lives of their people.

The initiative must be taken in the cities. It cannot be taken by the President, by the Secretary of HUD, or by any other Federal official. Under this bill, the initiative must be taken at the local level.

The Senator from Texas has spoken about this bill as representing an arrogance of Federal power. All this bill does is to provide Federal resources to enable local initiative to apply itself to the disease.

These additional Federal funds will be generated and will be spent in accordance with comprehensive plans developed at the local level by our cities. In order to develop comprehensive plans, it will be essential that there be brought into the problem, to be applied to it, not only these Federal resources, but also local resources, State resources, the resources of the private sectors.

Mr. President, when we speak about criteria and standards, I hope that we are not talking about evidence of the existence of the disease. There has been ample reference to the disease on the floor of the Senate yesterday and today. We know what the disease is: areas in our cities where people are leading blighted lives, lack of educational opportunity of sufficient quality to really stimulate the inner forces of the young people of those areas. We all know what the disease is. We have at least driven on the outskirts of these diseased areas. We have driven through them, I trust. We know how people live in these areas. We know that out of these areas come unacceptably high crime rates, unacceptably high rates of dropouts from schools, unacceptably high antisocial indexes of human behavior, whatever index may be used.

So, we know what the disease is. We do not have to spell that out statistically in the bill, I trust. We know what the problem is. Whoever says he does not know such a problem exists and does not know what it is, has not been reading the newspapers, has not been watching television, has not been listening to the radio, has not been traveling through our cities, has not watched the American scene.

The problem is evident. It is there for all to see. It is there to be seen by people overseas, who are undertaking to ascertain how effectively we are able to provide opportunity for our people.

The example of American democracy in these areas is an open book for us and for everyone. What is the quarrel? The quarrel is, first of all, that we are seeking to spend too much money. How much money, Mr. President? How much money is involved in this Tower amendment? There is involved $900 million. That would be a big sum in my bank account, but we are talking about $900 million out of a gross national product of $730 billion, and is that too much?

The minority views of this committee which were signed, among others, by the distinguished Senator from Texas [Mr. TOWER], the distinguished Senator from South Carolina [Mr. THURMOND] and the distinguished Senator from Iowa [Mr. HICKENLOOPER] said that we should not spend $900 million for this program because our economy is in high gear and we would feed the fires of inflation.

A week ago today on the floor of the Senate there was another $900 million program brought up to add to the transportation and housing bills that that committee had reported. The amount involved was $900 million; coincidentally, the same amount which is involved in the pending bill. Senators on the other side of the aisle, including the 3 Senators whose names I have mentioned voted 24 to 1 to add that $900 million. That did not add to the fires of inflation. That was not inflationary.

We all recognize the housing program. I have supported programs for college housing. But the argument here is that $900 million is all right to spend, and $300 million of it would have been spent in this fiscal year. But this $900 million to deal with the most explosive domestic issue on the American scene today is too much to spend; and only $12 million of that would be spent under this bill in fiscal 1967.

There was a lot of talk last Friday about a proper order of priorities. There has been a lot of talk today about priorities. There have been many programs that we have talked about in connection with priorities other than college housing and demonstration cities. The priorities have been highlighted by these situations. In connection with this argument, which was made persistently yesterday and today, as far as my list of priorities is concerned, the explosive problem of these diseased cities is No. 1 on the list of domestic problems in this country.

I come from a small State. Only a dribble from this program can seep into my State. We do not have disease. But that disease, wherever it exists is a disease which should be of concern to everyone, including the fishermen, the trapper, or the farmer in the relatively peaceful and beautiful State of Maine. This is the problem.

I am for this bill. I agreed to floor manage it, not because there is any pressure in my State and not because the problems exist in my State, but because as an American and I do not think we can afford, as a country, to avoid taking this small step forward to make this country one, toward making it whole, and toward making it healthy. The amendment would cut the demonstration cities program. If the amendment were adopted we would have to begin all over at some time in the future to prove the case again, and the problem will not wait for that time.

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

Mr. MUSKIE. I yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I wish to say that I am very much in sympathy with the bill.

The PRESIDING OFFICER (Mr. MONDALE in the chair). How much time does the Senator request?

Mr. ELLENDER. Mr. President, I only wish to ask a question.

Mr. MUSKIE. Mr. President, I yield myself such time as I need.

Mr. ELLENDER. I wish to compliment my good friend, the distinguished Senator from Maine [Mr. MUSKIE], for the excellent speech which he has just made.

Would the bill earmark any of these funds, other than the $12 million, for any particular category of aid, such as housing, transportation, or things of that nature?

Mr. MUSKIE. The supplemental will not be earmarked with respect to any particular program.

Mr. ELLENDER. Does the Senator feel that we should exclude mass transportation from this item? It has been already provided for separately. I can well see that there may be a necessity for more action in the housing field but I would hate to see additional funds taken from this authorization to construct mass transportation systems, when other more important areas are in much greater need.

Mr. MUSKIE. It is difficult to envision what any particular State may have in mind, when the Senator uses the words "mass transportation." There is no doubt that in some of these areas inadequate access between homes and jobs, the heavy cost of traveling between homes and jobs, is a part of the unrest.

In the case of the Watts example this is a significant problem for the people. People live in an area that looks fairly decent, but it costs so much to move from their homes to available jobs, particularly for low-skilled or unskilled groups, that employment opportunities are quite few.

The bill is not intended to supplement the mass transportation in the sense that these funds could be added by the Secretary for that authorization, to be appropriated in Washington in the mass transportation program. But I would not want to exclude from the bill the possibility of doing something, and this is within the initiative of local authority to do something to deal with the kind of transportation problem which I just outlined. I do not think that the mass transportation which is now on the books could be brought to bear in the kind of situation which I just described in Watts. I think that is a different kind of problem.

Mr. ELLENDER. Mr. President, the purpose of my questions to the floor leader about the use of the funds under the bill is to obtain assurances on how this money is to be used.

I have supported housing programs over the years in the interest of providing better housing for the people. I would not want to see the benefits of this bill wasted on programs already provided under other laws. For example, earlier this week the Senate voted large sums of money for urban transit, and I would not want to see this program be a duplication of that program.

In my mind, the biggest need in these cities is better housing, and I hope that we can get some assurances this is how the majority of funds under this bill will be spent.

Mr. MUSKIE. I agree with the senior Senator from Louisiana that one of the greatest needs in our cities is better housing. Of course, there are many other needs that this bill would be directed to help solve. I would not want to foreclose the use of these funds for transportation, but I cannot imagine that any more than a small amount of funds would be used for this purpose.

Mr. ELLENDER. Here the Senator is coordinating all of these programs?

Mr. MUSKIE. We are coordinating the programs.

Mr. ELLENDER. Exactly, and the manager of the bill indicated that some small part of these funds might come to be used for mass transportation. But it seems to me that if we could exclude the category of mass transportation, as we understand it, and limit this bill to an attempt to cure the housing and social evils within the cities, I believe quite a job could be done under this legislation. In my view, that is the course which should be followed.

Mr. MUSKIE. I wish to give the Senator one other point. The Senator is concerned with our so-called supplemental funds that would be provided under the bill. The bill says clearly that the supplemental funds shall be used to initiate any programs, any services as needed in these areas, and they shall be used only in the current program. They can be used to help communities pick up their share under the current program. The emphasis in the bill is on the new program, bringing together new ideas to apply. Housing is, of course, very necessary under the objectives of the bill.

Although I understand the concern of the Senator, I believe that the amount that would be diverted into the programs that are currently on the books would be minimal in the field of transportation.

Mr. YOUNG of North Dakota. I have a great deal of sympathy for the objectives of this program. I am sorry that I did not get an opportunity to listen to all of the discussion. Let me ask the Senator, how would these funds be spent? Would they be matched by the local interests, city and State?

Mr. MUSKIE. What is involved, first of all, is the current grant-in-aid program which would be brought to bear. Without making use of the current grant-in-aid programs, there would be no supplemental funds generated under the bill. Under the current grant-in-aid programs, there are requirements for the local raising of funds, as the Senator knows. These vary from 70 percent down to 20 percent. The formula that the bill includes for generating supplemental funds is this: To the extent that Federal grant-in-aid programs are used currently, the bill would authorize the expenditure of 80 percent Federal money, and 80 percent of the non-Federal contributions under the current program, so that 20 percent of the local contributions would still be a requirement.

In addition, and this might be helpful to the Senator, and to the Senate as a whole: I hold in my hand an analysis of what the Department expects on the basis of its own projections may be reasonable programs of spending, not only by the Federal Government but also by State and local governments and by the private sector in this field.

The total spending projected, assuming the $900 million authorization under the bill of Federal funds, would be $5.592 billion. Of that amount, Federal funds would include the following: The Federal share of the grant-in-aid program used, $1.979 billion. That is, under current authorization under current programs. Supplemental grants under this bill—according to this analysis would be $881 million of the $900 million authorization—that is, total Federal expenditures of $2.860 billion.

State and local funds, the local share, the grant-in-aid programs, would be $1.04 billion, plus municipal expenditures under existing municipal programs of $612 million. State expenditures for demonstration programs, $79.8 million. Total State and local expenditures, $1.736 billion. Private social expenditures, housing and construction and rehabilitation, and nonresidential construction and rehabilitation, $995 million. This anticipates spending by the Federal level, State and local levels, and the private sector.

Mr. President, I ask unanimous consent to have the table, together with supporting data, printed in the RECORD.

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

SOURCES OF FUNDS FOR EXPENDITURES FOR CITY DEMONSTRATION PROGRAM

The $5,592.2 in total expenditures for the demonstration program would come from Federal, State and local, and private funds in the following amounts:

[In millions]

Federal funds:	
Federal share of grant-in-aid programs	$1,979.4
Supplemental grants under demonstration cities bill	881.4
Total Federal expenditures	2,860.8
State and local funds:	
Local share of grant-in-aid programs	[1] 1,044.2
Increased municipal expenditures under existing municipal programs	612.0
State expenditures for demonstration programs	79.8
Total State and local expenditures	1,736.0
Private social expenditures, housing construction and rehabilitation, and nonresidential construction rehabilitation	995.4
Total of all expenditures	5,592.2

[1] Actual amount of local dollars contributed to grant-in-aid programs is $57.6 million less than the $1,101.8 million amount on the basis of which the supplemental grant is computed. The difference occurs because that amount of supplemental grant funds provided by the demonstration cities bill

would be used and credited as part of the non-Federal contribution to projects or activities which are a part of the approved comprehensive city demonstration program and assisted under a Federal grant-in-aid program.

The following table is illustrative of a possible pattern of expenditures for the city demonstration program over a 2-year period:

Estimated expenditures for a city demonstration program

[In millions of dollars]

	1-year expenditures	2-year expenditures	2-year funding of activities using specially authorized funds		
			Supplemental grant funds	Special urban renewal funds	Regular program funds
A. Expenditure program component:					
1. Federally assisted (grant-in-aid program) activities:					
(a) Capital improvements, demonstration area	851.8	1,703.6	[1] 207.0	250.0	1,246.6
(b) Public and social services, demonstration area	692.4	1,384.8	245.2		1,139.6
(c) Other capital improvements, demonstration program connected	223.7	447.4			
Subtotal	1,767.9	3,535.8			
2. Municipal and State public expenditures (unrelated to Federal assistance programs):					
(a) New and supplemental municipal service	184.6	369.2	369.2		
(b) Existing municipal expenditures	306.0	612.0			
(c) State expenditures (within city)	39.9	79.8			
Subtotal	530.5	1,061.0			
3. Private sector:					
(a) Private nonprofit organizations	133.2	266.4	[1] 60.0		206.4
(b) Private housing construction and rehabilitation	211.5	423.0			
(c) Private nonresidential construction and rehabilitation	153.0	306.0			
Subtotal	497.7	995.4			
Total	2,796.1	5,592.2			
B. Derivation of supplemental grant entitlement (non-Federal share):					
Capital improvements in demonstration area	262.4	524.8			
Other capital improvements, demonstration program connected	73.0	146.0			
Public and social services in demonstration area	215.5	[2] 431.0			
Total	550.9	1,101.8			
80 percent of total	440.7	881.4			
C. Use of supplemental grants (in demonstration area):					
1. Urban rehabilitation and capital improvements	133.5	[3] 267.0			
2. Payment of portion of non-Federal share under categorical Federal grant-in-aid programs for public and social services	122.6	245.2			
3. New and supplemental municipal services	184.6	369.2			
Subtotal	440.7	881.4			
D. Federal share under categorical aid programs	989.7	1,979.4			
E. Total Federal expenditures	1,430.4	2,860.8			

[1] $207,000,000 plus $60,000,000 shown in this column account for $267,000,000 of supplemental grant funds shown in line C1 of the table.

[2] Would include about $60,000,000 of supplemental grant funds "which may also be used and credited as part or all of the required non-Federal contribution to projects or activities, assisted under a Federal grant-in-aid program, which are part of an approved comprehensive city demonstration program" in accordance with sec. 105(d) of S. 3708.

[3] Could be used in connection with either federally assisted grant program capital improvements or with such activities undertaken by private nonprofit organizations as part of an approved demonstration program.

NOTES

Sec. A illustrates the types of activities and related expenditures that would be in approved demonstration programs, including federally assisted, State, local, and private activities.

Sec. B illustrates the derivation of 80-percent demonstration grants for the illustrative type of program.

Sec. C shows how the demonstration grant funds might be used.

Sec. D shows the Federal share of categorical aid programs.

Sec. E is the total Federal expenditure, consisting of the 80-percent grants plus the Federal share under categorical aid programs.

Mr. JAVITS. Mr. President, will the Senator from Maine yield?

Mr. MUSKIE. I yield to the Senator from New York.

Mr. JAVITS. I appreciate the eloquence of the Senator from Maine. I think the case could be allowed to rest exactly as he left it. I propose to do exactly that. I rise only because I was the sponsor of the amendment with relation to college housing.

I respectfully submit to all Senators that this Government can do what justice demands. Whatever the demands are, this Government can do. We certainly demonstrated that by appropriating almost $60 billion for defense the other day with a unanimous vote of the Senate. We certainly showed that we intend to do what justice demands we should do.

However, let me say to all Senators, in connection with my vote on the demonstration cities bill, that perhaps I am one of the very few men in this Chamber who is, really, thoroughly and right down to the ground a product of the big city from the poverty level up, where this problem festers. This is where I was born. This is what I know. I speak as a witness from personal experience. The cities are strangling. They are in the gravest danger. It is wonderful to me that a barefoot boy from Maine could say it as eloquently as he has. He sounds as though he has done what I have done. Let me assure him that it is breaking through to the consciousness of the Federal Establishment. This bill is one of the indications of that breakthrough. A new day is dawning in our country. That is what we are signalizing in a relatively modest way. It is so serious that the Attorney General can say to us that the danger of riots and violence exists in every one of the 40 cities which he is now looking into. It seems to me that, on that basis, our line of action as intelligent men is currently indicated.

The Senator's amendment would gut the bill. I hope very much that it will be defeated.

Mr. TOWER. Mr. President, I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I think it should be made adequately clear, in accepting my amendment, that we will not be turning our backs on the cities. We are already doing a great many things for people in the urban areas and I anticipate that we will be doing more in the future.

My amendment would not gut the bill. The program remains. The money for planning remains.

I am merely trying to enable Congress to come back next year and look at those plans so that it will not be taking shots in the dark to authorize an appropriation for 1968 and 1969.

Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. I have no time to yield back.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Texas.

On this question, the yeas and nays have been ordered; and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Maryland [Mr. BREWSTER], the Senator from North Dakota [Mr. BURDICK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. BASS] is absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. BASS], the Senator from North Dakota [Mr. BURDICK], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from West Virginia [Mr. RANDOLPH] would each vote "nay."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from Mississippi [Mr. EASTLAND]. If present and voting, the Senator from Maryland would vote "nay," and the Senator from Mississippi would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] are absent because of illness.

The Senator from Michigan [Mr. GRIFFIN], the Senator from Iowa [Mr. MILLER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Iowa [Mr. MILLER], the Senator from California [Mr. MURPHY], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "yea."

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

The result was announced—yeas 27, nays 53, as follows:

[No. 215 Leg.]

YEAS—27

Boggs	Fong	Pearson
Byrd, Va.	Hickenlooper	Robertson
Byrd, W. Va.	Holland	Russell, S.C.
Cotton	Hruska	Russell, Ga.
Curtis	Jordan, N.C.	Simpson
Dirksen	Jordan, Idaho	Stennis
Dominick	McClellan	Thurmond
Ervin	Morton	Tower
Fannin	Mundt	Williams, Del.

NAYS—53

Aiken	Ellender	Lausche
Allott	Fulbright	Long, Mo.
Anderson	Gore	Long, La.
Bayh	Gruening	Magnuson
Bible	Harris	Mansfield
Cannon	Hart	McGovern
Carlson	Hartke	McIntyre
Case	Inouye	Metcalf
Church	Jackson	Mondale
Clark	Javits	Monroney
Cooper	Kennedy, Mass.	Montoya
Dodd	Kennedy, N.Y.	Morse
Douglas	Kuchel	Moss
Muskie	Proxmire	Williams, N.J.
Nelson	Ribicoff	Yarborough
Pastore	Smith	Young, N. Dak.
Pell	Symington	Young, Ohio
Prouty	Tydings	

NOT VOTING—20

Bartlett	Hayden	Randolph
Bass	Hill	Saltonstall
Bennett	McCarthy	Scott
Brewster	McGee	Smathers
Burdick	Miller	Sparkman
Eastland	Murphy	Talmadge
Griffin	Neuberger	

So Mr. TOWER's amendment (No. 746) was rejected.

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. PASTORE. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

LEGISLATIVE BRANCH APPROPRIATION BILL, 1967—CONFERENCE REPORT

Mr. MONRONEY. Mr. President——

The VICE PRESIDENT. The Senator from Oklahoma.

Mr. MONRONEY. Mr. President, as I understand it, there is a 30-minute limitation agreement on the adoption of the legislative appropriation conference report.

The VICE PRESIDENT. There is a unanimous-consent agreement to grant 15 minutes to the Senator from Delaware [Mr. WILLIAMS] and 15 minutes to the Senator from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. President, I yield myself 5 minutes.

Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 15456) making appropriations for the legislative branch for the fiscal year ending June 30, 1967, and for other purposes. I ask unanimous consent for the present consideration of the report.

The VICE PRESIDENT. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of August 16, 1966, CONGRESSIONAL RECORD, pp. 19549 and 19550.)

The VICE PRESIDENT. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The VICE PRESIDENT. How much time does the Senator yield to himself?

Mr. MONRONEY. Five minutes.

Mr. President, the conference report is printed as House Report No. 1852 and the details are available within the report. In addition, later on I expect to ask unanimous consent to insert in the RECORD a table which will give all of the detailed figures of each item in the bill.

The conference agreement totals $214,463,913, and this is $285,850 under the budget estimates considered by the Senate.

Since the conference report itself goes into detail on the items, I will confine my remarks to a few of the more important controversial items in the bill.

WEST FRONT EXTENSION

The conference committee on this bill agreed that funds for the proposed construction of the west front extension of the Capitol should not be considered further during this session of the Congress. You will recall that the Architect of the Capitol had advised our subcommittee that an appropriation for rebuilding and extending the west front would be sought later on this year in a supplemental appropriation measure. The effect of our action will allow the Architect to continue preliminary design planning for the extension.

I believe that this is a reasonable compromise that will enable both advocates and opponents of the proposed major addition to the west front to participate in whatever decision Congress eventually will make in this matter. We recognize the need for restoring and strengthening the west front, but we felt very strongly that the matter should not be considered along with other urgent supplemental appropriations during the closing days of the session.

The action of the conference committee will permit the Architect to go ahead with design planning and to complete a model of scheme 2, which was approved by the Commission for the Extension of the Capitol. The funds for this model were appropriated to the Architect last year in a supplemental appropriation bill. This action in no way endorses or rejects the Architect's course of action up to this point, but it assures Members of both Houses a further opportunity to vote on the matter during a future Congress.

It is sincerely hoped by most of the conferees that an opportunity will be given for taking extensive testimony on the condition of the west front foundations, and for consideration of the ultimate cost of rebuilding the west front on the present foundation lines, as compared with the proposed extension, which would take in a great deal more area.

STATIONERY ALLOWANCES

Amendments Nos. 27 and 34 relate to the stationery allowances of the Senate and the House of Representatives.

Senators will recall that the Senate adopted these two amendments, which were considered en bloc, as a joint amendment, prohibiting stationery commutation payments in the future.

Mr. LAUSCHE. Mr. President, will the Senator yield? I wish to ask a question concerning the first item.

Mr. MONRONEY. Will the Senator wait until I complete my prepared statement? Then I shall be happy to yield.

There is no question in the minds of the Senate conferees that the House objected to amendment No. 34, which rewrote the law with respect to House stationery allowances. The Senate conferees receded from this amendment. The Senate conferees also receded from amendment No. 27, which proposed the same restrictive language for the Senate stationery account.

The Subcommittee on Legislative Appropriations in considering the bill this year wrote a provision prohibiting commutation payment in the future and

applied the restrictive language to the Senate only. The full Senate Appropriations Committee felt that it was undesirable to rewrite the stationery allowances for the Senate only and the full committee deleted the provision. On the floor on July 28, 1966, a joint amendment rewriting the legislation with respect to stationery allowances for the House and Senate was adopted.

One of the great difficulties in this matter is that historically the Senate has legislated on many housekeeping matters in the legislative appropriation bill, whereas housekeeping matters in the House of Representatives are handled in an entirely different manner.

Rule XI of the House of Representatives on the powers and duties of committees, in section 679 makes it clear that the House Committee on Appropriations has jurisdiction over "appropriation of the revenue for the support of the Government." A footnote to the section states:

> While this committee has authority to report appropriations, the power to report legislation relating thereto belongs to other committees.

Section 693 of the same rules provides that the Committee on House Administration shall have jurisdiction over "measures relating to accounts of the House generally" and "expenditure of contingent fund of the House."

In those instances where the Senate legislates on administrative matters of the Senate and the House in an appropriation bill, the House conferees have no jurisdiction in the matter. It is an amendment which should be considered by the House Administration Committee or representatives from that committee.

Personally, I am in sympathy with the desire to eliminate stationery commutation payments. However, if it is the desire of the Congress that the existing law should be changed, it should be done in a bill which would be considered in the Senate by the Committee on Rules and Administration and it would be considered in the House by the Committee on House Administration. It is not a matter which should be considered in an appropriation bill.

I am happy to yield briefly to my distinguished friend, the Senator from Ohio.

The PRESIDING OFFICER (Mr. MONDALE). The Senator's 5 minutes have expired.

Mr. MONRONEY. I yield myself 2 additional minutes.

Mr. LAUSCHE. I understood the Senator to say that if the conference report is approved, the Architect will be permitted to proceed with planning. Will the Senator please explain what the term "planning" embraces, and how far he will be permitted to go?

Mr. MONRONEY. In a bill last year, we allowed some $300,000 for preliminary planning, of which he has spent all but some $40,000. This $40,000 is available for expenses in connection with the preliminary planning. Some of these funds would still be available, but for preliminary planning only.

Most of the remainder, or a part of it, will be spent for building a mockup or small model, to show in that style the way the building would look if scheme No. 2, which is advocated by the Capitol Extension Commission, should be constructed.

But there will be no money in this bill whatsoever for construction of any kind.

Mr. LAUSCHE. He will be permitted to proceed only to the extent that was originally contemplated when the $300,000 was allocated?

Mr. MONRONEY. That is correct. He has no money to go forward even with detailed design. It is for preliminary planning only; and no construction funds whatever are included in the bill.

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

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS of Delaware. Mr. President, I regret very much that the conferees did not insist on amendments 27 and 34, the purpose of which was to require that any portion of a stationery allowance which was not used by any Member of Congress, in the House or in the Senate, should automatically revert to the Treasury. Under the existing procedure, at the end of the fiscal year any unused balance can be claimed by the Member and used to defray his personal expenses. I think that is wrong.

The Senate voted to correct the situation. I realized and acknowledged at the time that this was legislation on an appropriation bill, but there have been plenty of precedents for it. There were four other pieces of legislation in this same appropriation bill. Only earlier this week the Senator from Georgia very properly added a legislative proposal to the armed services appropriation bill, dealing with the Reserves. I supported it. We have often legislated, to a certain extent, on appropriation bills, and it can be done.

The question here is very simple. Do the Members of Congress wish to continue the practice whereby any unused portion of our stationery allowance—an allowance which is provided specifically for the purpose of defraying the legitimate costs of operating our offices—may be put in our pockets?

I think the Senate has been under enough criticism in the past for some of our practices. We did not emerge with our image enhanced as a result of the reluctant investigations of the rules committee of a year ago, and we are under a certain amount of criticism again in connection with an investigation which is currently being conducted by the ethics committee concerning the handling of campaign funds.

I think the very least the Senate could do here would be to go on record that we want no part of any unused allowances for our offices to put in our own pockets. The only way we can approach the matter is to reject the conference report, and then a motion can be made to instruct the conferees to go back and insist upon this amendment.

Under the rules of the Senate this is the manner by which this objective can be obtained.

This same question has been before the Senate many times. As the Senator from Oklahoma pointed out, the first proposal was to limit the amendment to the Senate only, confining the restriction to the Senate on the basis that there may be some argument as to what we should or should not tell the House to do. Another argument was advanced that both Houses should have the same rules to follow.

Personally, I think the Members of the House of Representatives should be under the same restrictions.

This is not a matter which concerns only the Members of Congress individually. The American taxpayers, 190 million people, have a stake in what we do here. It is their money that is being spent, and they have a right to an accounting.

The stationery allowances is allowed for the expressed purpose of defraying the cost of operation of our offices. Under what line of reasoning does any Member of either the House or the Senate have any right to put any part of the unused balance of any allowance in his pocket? All the other allowances for our offices are so restricted that they must be used for the expressed purpose for which they are authorized. Our telephone allowance and our Western Union allowance, for example, revert automatically to the Federal Treasury unless they are expended on official telephone calls or official telegrams. Why not?

Members do not get their hands on that money, and this is the way it should be.

All that this amendment provided, if it were retained, was that at the end of the fiscal year any part of the unused stationery allowance—whether it be $1, $1,000, or whatever amount it might be—that remained unexpended would automatically revert to the Treasury.

A couple of years ago Congress amended the Internal Revenue Code to provide for a greater restriction on the use of expense allowances by American industry. We required an itemized accounting by every individual who claims his expenses as a cost of doing business.

Congress passed that provision. Why do we not live up to the same rules ourselves? Why do we insist that we should not have to render an accounting for our unused stationery allowance or that any Member should have the right to put in his pockets anything that is left over?

That is the sole issue before us here today. There is no need to debate it further; every Senator knows what is involved. The only way we can retain this amendment is to reject the conference report. If the conference report is rejected, I will then make a motion to send the conferees back with instructions to insist upon the Senate amendments.

Mr. PASTORE. Mr. President, does the Senator yield?

Mr. WILLIAMS of Delaware. I yield.

Mr. PASTORE. Mr. President, I realize that the proposition of the Senator from Delaware has considerable merit. However, the contention was made here that under the strict interpretation of

the stationery account, it would not include certain of the expenses which many Senators feel are in line with their official duties. They are not personal expenses for the benefit of the individual as much as they are necessary expenses to carry out the functions and duty of a Senator.

I suggest to the Senator that he draw up an appropriate amendment that would take this all into account. The amendment can then be submitted to the Committee on Rules and Administration. Let us have this done in orderly fashion—as a clarification and not an accusation.

The Senator knows that no Senator wants to steal anything that does not belong to him. There is not a Senator who wants to take advantage of his position.

The point has been raised that sometimes other items have to be subscribed to, such as the purchase of newspapers from a Senator's State, and others which are considered legitimate expenses incurred because the man happens to be a U.S. Senator.

We should take that into account, rather than having this develop into the suggestion of a sort of scandalous atmosphere. Why do we not act like reasonable people and draw up whatever amendment that needs to be drawn up? We can then hold a few hearings and get the matter cured.

In principle, I agree with the Senator. I do not want a nickel that does not belong to me. I do not think any other Senator does. However, it is a question of acting in the right way or the wrong way. The Senator from Delaware is presenting this by saying: "You are putting in your pocket money that doesn't belong to you."

Nobody is doing that. It appears that, from the very beginning, the stationery account has been misinterpreted and misunderstood. There are said to be certain deviations that have taken place only because of varying circumstances. If so they ought to be corrected and remedied.

I agree in this with the Senator from Delaware. However, let us not put ourselves in the position of saying that the vote we take today proves that we have been doing something legitimate or that our practices are illegitimate.

I think the Senator will agree with that.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 2 additional minutes.

The PRESIDING OFFICER. The Senator from Delaware is recognized for 2 additional minutes.

Mr. WILLIAMS of Delaware. Mr. President, replying to the Senator from Rhode Island, I am not making any accusations against any Senator. I point out that the items eligible to be charged against the stationery allowance are already outlined in the rules reported by the Committee on Rules and Administration and approved by the Senate.

My amendment did not change those rules one iota. It did not add to or detract from them one iota.

If the rules as to items covered need to be changed—and no doubt they do as time goes on—the rejection of this amendment still would not correct the problem that the Senator raises because those items are not covered anyway.

Mr. PASTORE. Mr. President, if the Senator admits that the rule needs modification, I say: "Let us modify it. Let us do it the right way."

Mr. WILLIAMS of Delaware. In the meantime, while it is being modified, why should we retain the principle that any unused balance can be put in our pockets? I am not accusing anybody, but the Senator knows there has been abuse of this provision.

Mr. PASTORE. The accusation is being developed in a scandalous atmosphere. There is no need for that.

I hope that we are not trying to embarrass one another on the floor of the Senate. I hope that each is as honest as the next one. I hope that we look in the mirror once in awhile.

There is nobody who should stand up here and claim that he is more honest than anyone else.

Mr. WILLIAMS of Delaware. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 1 minute remaining of the time allotted to himself, and 8 minutes remaining of his total time.

Mr. WILLIAMS of Delaware. I will use 1 minute now.

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

Mr. WILLIAMS of Delaware. Mr. President, the acceptance or rejection of my amendment would not change one iota the items that would not be permissible to charge under the stationery allowance.

If those rules need to be changed, let them be changed. However, I say again that all the Senate amendment did was to state that if anything is left over, it should revert to the Treasury and cannot be put in our pockets. That is all that is contained in here.

If the allowance is too small or too large, or if it does not cover enough items, that situation can be dealt with separately. It is not a part of this question. This amendment does not include one single item that is not already covered nor does it delete any items.

Mr. MONRONEY. Mr. President, I yield 2 minutes to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota is recognized for 2 minutes.

Mr. YOUNG of North Dakota. Mr. President, I am one of those who occasionally put a little of the money that is left over from the stationery allowance into my pocket. However, it does not stay there very long. If it did, it would be wrong.

I subscribe to most of the newspapers in my State. I pay for a lot of additional printing. Many times I am way over the amount allowed in the stationery account.

If a Senator took that money and put it in his pocket and that money stayed in his pocket, it would be wrong.

I have the same situation as most other Senators have, considering the expenses of running an office and buying the things that can and cannot be charged to the stationery allowance.

I spend far more than the stationery allowance provides.

Mr. MONRONEY. Mr. President, I yield myself 3 minutes.

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

Mr. MONRONEY. Mr. President, the subcommittee attempted to write provisions in the legislative appropriations bill, after hearing the discussion of the senior Senator from Delaware [Mr. WILLIAMS], to provide that the Committee on Rules and Administration could specify items eligible for expenditure under this account, and that with the stationery account Senators could buy stationery back home under a voucher system.

The full Appropriations Committee, in its wisdom, said that rules should be applicable to both Houses, that we should not operate under one rule in the Senate and a completely different rule in the House.

For that reason, when the final committe vote was taken, the subcommittee amendment was stricken from the bill.

I regret that it was, but I recognize that a substantial majority of the members of the full committee felt that we should have the same rule for both the House and Senate.

The House was very resentful of our interfering with its housekeeping authority. They certainly would not approve the language that applied to the House.

Every Senator who was present and heard the debate when the bill was passed remembers that the amendment was presented on the basis that it should apply to both Houses.

That is the reason it was offered. It was supported by a majority of the Senators on the basis that it would bring the two Houses into conformity.

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

Mr. MONRONEY. I yield.

Mr. PASTORE. Mr. President, the Senator brings up the question of having some printing done at home. That is precisely what the senior Senator from Rhode Island does. I have been doing that year in and year out.

When I get the bill, I pay it with my own personal check.

I would like to know for sure whether this would be permissible.

If we reject this amendment and the Committee on Rules and Administration makes a decision on it, I would then have to make a decision on how to act.

All I ask for is a clarification, before we get excited about the wrong connotation, as to whether the Members of this august body are acting legitimately and lawfully.

Why do we not determine our proper guidelines and then be governed by them?

I do not think that any man who has reached the high position of coming to

the U.S. Senate is ready to pilfer pennies, and that is all that we are talking about.

Mr. MONRONEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 2 minutes remaining.

Mr. MONRONEY. Mr. President, I yield 1 minute to the Senator from Delaware.

Mr. WILLIAMS of Delaware. Mr. President, in reply to the Senator from Rhode Island, if those items are covered under the present law he could still get reimbursement. No matter whether the purchases were made in Rhode Island or in some other State, on the submission of a voucher one could still claim that expense and he would be reimbursed even under the amendment which we agreed to.

Mr. PASTORE. I seriously doubt that, and that is what I would like to know.

Mr. WILLIAMS of Delaware. That was the intention and that was the way the amendment was agreed to.

Mr. PASTORE. That is not the law.

Mr. WILLIAMS of Delaware. Perhaps the Senator thinks he knows more about the amendment that was adopted than I do, but it was drafted by legislative counsel, specifically providing that the situation the Senator from Rhode Island has described would be covered—that is, that outside purchases of stationery and other supplies for a Senator's office back home, a purchase outside, would be reimbursable.

Mr. PASTORE. Including printing?

Mr. WILLIAMS of Delaware. Yes; it includes printed stationery. That was the interpretation. A Senator would be reimbursed whether he buys the supplies at the stationery store or here.

I am not attempting to restrict one iota that which is being supplied under existing law.

Mr. President, I have used the time of the Senator from Oklahoma; I shall divide my remaining time with him. How much time do we have remaining?

The PRESIDING OFFICER. The Senator from Delaware has 7 minutes, and the Senator from Oklahoma has 1 minute.

Mr. WILLIAMS of Delaware. I yield half of my time to the Senator from Oklahoma.

Mr. MONRONEY. I shall just use my 1 minute.

Mr. President, every Member of the Senate understood, when we agreed to the amendment, that it was to apply to both Houses, and that was the reason why it was adopted. The House would not consent to being brought under the amendment. Since the amendment was agreed to en bloc as applying to the two Houses, it was subject to very serious question.

This is not a new item in the history of the Senate. It goes back, as investigation of the committee has shown, to the year 1868, when the first commutation of stationery allowances was allowed, for the Senators of the United States to use those sums for stationery purchases wherever they saw fit.

I believe that the only way this situation can be corrected, as far as both Houses are concerned, is by legislative action through the Committee on Rules and Administration of the Senate, and through the Committee on Administration of the House.

This matter has come up for the second year, and I hope that the appropriate legislative committees, instead of the Appropriation Committee, will take jurisdiction of this matter and place it where it belongs in the statute books.

I ask that the Senate support the unanimous recommendation of the committee on the conference.

Mr. WILLIAMS of Delaware. Mr. President, I yield myself 1 minute.

First, I wish to thank the Senator from Oklahoma. He was the chairman of the subcommittee, and as he has stated the subcommittee recommended adding to the appropriation bill a proposal which dealt with the Senate alone. I told him that I would have preferred correcting it for both Houses, but that I would go along with that proposal. Later it was rejected by the full committee on the basis that whatever the Senate did should be applicable to both the House and the Senate. I desired to be agreeable, and I went along with that second proposal and offered the amendment applicable to both Houses. That amendment was adopted.

In conference it has been rejected on the basis that the House will not stand for the Senate to dictate how the House should operate. Perhaps they are too sensitive. In any event, the very least that we could have expected was to have the conferees bring back the proposal as it related to the Senate, and again I would have accepted it. I believe that the Senate should at least correct this practice as it applies to our side of the Capitol.

I repeat that this amendment would not affect one iota the existing rules as to what is permissible to be purchased or charged against this stationery allowance. The only thing provided for by this amendment is that after procuring the items that are properly and officially described as chargeable to the Senator's office, at the end of the year, if an amount remains it would automatically go to the Treasury and would not accrue to the Senator. That is the only issue.

Therefore, I hope that the conference report will be rejected. It will then be followed by a motion to send it back with instructions to the conferees to insist on the Senate amendments.

I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. WILLIAMS of Delaware. I yield back the remainder of my time.

Mr. MONRONEY. Mr. President, I move that the Senate concur in the amendments of the House to the amendments of the Senate numbered 13, 35, 53, and 54.

The motion was agreed to.

Mr. MONRONEY. Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the appropriations for fiscal 1966, the budget estimates for 1967, the House and Senate amounts, and the final amounts agreed to in conference on the entire bill.

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

Legislative Branch Appropriation Act, 1967—Comparative statement of the appropriations for 1966, the budget estimates for 1967, and the amounts recommended in the bill

Item	Appropriations, 1966	Budget estimates, 1967	House bill, 1967	Senate bill, 1967	Conference action
SENATE					
Vice President and Senators:					
Compensation of the Vice President and Senators	$3,294,050	$3,296,735		$3,296,735	$3,296,735
Mileage, President of Senate and Senators	58,370	58,370		58,370	58,370
Expenses allowance, Vice President, majority and minority leaders	16,000	16,000		16,000	16,000
Total, Senators and Vice President	3,368,420	3,371,105		3,371,105	3,371,105
Salaries, officers and employees:					
Office of the Vice President	191,495	203,515		203,515	203,515
Chaplain	15,405	15,540		15,540	15,540
Office of the Secretary	1,357,975	1,369,630		1,369,630	1,369,630
Committee employees	3,323,510	3,352,630		3,367,430	3,367,430
Conference, majority	98,575	99,435		99,435	99,435
Conference, minority	98,575	99,435		99,435	99,435
Administrative and clerical assistants to Senators	15,976,750	16,217,735		17,171,215	17,171,215
Office of the Sergeant at Arms	3,132,815	3,160,010		3,364,025	3,364,025
Office of secretaries to the majority and minority	165,230	166,675		166,675	166,675
Offices of the majority and minority whips	36,600	36,920		36,920	36,920
Total, salaries, officers and employees	24,396,930	24,721,525		25,893,820	25,893,820

Legislative Branch Appropriation Act, 1967—Comparative statement of the appropriations for 1966, the budget estimates for 1967, and the amounts recommended in the bill—Continued

Item	Appropriations, 1966	Budget estimates, 1967	House bill, 1967	Senate bill, 1967	Conference action
SENATE					
Contingent expenses:					
Senate policy committees	$404,990	$408,300		$408,300	$408,300
Automobiles and maintenance	43,380	43,660		43,660	43,660
Furniture	31,190	31,190		31,190	31,190
Expenses of inquiries and investigations	5,094,255	5,420,000		5,420,000	5,420,000
Folding documents	40,245	40,715		40,715	40,715
Mail transportation (motor vehicles)	16,560	16,560		16,560	16,560
Miscellaneous items	3,479,820	3,635,760		3,743,160	3,743,160
Postage	90,825	90,825		90,825	90,825
Stationery	255,600	255,600		262,800	262,800
Communications	15,150	15,150		15,150	15,150
Total, contingent expenses	9,472,015	9,957,760		10,072,360	10,072,360
Other, Senate:					
Legislative counsel	315,425	317,895		317,895	317,895
Senate procedure	4,000				
Payment to widows of deceased Senators	30,000				
Total, other	349,425	317,895		317,895	317,895
Total, Senate	37,586,790	38,368,285		39,655,180	39,655,180
HOUSE OF REPRESENTATIVES					
Salaries, mileage for the Members, and expense allowance of the Speaker:					
Compensation of Members	14,146,475	14,148,975	$14,148,975	14,148,975	14,148,975
Mileage of Members and expense allowance of the Speaker	200,000	200,000	200,000	200,000	200,000
Total	14,346,475	14,348,975	14,348,975	14,348,975	14,348,975
Salaries, officers and employees:					
Office of the Speaker	119,855	[1] 129,100	129,100	129,100	129,100
Office of the Parliamentarian	104,630	107,685	107,685	107,685	107,685
Compilation of precedents of House of Representatives	10,270	10,000	10,000	10,000	10,000
Office of the Chaplain	15,410	15,540	15,540	15,540	15,540
Office of the Clerk	1,593,230	[2] 1,711,500	1,711,500	1,711,500	1,711,500
Office of the Sergeant at Arms	1,072,705	1,081,000	1,081,000	1,081,000	1,081,000
Office of the Doorkeeper	1,663,745	1,753,000	1,753,000	1,753,000	1,753,000
Office of the Postmaster	525,825	[3] 524,500	524,500	524,500	524,500
Committee employees (standing roll)	3,903,000	4,100,000	4,100,000	4,100,000	4,100,000
Special and minority employees (several items)	432,965	[4] 560,450	560,450	560,450	560,450
Official Reporters of debates	261,650	264,000	264,000	264,000	264,000
Official Reporters to committees	263,890	266,200	266,200	266,200	266,200
Committee on Appropriations (investigations)	700,000	725,000	725,000	725,000	725,000
Office of the Legislative Counsel	302,970	329,500	319,500	319,500	319,500
Total, salaries, officers and employees	10,970,145	11,577,475	11,567,475	11,567,475	11,567,475
Members' clerk hire: Clerk hire	29,270,000	30,000,000	35,000,000	35,000,000	35,000,000
Contingent expenses of the House:					
Furniture	140,000	365,000	300,000	300,000	300,000
Miscellaneous items	7,272,440	7,000,000	7,000,000	7,000,000	7,000,000
Reporting hearings	223,000	223,000	223,000	223,000	223,000
Special and select committees	4,600,000	4,650,000	4,600,000	4,600,000	4,600,000
Office of Coordinator of Information	139,675	141,000	141,000	141,000	141,000
Telegraph and telephone	2,880,000	2,880,000	2,880,000	2,880,000	2,880,000
Stationery (revolving fund)	1,046,400	1,046,400	1,046,400	1,046,400	1,046,400
Attending physician's office	20,045	21,045	24,645	24,645	24,645
Postage stamps	228,550	228,550	228,550	228,550	228,550
Revision of laws	27,730	28,000	28,000	28,000	28,000
Speaker's automobile	12,530	12,700	12,700	12,700	12,700
Majority leader's automobile	12,530	12,700	12,700	12,700	12,700
Minority leader's automobile	12,530	12,700	12,700	12,700	12,700
New edition, United States Code		150,000	150,000	150,000	150,000
New edition, District of Columbia Code		100,000	100,000	100,000	100,000
Payment to widows and heirs of deceased Members	150,000				
Total, contingent expenses	16,765,430	16,871,095	16,759,695	16,759,695	16,759,695
Total, House of Representatives	71,352,050	72,797,545	77,676,145	77,676,145	77,676,145
JOINT ITEMS					
Joint Committee on Reduction of Nonessential Federal Expenditures	36,110	36,425	36,425	36,425	36,425
Contingent expenses of the Senate:					
Joint Economic Committee	369,000	372,000	372,000	372,000	372,000
Joint Committee on Atomic Energy	355,250	358,000	358,000	358,000	358,000
Joint Committee on Printing	154,750	156,000	156,000	156,000	156,000
Contingent expenses of the House:					
Joint Committee on Internal Revenue Taxation	400,530	435,000	435,000	435,000	435,000
Joint Committee on Immigration and Nationality Policy	24,755	124,700	24,755	24,755	24,755
Joint Committee on Defense Production	82,160	83,000	83,000	83,000	83,000
Capitol Police:					
General expenses	50,000	50,000	50,000	62,500	95,500
Capital Police Board	809,000	809,000	809,000	809,000	809,000
Education of pages: Expenses	85,712	86,308	86,308	86,308	86,308
Official mail costs: Expenses	6,512,000	[5] 7,248,000	7,248,000	7,248,000	7,248,000
Statements of appropriations: Preparation	13,000	13,000	13,000	13,000	13,000
Total, joint items	8,892,267	9,771,433	9,671,488	9,683,988	9,716,988

See footnotes at end of table.

Legislative Branch Appropriation Act, 1967—Comparative statement of the appropriations for 1966, the budget estimates for 1967, and the amounts recommended in the bill—Continued

Item	Appropriations, 1966	Budget estimates, 1967	House bill, 1967	Senate bill, 1967	Conference action
ARCHITECT OF THE CAPITOL					
Salaries, Office of the Architect	$601,500	$647,700	$647,700	$635,000	$647,700
Contingent expenses	50,000	50,000	50,000	50,000	50,000
Capitol buildings	1,680,000	[6] 1,713,000	1,786,000	1,786,000	1,786,000
Extension of the Capitol	300,000				
Capitol Grounds	665,000	790,000	690,000	695,400	695,400
Senate Office buildings	2,894,700	2,530,000		2,530,000	2,530,000
Senate garage	54,400	57,900		57,900	57,900
House Office buildings	3,807,000	4,019,000	4,019,000	4,019,000	4,019,000
Acquisition of property, construction, and equipment, additional House Office Building (liquidation cash)	12,500,000				
Capitol Power Plant (operation)	2,762,000	2,778,000	2,778,000	2,778,000	2,778,000
Library buildings and grounds:					
Structural and mechanical care	892,000	1,538,000	1,517,000	1,392,000	1,392,000
Furniture and furnishings	274,000	349,000	325,000	325,000	325,000
Library of Congress James Madison Memorial Building	500,000				
Total, Architect of the Capitol	26,980,600	14,472,600	11,812,700	14,268,300	14,281,000
BOTANIC GARDEN					
Salaries and expenses	473,000	538,000	510,000	504,600	504,600
Total, Architect of the Capitol and Botanic Garden	27,453,600	15,010,600	12,322,700	14,772,900	14,785,600
LIBRARY OF CONGRESS					
Salaries and expenses	[7] 11,994,700	[8] 14,342,000	13,753,300	[11] 13,753,300	[11] 13,753,300
Copyright Office, salaries and expenses	2,072,500	2,266,000	2,266,000	2,266,000	2,266,000
Legislative Reference Service, salaries and expenses	2,586,200	3,017,000	2,852,000	2,938,000	2,938,000
Distribution of catalog cards, salaries and expenses	4,100,300	4,564,000	4,536,000	4,564,000	4,564,000
Books for the general collection	780,000	850,000	800,000	800,000	800,000
Books for the Law Library	125,000	125,000	125,000	125,000	125,000
Books for the blind, salaries and expenses	2,681,600	3,097,000	3,097,000	3,097,000	3,097,000
Organizing and microfilming the papers of the Presidents, salaries and expenses	112,800	112,800	112,800	112,800	112,800
Preservation of motion pictures	50,000	50,000	50,000	50,000	50,000
Collection and distribution of library materials (special foreign currency program):					
Payments in Treasury-owned foreign currencies	1,694,000	2,492,000	2,048,000	2,088,000	2,088,000
U.S. dollars	154,500	230,200	180,000	180,000	180,000
Total, Library of Congress	26,351,600	31,146,000	29,820,100	29,974,100	29,974,100
GOVERNMENT PRINTING OFFICE					
Printing and binding	20,500,000	21,500,000	21,500,000	21,500,000	21,500,000
Office of Superintendent of Documents, salaries and expenses	5,829,000	6,155,900	6,155,900	6,155,900	6,155,900
Government Printing Office revolving fund		[9] 20,000,000	15,000,000	15,000,000	15,000,000
Total, Government Printing Office	26,329,000	[10] 47,655,900	42,655,900	42,655,900	42,655,900
INDEPENDENT OFFICES					
James Madison Memorial Commission	10,000				
Grand total	$197,975,307	$214,749,763	$172,146,333	$214,418,213	$214,463,913

[1] Includes increase of $8,254 in H. Doc. 423.
[2] Includes increase of $25,900 in H. Doc. 423.
[3] Includes increase of $10,900 in H. Doc. 423.
[4] Includes increase of $55,450 in H. Doc. 423.
[5] Includes increase of $312,000 in H. Doc. 423.
[6] Includes increase of $100,000 in H. Doc. 445.
[7] And $174,600 by transfer from National Science Foundation (of which $18,000 is for retransfer to the appropriation "Distribution of catalog cards").
[8] Includes increase of $880,000 in H. Doc. 431.
[9] Requested in H. Doc. 445 for additional working capital.
[10] Excludes $46,663,000 for new GPO plant not considered.
[11] And $478,000 to be derived by transfer from Office of Education.

The PRESIDING OFFICER (Mr. McINTYRE in the chair). The question is on agreeing to the conference report. On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. INOUYE. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Maryland [Mr. BREWSTER], the Senator from North Dakota [Mr. BURDICK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. McCARTHY], the Senator from Wyoming [Mr. McGEE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Georgia [Mr. TALMADGE], are necessarily absent.

I also announce that the Senator from Tennessee [Mr. BASS], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Washington [Mr. MAGNUSON], are absent on official business.

I further announce that, if present and voting the Senator from Alaska [Mr. BARTLETT], the Senator from Tennessee [Mr. BASS], the Senator from Maryland [Mr. BREWSTER], the Senator from North Dakota [Mr. BURDICK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Washington [Mr. MAGNUSON], the Senator from Wyoming [Mr. McGEE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Florida [Mr. SMATHERS], and the Senator from Alabama [Mr. SPARKMAN], would each vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] are absent because of illness.

The Senator from Michigan [Mr. GRIFFIN], the Senator from Iowa [Mr. MILLER], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Massachusetts [Mr. SALTONSTALL] would vote "yea."

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

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

The result was announced—yeas 61, nays 16, as follows:

[No. 216 Leg.]

YEAS—61

Allott	Ervin	Kennedy, Mass.
Anderson	Fannin	Kennedy, N.Y.
Bayh	Gore	Kuchel
Bible	Gruening	Lausche
Byrd, Va.	Harris	Long, Mo.
Byrd, W. Va.	Hart	Mansfield
Cannon	Hartke	McClellan
Carlson	Hickenlooper	McGovern
Church	Holland	McIntyre
Clark	Hruska	Metcalf
Curtis	Inouye	Mondale
Dirksen	Jackson	Monroney
Dodd	Jordan, N.C.	Montoya
Ellender	Jordan, Idaho	Morse

Morton	Robertson	Tydings
Moss	Russell, S.C.	Williams, N.J.
Mundt	Russell, Ga.	Yarborough
Muskie	Smith	Young, N. Dak.
Pastore	Stennis	Young, Ohio
Pell	Symington	
Ribicoff	Tower	

NAYS—16

Aiken	Douglas	Proxmire
Boggs	Fong	Simpson
Case	Javits	Thurmond
Cooper	Nelson	Williams, Del.
Cotton	Pearson	
Dominick	Prouty	

NOT VOTING—23

Bartlett	Hayden	Neuberger
Bass	Hill	Randolph
Bennett	Long, La.	Saltonstall
Brewster	Magnuson	Scott
Burdick	McCarthy	Smathers
Eastland	McGee	Sparkman
Fulbright	Miller	Talmadge
Griffin	Murphy	

So the report was agreed to.

Mr. STENNIS subsequently said: Mr. President, I was not present during the debate on the conference report on the legislative appropriation bill. Although I was here when the Senate voted, I was not present during the debate on the point with reference to what the conferees did in connection with the amendment added by the Senate on the floor of the Senate concerning the stationery accounts.

As one who was familiar with that matter on the floor and in the committee also, Mr. President, I merely wish to say that I think undoubtedly the Senate conferees did the only thing they could do under the circumstances, and I support them firmly in their position. I think it is a matter that should have further attention, but it is purely a legislative matter, for general legislation. When it is settled, or handled again, it should be on a plan that would apply to both Houses. I commend the conferees for their action.

LEGISLATIVE PROGRAM

Mr. DIRKSEN. Mr. President, I should like to ask the majority leader about the remainder of the day and also with respect to Monday, assuming that we come in.

Mr. MANSFIELD. Mr. President, in response to the question raised by the distinguished minority leader, it is anticipated, when and if the pending business is disposed of, that it will be followed by Calendar No. 1448, S. 3158, a bill to strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loan associations, and for other purposes.

I understand this is a very important bill.

ORDER FOR ADJOURNMENT UNTIL 11 A.M. ON MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock on Monday morning.

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

COMMITTEE MEETINGS DURING SENATE SESSION ON MONDAY NEXT

On request of Mr. MANSFIELD, and by unanimous consent, all committees were authorized to meet during the session of the Senate on Monday, August 22, 1966, until 12 o'clock noon.

A NEW STRATEGY FOR THE U.S. ECONOMY

Mr. HARTKE. Mr. President, in recent weeks I have reported to my distinguished colleagues and to the people of this country on the glaring and destructive errors of American economic management. To criticism of any kind there is always a ready retort: "What is your alternative?" It is a retort we have all heard with increasing frequency from our national leaders. Today, Mr. President, I intend to offer my alternatives.

I

In my report to the Senate of July 27 on the domestic impact of current U.S. economic management, I described in detail what I referred to as our "nonpolicy for financing the war in Vietnam" and our "nonpolicy for maintaining sound economic expansion without inflation." The root cause for the contradictory and self-defeating impact of these "nonpolicies" is the same: they are not based upon any realistic or candid judgment of the present and future cost of our escalating Vietnam commitment.

A quarter of a century ago, Winston Churchill asked of a great American President:

> Give us the tools and we will finish the job.

Today, the American people and the American Congress ask of our President: "Tell us the facts, and we will know what job is to be done." For until we have the facts, until we know the cost of this war today and its estimated cost tomorrow—in terms of money and materials and manpower—criticism of the American people for impatience and of the American Congress for irresponsibility are equally unfounded.

On the one hand, we are being told by favored journalistic sources that the American economy can carry the cost of this war "on one finger." Yet, on the other hand, reports come in continually of skilled workers in critical industries being drafted into the Army, of shortages in critical materials such as copper and molybdenum, and of scarcities of funds for vital social and economic progress: all because of Vietnam.

Here is the cruel paradox of the Vietnam war. On the one hand, it is big enough so that its pervasive impact disrupts families and distorts sound economic expansion throughout our Nation. But it is not big enough—and even the most reckless escalation could hardly make it big enough—to carry our huge $730 billion economy. We cannot plan for Vietnam to guarantee full employment for America. But we must plan for Vietnam not to jeopardize the near full employment prosperity which the wise and prudent policies of 1961 to 1965 produced. In the words of James V. Forrestal, the first Secretary of Defense and the man who perhaps more than any contemporary understood the economic nature of modern war, we must provide for "the integration of our civilian economy with military requirements."

Secretary Forrestal, in a 1947 statement on the act which created the Defense Department and the National Security Council, stated the great lesson of World War II:

> It is clear to me that the experience of the past war made necessary certain changes in our government system for national security. Both World Wars showed * * * that modern warfare requires more than an army and a navy. It requires the use of agencies of Government other than the military departments, and in fact every department of Government had a part in the last war. Military strength today is not merely military power but it is economic and industrial strength. I might also say that it is fiscal strength.

The task of integrating "our civilian economy with military requirements" was herculean in World War II. In the far smaller Korean conflict, the difficulties of rearmament and mobilization also proved tremendously difficult. Yet under the pressure of events, this critical integration was achieved. And it was achieved because the problem was faced head on. With our far larger economy and with our still relatively small Vietnam involvement, this task of coordinating and integrating military needs with civilian production and consumption should be no problem at all. But it is a problem, and the reason is all too obvious. We cannot integrate our civilian economy with our military requirements because we are not being told what those requirements are.

So the first great objective of an alternative strategy for managing the American economy must be to lay the facts before the Congress and the people of this country. Let us have the best estimates out in the open of the military requirements of this war—not just in terms of dollars, but in terms of skilled man-hours in defense plants, of scarce copper for electrical systems, and of young men to be withdrawn from civilian employment for military duty. Then, on the basis of the best possible estimates of the money, material, and manpower cost of Vietnam, the executive branch and the legislative branch together can determine whether or not an emergency tax increase is needed, and if so how big an increase; whether or not emergency price and wage controls are needed, and if so how tight and pervasive; and whether or not emergency wartime direction of the flow of goods and labor is needed, and if so how complete.

Mr. President, I have publicly opposed the reckless escalation of our Vietnam involvement. But if we are to fight, then I say let us fight with the greatest possible efficiency and with the least necessary cost to the American people. And let not only our purpose but also the price we are paying for that purpose be clear to every American voter and taxpayer.

Until we have firm and candid estimates of the cost of Vietnam, policy-making for our economy must take place in a vacuum. Yet in one crucial area we can all be certain that policy is misdirected and that an alternative strategy is far superior. This is the attempt to "fight inflation" by means of skyrocketing interest rates and ever tighter money. In fact, the slogan "Fight Inflation" is being used to cover a destructive driving up of money costs and a squeeze on credit which have plunged the homebuilding industry into a deepening recession, which have undermined the stability of savings institutions across the country, and which threaten—as every past tight money policy has achieved—general recession and unemployment for our Nation.

There are shortages in our economy, there are strains upon our production mechanism. But we are a long way from the general excess of the mid-1950's when prices rose some 15 percent in less than a year and caused hardship in every household. The pressure on prices we are witnessing can be identified and, therefore, can and should be treated with specific economic tools. Thus, food prices have been rising because of the complex chain of relationships—which virtually deprives the farmer of any benefit from the increases—which moves agricultural produce from the farm to the retail store. But the answer to this problem is not to tighten money further and increase the recession in the homebuilding industry. Thus, too, wages paid to skilled workers have been rising, a process which tends to raise production costs and prices. But the answer is not to threaten a tax increase, which will merely deprive millions of workers of the added pay which their hard-earned skills have earned. Because dangerously high interest rates have not yet succeeded in driving the rest of the economy down the recession road of the housing industry, the answer is not to supplement the restrictive force of tight money with the deflationary impact of a general tax increase.

In each case, Mr. President, because the problem is specific and identifiable, the answer can and should be the same. In very simple and precise terms, the answer to specific shortages and strains is not to deflate demand throughout the economy—and defeat inflation by creating recession—but rather to increase the supply of the specific type of commodity or of manpower for which there is excess demand.

Those who call for a tax increase today, together with those who are responsible for tragically high interest rates, want to use a meat ax on American prosperity. With high interest rates they have taken dollars—millions of them—out of the pocket of every homeowner in this country. Now with a tax increase, they want to take countless more millions of dollars out of the pockets of every taxpayer in this country.

No, the deflationary meat ax is not the answer.

To defeat inflation by increasing supply rather than by decreasing demand is appropriate to the present position of the American economy. With homebuilding in a serious recession, with durable goods orders stagnant, with raw material prices heading downwards, with the automobile industry shaky at best—with all these specific facts of economic life apparent—the American economy is by no means in a state of general, runaway inflation. Inflation is not the word for the American economy. And recession—by tight money or by tax increase—is not the answer.

What we need today are specific answers to specific problems: specific policies to ease specific pressures.

Food prices are rising, as every housewife knows. And yet, as every farmer knows the farmer is not the beneficiary. What we must do is reorient our entire farm program toward a new, fundamental development in the world economy—the shift from general food surplus to general food shortage. We have the ability to multiply our production of food and other farm products. But simply increasing production is not enough if it leads to disastrous collapse of farm prices and income. Our farm program—both domestic production restrictions and international Public Law 480 giveaways—was designed for a world suffering from glut. We need a program suited to a world desperately short of farm produce. This means increased U.S. production. It also means cash sales of farm goods to money-good customers overseas. And it means clearing the channels so that the effective worldwide demand for American farm products is translated into more farm income and higher rural living standards.

For 30 years, American farm policy has aimed at protecting the farmer from farm surpluses. And, far too often, the impact of that policy has caused too little benefit for the farmer, and too much hurt for the housewife.

The combination of burgeoning world demand for U.S. farm production and the American farmer's ability to multiply his production when the Government gives the signal demands a new policy. With a farm policy directed at expanding farm production for cash and commercial credit sales overseas, farm income can and will expand. The dependence of the American farmer upon the American home market will lessen. And, with expanded production, upward pressure on food prices at home will be relieved.

Farming is one critical area where supply can be expanded to meet fast growing demand—so that income is raised without the need for higher prices. Another area where the constructive and creative approach to relieving strain is to expand supply in the job market for skilled workers. While unemployment has been holding steady around 4 percent, severe manpower shortages have appeared in certain key, skilled occupations. The fourth monthly report on manpower shortages and reserves, published on August 7 by the Department of Labor, tells the story:

> The major share of shortages is concentrated in a small number of occupations, although many different kinds of jobs are hard to fill. Almost 90% of all hard-to-fill professional and technical openings placed with the Employment Service fall into five groups—engineers, teachers, nurses, social workers, and draftsmen. And, a handful of occupations also account for two-thirds of the hard-to-fill jobs—machinists, machine shop workers, mechanics and repairmen, welders, toolmakers, and die sinkers, and pattern and model makers.

The same report details the tight situation in the apparel industry where, due to rising civilian and war demand, "manpower problems have arisen in some occupations." Now tight labor markets mean rising wages and excite agitation for tighter money and higher taxes. But the report on the apparel industry states the correct, specific approach to this specific problem:

> Unless training activities are accelerated . . . there are signs that the industry may not be able to cope with the problem of rapidly rising demand. Since many of the firms in the industry are small, they have not generally had the resources to institute training programs for new workers as easily as have companies in other industries.

The demand for uniforms is going to continue; so is the demand for civilian apparel to clothe our growing population. I say the way to ease inflationary pressure in this specific industry for these specific jobs is: First, to expand the number of men and women with the skills needed, and second, to expand and modernize facilities in which these skilled employees will increase production.

Every company facing shortages of workers for skilled jobs seeks to upgrade its own work force and to train new men and women. But some industries like the apparel industry simply cannot, it seems, solve this problem by itself. And no company will train men and women for skills the company itself does not need—although other companies may require them. This is why we have a manpower development and training program, instituted in 1963, which through June of this year has already helped raise the skills of a total of nearly 500,000 men and women.

The Manpower Development and Training Act of 1962 was a great achievement—but entirely too limited. Activities, such as on-the-job training, are still expanding. But the specific strains which rapidly changing technology and near-full-employment demand are placing on key industries and key jobs clearly indicates that we are not doing enough. We can, should, and must move to expand the Federal manpower development and training program.

In addition, I call for swift action on the Hartke adult education bill, S. 3012, and on the Javits-Hartke bill, S. 2343, to extend the 7-percent investment tax credit to cover investment in job retraining. Together these three steps will provide the skilled men and women which our economy needs, our prosperity requires, and our national security demands.

Once again, the way to ease specific inflationary pressure is not to use the tight money or tax increase meat ax, but to implement a specific program to expand what is in short supply.

Finally, on the domestic front, there is one key commodity—the most important

in our economy—which is in critically short supply. This is money. The price of money—that is, the interest rates—in the past year has shot up far more than any other price in our economy. As every American is coming to realize, this reckless tight money and high interest rate policy has produced a housing recession and hardship for every homeowner and would-be homeowner. So steps must be taken quickly to pump money into the credit-starved market for homes.

But let us make no mistake, sooner or later interest rates will fall. They will fall either because the Federal Reserve Board finally recognizes, or is made to recognize, that tight money produces dislocations, distortions, and ultimately recession, as it has already done in housing and its associated industries. Or they will fall because the Federal Reserve's tight money policy does in fact produce a recession, so that the demand for money falls in line with production, income, and employment.

Mr. President, the best way for America to reverse the inflation of money costs is to expand the supply of money, not reduce disastrously the demand for it. As I have said, this is no excessive, inflationary superboom we are experiencing. There is no danger that opening up the money tap will set off an inflationary explosion. Rather, the real danger is the stagnation or piecemeal recession in homebuilding, in the stock market, in durable goods orders, and perhaps even in the automobile industry will spread throughout the economy.

Mr. President, the soundness of the analysis and the appropriateness of the remedies offered by me today are backed up by one of the Nation's greatest banking institutions.

The First National City Bank of New York, in its August monthly report, confirms this diagnosis and concurs in the proposed treatment:

> There is always some danger of inflation when the economy is operating at high levels. But price rises so far have primarily reflected specific supply problems—as in the case of foods and nonferrous metals or the anticipatory impact of Medicare on medical charges. With the labor force growing rapidly, needs for capital investment will continue to mount. At the same time, rising wage costs, in previously low-wage sectors—e.g., hospitals, retail trade, local government—as well as in unionized high-wage industries will also call for more investment to keep costs and prices from rising. Thus, the problem of forestalling inflation is not simply that of restricting credit but more broadly one of providing sufficient monetary expansion to accommodate the solid growth of both capital investment and consumption in the economy.

Mr. President, what we are facing at home is the first war-time recession in our history. This prospect is the clear result of deliberate action to ignore the impact of Vietnam and to use the tight money meat ax. The way to avoid this tragic prospect is equally clear: tell the truth about the cost of Vietnam and meet the specific strains on our prosperity with specific policies to expand the supply of scarce men, materials and money.

This is my alternative strategy for the management of our domestic economy:

First. Give the people and the Congress the most accurate possible estimate of the present and expected cost of Vietnam;

Second. Formulate, if necessary, an emergency program to pay for the war and to integrate our civilian economy with our military requirements;

Third. Meet specific strains on our economy with specific programs to expand the supply of goods and skilled labor for which there is excess demand, especially: First, reverse our farm program from one of crop restriction and surplus disposal to one of expanded production for cash customers abroad; second, expand the manpower development and training program and enact the Hartke adult education bill and the Javits-Hartke bill to extend the 7 percent investment tax credit to cover investment in job retraining; third, enact legislation to provide needed funds for the homebuilding industry;

Fourth. Reverse the tight money and high interest rate policy of the Federal Reserve Board.

II

Uncertainty is striking at the heart of our domestic prosperity. Uncertainty is striking, as well, at the free world's financial and economic stability. Will the U.S. payments deficit be ended? Will the British pound be devalued? Will the international monetary reform be achieved? Not only the answers to these questions are unknown: the impact of the correct answers can barely be gaged.

One thing is sure. The confidence and cooperation which any system of credit and exchange must enjoy in order to function no longer exist. Political self-interest and economic insolationism are back in the driver's seat. We have committed ourselves to turning off the flow of private investment dollars which the free world—Western Europe as well as the developing nations—requires to hold its own economically, let alone to grow and prosper. And all too many of the beneficiaries of that dollar flow which continues have used the dollars they gain not for the productive purposes which only dollars can perform, but in order to buy gold.

The world which would exist in the absence of any U.S. action affecting our balance of payments would be bad enough. It would be a world—as the real one is—in which French economic and financial nationalism was running rampant: in which Britain was undergoing a chronic crisis of stagnation and obsolescence; in which central bankers around the world sacrificed prosperity and growth on the altar of tight money and deflation. These aspects of the world in which we live would exist even if the United States had remained totally passive.

But the United States has not remained passive. Our Government has instituted a series of statutory and voluntary restrictions which have closed New York to foreign borrowers, reduced U.S. direct investment in needy economics, and created a worldwide dollar drought. Our Government has escalated its dollar flow to Vietnam and thereby guaranteed that even the favorable political and psychological impact of the sharp cutback in the needed outflow of private dollars would be lost—as our overall balance of payments remains in substantial deficit. And our Government has touched off and acquiesced in an explosion upward of domestic interest rates which has fed the flames of the international interest rate war.

Our Government has put the cart before the horse. Its priorities have been stood upside down. The purposes of any financial and monetary system—domestic or international—is to facilitate the flow of goods and capital in order that jobs may be created, that income may rise, and that prosperity may prevail. But today we see our great British ally deliberately sacrificing domestic jobs, income, and prosperity in order to maintain the system. We see the second largest economy in the free world, West Germany, teetering on the brink of recession due to deliberate monetary restriction in the name of balance of payments stability. And we see our own authorities and would-be experts calling out for even greater restrictions than those we suffer already in order "to put our house in order." An international monetary system which demands deliberate recession, which requires unemployment, which lives off tight money—this is a system not worth maintaining.

We have tied our economic well-being to the supply and value of one commodity—gold. Only the Communist addiction to the most primitive form of trade—barter—puts greater shackles on a nation's economy.

This kind of performance, nevertheless, by the free world's economic system is what gives the Communists, with their primitive barter trade, hope for ultimate victory. In the 1930's, the great depression opened the way for totalitarian advance by both Fascists and Communists, when it demonstrated the bankruptcy of the old capitalist system. We must not give the Communists another chance. We must demonstrate that progressive free enterprise coordinated with enlightened government can provide the jobs, can raise the living standards, can promote the social progress which men everywhere demand. The present international monetary system—when it requires unemployment, when it reduces living standards, when it hinders or reverses social progress—serves the Communist cause.

The heart of an alternative strategy for putting our international house in order is the proper ordering of our priorities. Sound, noninflationary growth of trade, of jobs, of income on a worldwide scale—this must be the overriding priority.

In the absence of worldwide consensus, with the continued existence in power of men with cruel, archaic ideas of social justice, one nation must stand up and lead. One nation must take responsibility for the enforcement of a priority which has the heartfelt support of ordinary men and women the world over. President Franklin D. Roosevelt did not shrink from leadership and responsibility when he called the Bretton Woods Conference in 1944 and made clear to the

world that the United States would work actively, and solely, for a postwar world of expansive international economic cooperation. President John F. Kennedy did not shrink from leadership and responsibility when he called for the Punta del Este Conference in 1961 and made clear to the hemisphere that social justice and economic progress go hand in hand and are jointly America's No. 1 priority. Now it is the turn of President Lyndon B. Johnson to accept once more America's unique responsibility to lead the world in the path of cooperation, progress and freedom. I call upon the President to convene a new Bretton Woods Conference for this generation, to translate the Alliance for Progress into every language which freemen speak.

In 1933, the London Economic Conference was called after economic disaster had already produced political chaos—the result was a tragic fiasco. We must make sure that this time the Conference comes before an international crack-up makes international cooperation impossible.

Let those who share our ideals and our vision join with us in this great work. And let those who cling to selfish interests and who adhere to dismal disciplines go their own way.

Because for today and for the forseeable future the maintenance of worldwide prosperity will require dollars, a vital step toward this objective is the reopening of the unprecedented resources and unique facilities of the New York money and capital markets to foreigners. And that is not all. The world needs American technology and expertise and management as much as it needs dollars.

Direct private investment by American corporations provides all four key components of progress—and pays a cash dividend to America as well. In 1963, a Commerce Department study indicated that U.S. overseas investments totaled some $65 billion; and in that year the direct dollar return flow on those investments was $5 billion. Indirectly, the flow of U.S. direct investments generates U.S. export sales to American subsidiaries and provides the hard dollars needed to purchase even more U.S. exports. The restraints our government has placed on both direct portfolio investments overseas means restraint on the dollar return on those investments not just in 1966, but in 1970 and 1975, as well. Reversal of this policy, elimination of the "voluntary" restraints on U.S. foreign investment and repeal of the Interest Equalization Tax are the first steps required for a return to free world financial equilibrium.

Second, Mr. President, we must move to deal with the specific international impact of Vietnam, just as we must move to deal with its domestic impact. The outflow of dollars to Vietnam has more than offset the short-term savings garnered by the restrictions on productive capital outflows. We must put all dollar operations relating to Vietnam on a wartime basis. This means more than paying our soldiers with scrip as we are finally now doing. It means using blocked accounts and policing black currency markets. It means all the techniques learned with such difficulty but with such success during World War II and Korea for guaranteeing that dollar expenditures on war serve ourselves and our few allies alone. If this means admitting that we are fighting a war, then let us admit it. But let us stop this running sore of dollars which flows into Vietnam, through the hands of speculators and black marketeers, and wind up—as the evidence indicates—either in the hands of our foes to be used to subvert and support subversion or, no better, into the hands of the French to be used to purchase gold.

Third, Mr. President, we must recognize the significance on the international side of a fundamental reorientation of our farm policy. As I have already said, it is ever more apparent that the world is moving from a long-term period of farm surplus to a long-term period of farm scarcity. Our unmatched ability to produce and sell farm produce is moving from being a source of embarrassment to becoming a source of tremendous economic and strategic power. Policies which were created to dispose of surpluses must be traded in for policies aimed at export for cash and commercial credit. Certainly our humanitarian policy of feeding those threatened with famine must be maintained. But food giveaways to money-good customers must disappear with the surpluses. The payoff in terms of increased hard currency export earnings will be incalculable. Also incalculable will be the impetus given to higher living standard and incomes on our Nation's farms. Not only will this policy reverse the deterioration of our international trade surplus, it will return to our farmers and to all of us the benefits which were earned when—100 years ago—America's ability to produce and export farm goods first brought us world recognition.

This alone is not enough. Not only must the United States resume its role of banker and investor to the world, not only must we guard against artificial, wartime dollar outflows, not only must we revolutionize our farm program to multiply the cash return, but direct steps must be taken as well to reinforce the second great pillar of international equilibrium—that the dollars which the United States supplies to the world will be used productively. Already our Government has worked out a constructive agreement with the Canadian Government to permit Canadian borrowing in New York up to the point at which excess dollars begin to accumulate in the Canadian reserves. But working out bilateral agreements of this sort, useful as they may be, is a long and arduous process. At its command our Government has a weapon to make absolutely clear to the world—including the French—what the result will be of continued gold purchases.

The U.S. Government, alone among nations, stands ready to sell or buy gold at a fixed price: $35 per ounce. Our promise to sell gold for dollars to all official purchasers fixes the value of the dollar against which value all other free world currencies are fixed. But our promise to buy gold serves only to guarantee all gold buyers—both the speculators and the politically motivated—against loss. By our promise to sell gold we underwrite the current international value of the dollar. By our promise to buy gold, however, we merely underwrite the current value of gold—and thereby underwrite the destructive activities of those who would garner windfall profits from currency distress and, far worse, for those who would destroy the entire delicate system of international monetary relations for petty political purposes.

This is why, Mr. President, I join today with such distinguished and experienced monetary and economic observers as Mr. Donald Cook, president of the American Electric Power Corp., in calling for urgent Government action to remove the artificial floor under the price of gold. U.S. withdrawal of its promise to buy gold will make clear to all the world where responsibility lies for the piecemeal destruction of monetary stability. And it will make clear to the gold buyers our determination to play our unique and necessary role in the furtherance of world prosperity—regardless of their archaic fascination with that mystic commodity. For play this role we must, if the world is to prosper. And if the result of the continued purchases by the singleminded goldbugs is to drain every last ounce of gold out of Fort Knox—then all that will happen is that, at last, the fogs of superstition will be lifted and the real basis of the dollar's unprecedented strength will emerge.

The reason the dollar stands alone as the world's greatest trading currency and investment currency and reserve currency is due not to the size of our gold supply or to the terms of any treaty. It is due to the strength of the American economy, to our ability to outproduce every other nation in the world, to our vast supply of savings available for productive long-term investment, and to a uniquely American level of productivity and technological advance with which we can outsell anyone else in everything from microelectronics to winter wheat. If the French or anyone else wants to face a dollar valued on the basis of competitive cost of production of American goods, then I say let them. But for any nation which makes clear its desire to cooperate and coordinate financial and commercial relations, we must make it equally clear that we stand ready to provide dollars and to sell exports and to purchase imports on a free and equitable basis—regardless of how we must deal with those who isolate themselves by their monetary irresponsibility.

This is my alternative strategy for managing our international position in the world economy:

First. Get our priorities in proper order by making clear that we will only support a world economic system which promotes employment, income, and social progress and which does not demand their sacrifice;

Second. Summon a new Bretton Woods Conference to determine who will work with us to create a liberal system of commercial and financial relations based on free and fair exchange of goods and capital;

Third. Eliminate the artificial restrictions on the flow of productive private investment dollars and repeal the interest equalization tax;

Fourth. Isolate and sterilize the dollar drain to Vietnam by placing the foreign exchange cost of the war under wartime exchange controls;

Fifth. Reorient our farm program to expand production for export to cash customers, while retaining our humanitarian policy of feeding those threatened with famine;

Sixth. Eliminate our unconditional promise to buy gold at $35 per ounce and thus make clear to the world that continued, irresponsible purchases of American gold by foreigners means the end of world economic stability and the onset of unrestrained competition with American productive power.

Mr. President, the hope for world prosperity is not to be found in the esoteric mumblings of so-called monetary experts as they mutter around obscure conference tables. The hope for world prosperity is leadership by the one nation which can and must lead. We can reject this responsibility of leadership as, to a tragically great extent, we are doing. But if we do not lead we will never be able to put off the responsibility that will fall on us in the all too near future for having allowed world prosperity to perish by default. This responsibility can be avoided no more than can the responsibility of our national leaders to give the facts to the people about Vietnam to relieve the recession soft spots and the inflationary strains which crisscross our economy, and to preserve our domestic prosperity together with that of the free world.

DEMONSTRATION CITIES AND METROPOLITAN DEVELOPMENT ACT OF 1966

The Senate resumed the consideration of the bill (S. 3708) to assist comprehensive city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in those areas, to assist and encourage planned metropolitan development, and for other purposes.

Mr. KENNEDY of Massachusetts. Mr. President, I send to the desk an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated by title.

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

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

The amendment submitted by Mr. KENNEDY of Massachusetts is as follows:

On page 31, line 1, strike out "FEDERAL COOPERATION" and insert in lieu thereof "COOPERATION AND COORDINATION".

On page 31, line 2, after "305." insert "(a)".

On page 31, after line 5, insert the following:

"(b) In the administration of this title, the Secretary shall seek to ensure the greatest practicable cooperation and coordination as between the various urban information and technical assistance centers established under this title."

Mr. KENNEDY of Massachusetts. Mr. President, I am pleased to note that title III of this bill establishes a new grant program to assist States and municipalities in the establishment of urban information centers.

The purpose of such centers would be to help local government officials to know more about Federal programs, to enable these communities to collect and study the local data relating to their problems, to relate this knowledge to the Federal programs of assistance which are available, and to provide expert assistance to help the local decisionmaker through the maze of assistance programs confronting him.

In my judgment, programs such as this one are vitally needed. For I firmly believe that the failure of the Federal Government to fully deliver to the communities themselves the services planned for in our Federal programs is due, in significant part, to the confusion and lack of coordination between levels of government.

One of the main reasons for the confusion is that the great proliferation of Federal programs in recent years has not been accompanied by any kind of concerted effort to develop a communications system to keep up with the increase in activity. Local government executives are confronted with so many alternatives that they cannot keep track of all of them or distinguish between them.

The bureaucratic chaos which often flows from this crisis in communciations is costly to everyone. It is costly to the taxpayers whose money is not wisely or effectively spent. It is costly to the communities that are denied benefits they need. And it is costly to the Nation as a whole when ill-informed decisions result in ineffective programs.

The only way to solve this crisis, in my judgment, is to call upon the scientific advances which have been made in computer and information retrieval technology, and develop modern information systems which will enable us to get a grip on the programs we have now and will have in the future. In a sense, it is a problem of scientific management, and it must be faced up to directly. Given the progress we have made in the field of information technology, I am certain that if we give this problem the attention it deserves, it is a problem we can solve.

The proposed title III of this bill is therefore in my judgment a much needed first step.

I personally believe that in addition to this proposal, congress should go further and authorize a complete study of the desirability and feasibility of establishing a national information system, operating through computer centers throughout the country, which would not only enable local governments to match their needs against Federal programs, but which would also keep the Federal Government in touch with local needs. The system I envision would tell Federal officials and Members of Congress what programs are working, what programs are not, what programs are needed. It would enable the Federal Government to better comprehend the problems of the local community and the directions they want to take in the future.

Moreover, such a system should make it possible for the Federal Government, both Congress and the executive, to obtain an overview of the whole operation of Government, to look at the "grand design," and in so doing, get a better understanding of priorities and allocation of resources, rather than carrying on in the piecemeal and essentially haphazard manner we are at present.

From my discussions with industry and Government experts, I believe that such a system is feasible, and I am hopeful that hearings on the legislation I have offered to develop the design of this system can be held in the near future.

It may be several years before any comprehensive system can be established. In the interim, information center programs such as that set up in title III can be extremely helpful in increasing the effectiveness both of Federal programs and local administration.

There is, however, one respect in which I believe the present legislation can be improved.

Title III presently provides in section 305 for the Federal Government to cooperate with the States and metropolitan area agencies in providing information under this title. But it does not make any provision for cooperation and coordination between the information centers to be set up under this title in various urban centers.

If there is no effective interchange between the centers and with the Federal Department of Housing and Urban Development, much of the effectiveness of these centers will be lost. There will be unnecessary duplication of effort, and a failure on the part of some communities to benefit from the experience of others in setting up such centers.

If advanced technology is to make a maximum contribution, knowledge and expertise must be pooled.

The purpose of my amendment is simply to assure that the coordination and cooperation between centers and with HUD which is so essential to the effectiveness of the program will be forthcoming.

I note that such a provision was explicitly favored by the National League of Cities when the league testified on this program before Senate Committee on Banking and Currency, and I believe, if it is accepted by the Senate that it will be helpful in making this program work effectively.

Mr. President, I had an opportunity to discuss this amendment only with the staff and not with the Senator from Maine, but I hope that it is acceptable to him.

Mr. MUSKIE. Mr. President, I have not discussed this amendment with the Senator from Massachusetts. However, in the words of the amendment, "In the administration of this title, the Secretary

shall seek to insure the greatest practicable cooperation and coordination as between the various urban information and technical assistance centers established under this title," which is title III of the bill, the amendment is acceptable to me.

Mr. KENNEDY of Massachusetts. Under this amendment, we will be better assured that the experience gained in some urban areas will be available to other urban areas. Title III provides for the greatest degree of cooperation between the various Federal agencies and the urban areas. The hope here is to gain the benefits of the experience in certain urban areas and make it available to other urban areas to help them develop their particular programs.

Mr. TOWER. Mr. President, I am willing to accept the amendment of the Senator from Massachusetts.

Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Massachusetts.

The amendment was agreed to.

Mr. TOWER. Mr. President, for the information of Senators, let me say that there will be a record vote on the bill, and it should come relatively soon, because I know there are many Senators who wish to get away for important engagements.

I have two amendments, which I have already discussed with the Senator in charge of the bill and which he said he intends to accept. The Senator from New York [Mr. JAVITS] has an admendment. Other than that, I know of no other amendments.

AMENDMENT NO. 474

Mr. TOWER. Mr. President, I call up my amendment No. 747 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated by title.

The legislative clerk read the amendment, as follows:

On page 15, line 25, it is proposed to insert:

"SEC. 114. Grants made under section 105 for projects in any one State shall not exceed in the aggregate 12½ per centum of the aggregate amount of funds authorized to be appropriated under section 111."

Mr. TOWER. Mr. President, I ask unanimous consent to modify my amendment to read "15 percent" instead of "12½ percent."

The PRESIDING OFFICER. The Senator has a right to modify his amendment, and it is modified accordingly.

Mr. TOWER. Mr. President, this amendment would establish a formula which is, in effect, now in existence in other measures of this kind, so that an inordinate amount of funds will not go to any one city or to any one State.

Mr. MUSKIE. The Senator is correct that limitations of this kind are quite customary in this kind of legislation. I have no objection to the Senator's amendment and I am willing to accept it.

Mr. JAVITS. Mr. President, will the Senator yield to me briefly?

Mr. TOWER. I yield.

Mr. JAVITS. I understand that the figure used is 15 percent?

Mr. TOWER. The Senator is correct—15 percent.

Mr. JAVITS. I had intended to seek the same proviso with respect to this bill which we worked out the other day on another housing bill relating to areas which have used up or are close to using up their allowable percentage. In view of the fact that the percentage is fixed at 15 percent, instead of 12½ percent, I would be willing to see what the experience will be with it in this shape, to see whether we can live with it without this proviso, under the circumstances.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 747) of the Senator from Texas.

The amendment was agreed to.

AMENDMENT NO. 748

Mr. TOWER. Mr. President, I call up my amendment No. 748 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated by title.

The legislative clerk read the amendment, as follows:

On page 28, line 12, it is proposed to insert:

"SEC. 209. Grants made under section 205 for projects in any one State shall not exceed in the aggregate 12½ per centum of the aggregate amount of funds authorized to be appropriated, pursuant to section 206(b)."

Mr. TOWER. Mr. President, I ask unanimous consent to modify this amendment to read "15 percent" instead of "12½ percent."

The PRESIDING OFFICER. The Senator has that right, and the amendment is so modified.

Mr. TOWER. Mr. President, this amendment is similar to amendment No. 747 which has just been adopted, which related to section 105.

Amendment No. 748 relates to section 205, and I believe it will be acceptable to the Senator in charge of the bill.

Mr. MUSKIE. Mr. President, for the same reasons I accepted the previous amendment No. 747, I am willing to accept the present one, now under consideration, No. 748.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. MUSKIE. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment (No. 748) of the Senator from Texas.

The amendment was agreed to.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. Who yields time?

Mr. MUSKIE. I yield to the Senator from Ohio.

Mr. LAUSCHE. I desire to put a question. Does the bill contain any provisions allowing grants to be made to what are called community organizations not primarily responsible to Government and Government officials?

Mr. MUSKIE. Mr. President, we have discussed this matter privately. I desire to say for the RECORD that all grants under the demonstration cities program go to State and local governments.

Mr. LAUSCHE. Am I correct in interpreting the statement of the Senator from Maine that no effort has been made to guard against the evils that have grown up in the poverty program where money is being allocated to what are called community organizations?

Mr. MUSKIE. The grants under this program will be made only to established units of Government.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I call up my amendment No. 742.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The legislative clerk read the amendment (No. 742), as follows:

"TITLE IV—MISCELLANEOUS

"Study concerning relief of homeowners in proximity to airports

"SEC. 401. Section 1113 of the Housing and Urban Development Act of 1965 is amended—

"(1) by inserting '(a)' after 'SEC. 1113.';

"(2) by striking out 'one year after the date of the enactment of this Act' and inserting in lieu thereof 'six months after the date of the enactment of the Demonstration Cities and Metropolitan Development Act of 1966'; and

"(3) by adding at the end thereof the following new subsection:

"'(b) There is authorized to be appropriated the sum of $100,000 to carry out subsection (a).'"

Mr. JAVITS. Mr. President, I yield myself 5 minutes.

This amendment is precisely the same as the provision in the House bill, which was not carried in the Senate bill. The purpose is to authorize $100,000 for the purpose of implementing a section of the Housing Act which we adopted in 1965 regarding what can be done about insulating homes which are located near airports relating to noise from aircraft.

At that time, the $100,000 required was not included in the supplemental appropriation bill. The Senator from Massachusetts [Mr. SALTONSTALL] said, when the appropriation bill came back from conference, that the amount was not included because it was thought the Federal Aviation Agency had enough money to do the job.

It developed that while the Federal Aviation Agency had the resources, it was interested only in a study of the noises made by aircraft as they approached airports or noise within the aircraft, but was not concerned with the noise as it affected housing.

Therefore, since that amount of time has elapsed, it appears that the purpose sought to be accomplished should be done in a housing bill. It was provided for in a section of the Housing Act of 1965. It may be that the Department of Housing and Urban Development can "scrounge" money enough to complete the study. Perhaps that can be done, but it is an irregular process.

Since there has been a concentration of jet airplanes, the administration is interested in the field of noise, and the amount of $100,000 was included in the House bill.

From a practical basis, and so long as it is found necessitous, I hope we can assure that it will be provided for by adopting the amendment to the pending bill.

Mr. MUSKIE. Mr. President, I understand that the amendment simply undertakes to extend the time limits and to provide some money to implement a provision of law already on the books. We have approved the policy. I think this figure is reasonable to do the job. I am willing to accept the amendment.

I yield back the remaining time on the amendment.

Mr. JAVITS. I yield back my time on the amendment.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from New York.

The amendment (No. 742) was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JAVITS. Mr. President, I send another amendment to the desk and ask that it be stated This is the only other amendment I have.

The PRESIDING OFFICER. The amendment offered by the Senator from New York will be stated.

The legislative clerk read the amendment, as follows:

On page 5, line 12, change the semicolon after the word "scheduled" to a comma, and insert the following: "and, in the carrying out of the program, the fullest utilization possible will be made of private initiative and enterprise;"

Mr. JAVITS. Mr. President, this amendment refers to the purpose section of the bill. This is the way it was always intended to be. Somehow or other the words were dropped out when the bill got to the floor. I think it would be reassuring to many to know that the impact of the bill is that it will be a private enterprise effort.

Mr. MUSKIE. Mr. President, this amendment also reflects the intent of the bill. It is the desire to stimulate activity of the private sector as much as possible. I am happy to accept the amendment.

The PRESIDING OFFICER. Do the Senators yield back their time?

Mr. JAVITS. I yield back my time.

Mr. MUSKIE. I yield back my time.

The PRESIDING OFFICER. All time on the amendment has been yielded back. The question is on agreeing to the amendment of the Senator from New York.

The amendment was agreed to.

Mr. RIBICOFF. Mr. President, I rise in support of S. 3708, the demonstration cities bill. The bill offers us the promise of restructuring and reshaping our cities. It can provide a beginning of efforts to channel our Nation's resources and wisdom toward solving the most critical problem of our time—the urban crisis.

This crisis will test the mettle of this democracy, just as the Nation's great wars, economic depressions, and natural disasters have tested that mettle. For this crisis concerns the very future of our democracy, and, in great measure, will determine the future course of the democratic ideal throughout the world. This crisis is joined in our cities, for this is the most powerful urban democracy in the history of the world. The crisis revolves about whether American cities can be effectively democratic, whether they can truly function in a democratic sense, or whether they will continue to sink into a welter of economic disuse and social disorganization.

The inadequacies of past efforts, for all their good intentions, are patently obvious in the growing headlines of riots, of civil disobedience on a vast scale, throughout those festering urban slums of the cities, North and South, East and West.

The demonstration city program is small to start with in terms of dollars. But it is a beginning. I am pleased to have been a member of the President's task force which originally recommended this proposal.

Mr. President, this afternoon in Syracuse, N.Y., President Johnson will deliver an address on the problems of our cities which should be read by all. It is an important message because it lists what has been done to date and the responsibility of Congress on many pending measures. It also emphasizes the immensity of the problem and recognizes that a great deal needs to be done to meet it. I ask unanimous consent to include the text of the President's remarks at this point in the RECORD.

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

REMARKS OF THE PRESIDENT AT SYRACUSE, N.Y.

I want to talk to you today about the center of our society—the American city.

Over 70% of our population live in urban areas. Half a century from now 320 million of our 400 million Americans will live in cities with our larger cities receiving the greatest impact of this growth.

For almost three years my administration has been concerned with the question: what do we want our cities to become?

For you and your children, the question is: What kind of place will Syracuse be fifty years from now?

A city must be more than a collection of shops and buildings; more than an assortment of goods and services; more than a place to escape from.

A city must be a community where our lives are enriched. It must be a place where every man can satisfy his highest aspiration. It must be an instrument to advance the hopes of all its citizens. That is what we want our cities to be. And that is what we have set out to make them.

One word can best describe the task we face—and that word is immense. Until this decade, one description fitted our response: "too little and too late." By 1975 we will need two million new homes a year—schools for 60 million children—health and welfare programs for 27 million people over the age of 60—and transportation facilities for the daily movement of 200 million people in more than 80 million automobiles.

In less than 40 years—between now and the end of this century—urban population will double, city land will double, and we will have to build in our cities as much as has been built since the first settler arrived on these shores.

Our cities are struggling to meet this task. They increased their taxes by 39% between 1954 and 1963, and still their tax debts increased by 119 percent. Far more must be done if we are to solve the number one domestic problem of the United States.

Let me be clear about the heart of this problem: It is the people who live in our cities and the quality of the lives they lead that concern us.

We must not only build housing units; we must build neighborhoods. We must not only construct schools; we must educate our children. We must not only raise income; we must create beauty and end the pollution of our water and air. We must open new opportunities to all our people so that everyone, not just a fortunate few, can have access to decent homes and schools, to recreation and culture.

These are obligations that must be met not only by the Federal Government but by every Government—State and local—and by all the people of America. The Federal Government will meet its responsibility, but local government, private interests and individual citizens must provide energy, resources, talent, and toil for much of the task.

Many of the conditions we seek to change should never have come about. It is shameful that they should continue to exist. And none are more shameful than conditions which permit some people to line their pockets with the tattered dollars of the poor.

We must take the profit out of poverty. And that is what we intend to do.

First, I have asked the Secretary of Housing and Urban Development to set as his goal the establishment—in every ghetto of America—of a neighborhood center to service the people who live there.

Second, I have asked the Director of the Office of Economic Opportunity to increase the number of neighborhood legal centers in slums. I want these legal centers to make a major effort to help tenants secure their rights to safe and sanitary housing.

Third, I am directing the Attorney General to call a conference to develop new procedures to insure that the rights of tenants are fully and effectively enforced. We will have at that conference the best legal minds in the country to work with State and local officials.

Fourth, I will appoint a commission of distinguished Americans to make the first comprehensive review of codes, zoning, taxation, and development standards in more than two generations. I proposed the establishment of such a commission in my 1965 message on the cities. Both Houses of Congress this week agreed in conference to fund this effort. The work of the commission will begin immediately upon the enactment of this legislation.

These are steps we will take now. But let me be perfectly candid: This job cannot be done in Washington alone. Every housing official, every mayor and every governor must vigorously enforce their building, health, and safety codes to the limit of the law. Where there are loopholes, they must be closed. Where there are violations, the exploited tenant must be assured a swift and sure action by the courts.

Not even local officials, however, can change these conditions themselves. Unless private citizens become indignant at the treatment of their neighbors, unless individual citizens make justice for others a personal concern, poverty will profit those who exploit the poor.

The Federal government, of course, has a very large responsibility. And we are trying not only to fulfill but enlarge our role in the rebirth of American cities.

In 1961 we were investing $15 billion in our cities. We have increased that nearly 100 percent—to almost $30 billion. For the first three years of this decade these programs increased by an average of $1½ billion per year. Since then, they have increasd $4 billion per year—2½ times the rate of increase in the previous three years.

We have made important new starts in many vital areas: in the War on Poverty;

in assistance to law enforcement; in the attack on pollution; in the training of manpower; in the education of children; and in the improvement of our health.

But not all the answers are in. Not even all the questions have been asked. We must continue to search and to probe, to experiment and to explore. We need constant study and new knowledge as we struggle to cure what plagues the American city.

This is why, for the first time in our history, our cities have a place in the Cabinet. More than a century after President Lincoln created the Department of Agriculture, we have a Department to serve the needs of the three out of four Americans who live in cities.

I have directed every member of my Cabinet who can help with our urban challenge to meet at least once a week in the White House—or as often as necessary, to keep our cities program moving. I have asked each one of them to go out into the cities and to see the needs for themselves—and to come back and tell me what he finds.

This is why we have brought to Washington the ablest men we could find in this country to concern themselves with the future of our cities. They have come from the universities, from business, and from labor. They are scientists, lawyers, and managers—creative men, men of vision, practical men.

This is why we have taken steps to set up summer programs for our youth, to keep the playground open later at night, to open swimming pools and open fire hydrants on hot summer evenings. These temporary steps do not take an act of Congress. Any city can take them. Every city should take them now.

There are responsibilities, however, which only Congress can meet. We need laws and new programs—and we need them this session.

I have proposed to Congress what could become the most sweeping response ever made to our cities' needs. This is the Demonstration Cities Program which is still before the Congress. It admits for the first time that cities are not made of bricks but of men. When Congress acts—and action is needed now—we will be able to make the first concentrated attack on urban blight and to rebuild or restore entire neighborhoods.

As we learn more, new ideas and new courses of action to improve our cities can be fitted into the demonstration cities program. It does not freeze our strategy and inhibit future change. It does not erode the power of local governments, but on the contrary gives cities new choices and new abilities, new ideas and new spurs to action.

Congress has already acted to provide the money for the rent supplement program that will mobilize private enterprise for our poor. Every $600 of rent supplements will encourage private enterprise to build a housing unit with 20 times that amount.

Congress gave us $18 million less than we need, and it only acted more than a year after we proposed rent supplements. But now we can move forward to help hundreds of thousands of poor families raise their children in clean and decent surroundings.

These are only two of the programs we have laid before Congress to help solve the problems of our cities. What we need now—and what American cities expect now—is action. Congress can pass this program and bring new opportunities to millions.

To the Congress I say:

Give us funds for the Teacher Corps—and let skilled teachers bring knowledge and a quest for learning to those children who need it most.

Give us more resources for rent supplements—and let us provide better homes for so many who live in substandard housing.

Give us the Civil Rights bill—and let us begin to break the chains that bind the ghetto by banishing discrimination from the sale and rental of housing.

Give us the means to prosecute the War Against Poverty—and let us provide jobs and training for adults and a head-start for the very young.

Give us the Child Nutrition Act—and let us offer breakfasts and hot lunches to needy children who can be encouraged to stay in school.

Give us the Hospital Modernization bill—and we can build and modernize hospitals to serve our urban citizens.

Give us the legislation—and we can help overcome a severe shortage of trained medical personnel.

Give us the money for Urban Mass Transit—and our cities can begin to provide adequate transportation for their people.

Give us a just minimum wage—and more American workers will earn a decent income.

Give us better unemployment insurance—and men out of work can be trained for jobs that need workers.

Give us the Truth in Lending bill—so that customers, especially those who are poor, can know the honest cost of the money they borrow.

Give us the Truth in Packaging bill—so the hard-earned dollars of the poor—as well as of every American—can be protected against deception and false values.

We have an agenda for action. We have taken the first steps toward great cities for a great society. Now Congress must act to give us the power to move ahead on all these fronts.

This is no time to delay. This is no time to relax our efforts. We know there is no magic equation that will produce an instant solution to the blight and poverty and want deposited in our cities by decades of inaction and indifference.

But we also know there is no substitute for action.

I do not know how long it will take to rebuild our cities. I do know it must not—and will not—take forever. For my part, I pledge that this Administration will not cease our efforts to make right what has taken generations to make wrong.

We have started down that road. Until each city is a community where every member feels he belongs, until it is a place where each citizen feels safe on his streets, until it is a place where self-respect and dignity are the lot of each man—we will not rest.

This is what men have always dreamed their cities would be. And this is what we seek to build.

DEMONSTRATION CITIES ACT WILL HELP TO MAKE OUR CITIES FIT FOR PEOPLE

Mr. DOUGLAS. Mr. President, our society, whether it becomes the Great Society or not, is primarily a city and suburban society. No nostalgia for the rural America of the 19th century will change the basic fact that 70 percent of our 190 million people live in some 700 cities and their suburbs. No foreseeable action will reverse the constant increase in both the numbers and the proportion of our people who live in cities.

So when we speak of the problems of our cities and urban centers, we speak of the problems of nearly all of us now, and the problems of virtually all of us soon.

PROBLEMS OF THE CITIES WEIGH HEAVILY ON THE POOR

In the narrow but still human sense, the problems of cities are primarily the problems of the poor. And to be even more exact, they are primarily the problems of Negroes and of the whites from poorer families. Sixty-five percent of our Negro citizens lived in urban areas in 1960; of these, 80 percent lived in the central cities. In the last decade and a half, the more prosperous whites have left the central cities for the suburbs to be replaced by Negroes at a rate generally just sufficient to keep the central city populations static in numbers. Every major city contains, moreover, large areas of concentrated and exclusive Negro populations. There are also concentrations of the poorer whites and the Latin Americans.

Mainly, these are the slums, the deteriorating areas, where the adult inhabitant is restricted to one-half the median income of that of the average person; where he has less than one-half the chance of full-time employment; where his family is three times as likely to live in substandard housing; where the children are more likely to have more crowded classrooms and less qualified teachers.

The Nation's cities are faced with an immense and increasing demand for municipal facilities and services. This demand is straining their financial resources—resources unfortunately tied to shrinking sources of revenue. In trying to meet these demands, one of the most intricate problems facing cities is that of blighted areas with their high and constantly increasing demands for services and their declining taxable values.

COSTS GREATER THAN CITIES CAN BEAR ALONE

The economic cost to cities of slums and blighted areas is staggering. Cities are caught in a descending spiral which leads to widespread municipal insolvency. The continuing spread of blight reduces the taxable value of city land. As slums and blight spread, crime, delinquency, and disease follow.

As the need for city services grows, the city's ability to provide these services is impaired by the very blight that creates the demand. Greater blight, greater demand for city services, decreasing revenues to meet the demand—that is the downward spiral in many American cities. In these circumstances, it is not surprising that the cities with the greatest slum problems have the least capacity to deal with these problems.

Moreover, the efforts of our cities to help themselves are in too large measure self-defeating. The more determined the city's efforts to raise funds to meet the need for increased services, the more likely it is that such efforts will further drive its economically affluent citizens to the nearby suburbs. Similarly, the greater the burden which the city places on industry within its borders, the smaller its opportunity to attract and hold the industry and commerce which its economy requires. As a result, the city becomes, increasingly, a home for the economically deprived, those least able to bear the cost of municipal services.

Until the 1920's, the city's dominant function was that of the melting pot, the instrument through which 40 million immigrants were assimilated into American life. The city, through its various public and private institutions, provided

millions of foreign-born with food, shelter, jobs, and education.

"NEW IMMIGRANTS" REQUIRE HELP

The past generation, however, has brought a new and different type of immigration to our cities—not of the foreign born, but of economically and culturally disadvantaged rural Americans. The migrants of the past generation, beginning with the years of the great depression, came to the city unprepared for the demands and pressures, and the dwindling opportunities, of urban life. They were largely unskilled, uneducated, and unwanted. Unable to adjust to an increasingly mechanized, complex, and often hostile urban society, they found neither the jobs nor the other opportunities which the earlier generations of city dwellers found. Today, they are the unemployed, the welfare and relief recipients of every American city.

The city today must provide jobs and adequate housing and education for millions of the Nation's unemployed, ill-housed, and uneducated. It must provide community facilities and health and social services on a scale unprecedented in the Nation's history. And, it must do so in the face of overwhelming demands on its skills and resources.

It would be a disservice to the long and vigorous efforts of many of the outstanding leaders of our cities to suggest that the Federal Government can abruptly solve the problems of our cities where local leadership has not been fully successful.

But it is true that with their own limited resources and the existing Federal grant-in-aid programs, cities have not been able to deal adequately with the entire range of their problems. The size and scale of their efforts has been too small, and too widely disbursed.

Present programs are often prisoners of archaic and wasteful building practices. They have inhibited the use of modern technology and they have often inflated the cost of necessary rebuilding.

The goals of the existing major Federal grant-in-aid programs have often lacked cohesiveness. Some work for the revitalization of the central city. Some disrupt it.

TO IMPROVE THE CONDITIONS OF LIFE

In sum, we have still not firmly launched the effort necessary to assure that our cities will be fit for people. In his "Cities" message to the Congress on January 26, President Johnson said:

> It is clear to me that American cities require a program that will . . . concentrate our available resources—in planning tools, in housing construction, in job training, in health facilities, in recreation, in welfare programs, in education—to improve the conditions of life in urban areas.

The demonstration cities bill now before us, and in particular title I, will help our outstanding leaders—local, State and National—to show the Nation how we can provide both the human and the physical renewal of our cities.

This legislation will enable cities of all sizes for the first time, to undertake an intensive and coordinated attack on large sections of the city which suffer from blight and decay. It will enable the cities, in conjunction with physical renewal programs, to undertake new needed social and welfare services for the disadvantaged residents of their blighted and decaying neighborhoods.

The legislation will at least encourage programs of the scope and magnitude needed to stop the physical and social deterioration of large sections of our cities. It will make possible the concentration of all available educational, health, and social services on the problems of the poor who live in the vast slums and blighted neighborhoods so that their social needs will be met at the same time the physical rehabilitation of the slums is being carried out. It will help provide massive additions to the supply of low- and moderate-income housing.

AMOUNTS AUTHORIZED ARE CONSISTENT WITH PRESIDENT'S RECOMMENDATIONS

Mr. President, the amounts authorized by the bill to carry out the city demonstration program are consistent with the administration's estimates of expenditures for this program. The authorization provided by the bill will permit a reasonable beginning over the next 2 years.

The bill authorizes appropriations of $12 million for financial assistance—through 80 percent grants—for planning comprehensive city demonstration programs for the fiscal year ending June 30, 1967, and an additional $12 million for planning such programs during the fiscal year ending June 30, 1968. The bill authorizes $400 million for the fiscal year ending June 30, 1968, for supplemental grants to help finance the activities undertaken as part of demonstration programs, and $500 million for this purpose for the fiscal year ending June 30, 1969.

These amounts will permit us to finance the first 2 years of the 5-year program proposed by the administration.

During the next 2 years Congress will have an opportunity to evaluate the experience under this program. I have high hopes for the program. If it is as successful as I believe it will be, the Congress can provide—on the basis of plans submitted by the cities, the progress of activities being carried out by cities under comprehensive demonstration programs already approved and underway, and the budgetary situation existing at the time—a continued reasonable annual rate of funding for comprehensive city demonstration programs.

NOT INFLATIONARY

This bill has no inflationary effect. Except for $12 million authorized to finance the planning of demonstration programs during fiscal 1967, not 1 penny of the money authorized by this bill can be spent until after July 1, 1967. Indeed, it is doubtful that any substantial amount of the $400 million authorized to be appropriated for the fiscal year after July 1, 1967, to carry out demonstration programs can actually be spent before late 1968.

As all of us here know, there is a great amount of leadtime involved in getting these programs off the ground. The situation in our cities is such that we cannot tolerate unnecessary delay. If we authorize work to be begun immediately—actual accomplishments will come none too soon.

So the actual expenditures of the amounts authorized by this bill to be spent for demonstration cities will not take place until well into the future. It may well be that by the time the funds we authorize today are to be spent, they will stimulate a sluggish economy as well as permit cities to meet vital public needs. But regardless of the pace at which our economy may be operating in 1968 and 1969, the expenditures authorized by this bill are vitally necessary and extremely small in relation to the need.

HUMAN RENEWAL IS ALSO NEEDED

In order to qualify for assistance under this legislation, a city must be prepared to plan and carry out a comprehensive city demonstration program. This assistance will be for a local program; planned and carried out by local people; and based on local judgment as to the city's needs and its order of priorities in meeting these needs.

Frankly, this program will ask a great deal of a qualified city, large or small, which undertakes such a program.

By my support of this legislation, I do not mean to suggest that local leadership has neglected social renewal, but in most cases their hands have been tied by a lack of funds and the absence of clear national policy to encourage a comprehensive renewal in both human and physical terms.

The Demonstration Cities Act has two substantially new elements: first, this emphasis on human renewal—on schools, jobs and health services within large areas; and second, the use of new techniques which will permit more efficiency and less waste motion in our efforts.

It must be emphasized, moreover, that this is a large-scale demonstration. It is an invitation to the best leadership in our cities. Its purpose is to demonstrate to the Nation what we really can do when we make a maximum effort. It will demonstrate to the Nation that we can rescue our cities. I believe it will result in tremendous national support for additional comprehensive efforts of very large magnitude.

Cities will not find it simple to qualify. This legislation is designed to help those cities willing to face up to their responsibilities; willing to fully commit their energy and resources; willing to undertake actions which will have widespread and profound effects on the social and physical structure of the city.

REQUIREMENTS FOR CITY DEMONSTRATIONS GRANTS

The requirements for this assistance ask for real initiative from our local leaders. A demonstration program must meet these criteria:

First, the physical and social problems in the area of the city covered by the program must be such that a comprehensive city demonstration program is necessary to improve the physical environment, increase the supply of adequate housing for low- and moderate-income people, and provide education and social services vital to the public health and welfare.

Second, the demonstration program must be of sufficient magnitude to make a substantial impact on the social and physical problems and to remove or arrest blight and decay in entire sections or neighborhoods; to contribute to the sound development of the entire city; to make marked progress in reducing social and educational disadvantages, ill health, underemployment, and enforced idleness; and to provide educational, health, and social services necessary to serve the poor and disadvantaged in the area, widespread citizen participation in the program, maximum employment opportunities for residents of the area in all phases of the program, and enlarged opportunities for work and training.

Third, the program, including rebuilding or restoration, must contribute to a well-balanced city with a substantial increase in the supply of standard housing of low and moderate cost, maximum opportunities in the choice of housing accommodations for all citizens of all income levels, adequate public facilities—including those needed for education, health, and social services, recreation, and transportation—commercial facilities adequate to serve the residential areas, and ease of access between the residential areas and centers of employment.

Moreover, the bill requires, as additional related criteria, that: the local governing body has approved the program and, where appropriate, application for assistance under the program; adequate local resources are, or will be, available for the completion of the program as scheduled; agencies whose cooperation is necessary to the success of the program have indicated their intent to furnish such cooperation; administrative machinery is available at the local level for carrying out the program on a consolidated and coordinated basis; local laws, regulations, and other requirements are, or can be expected to be, consistent with the objectives of the program; the demonstration program include a plan for relocating individuals, families, business concerns, and nonprofit organizations displaced or to be displaced in carrying out the program; and the demonstration program be consistent with comprehensive planning in the entire urban or metropolitan area.

FULL RANGE OF PHYSICAL RENEWAL AND SOCIAL SERVICE

What this legislation offers, in summary, is the full range of existing Federal programs of physical renewal and social service. If the city is prepared to undertake such comprehensive renewal and revitalization, it will, in effect, receive Federal matching grants for presently existing programs at a lower rate of local matching. But the city must maintain at least the existing level of effort, so the supplemental grant will enable it to do more under Federal grant programs for the same amount of local cash or to spend the additional Federal funds on related programs in the demonstration.

BOTH PRIVATE AND PUBLIC EFFORTS

In a comprehensive demonstration, therefore, a city can bring together private and public efforts to provide such facilities and activities as: housing for low-income families; facilities for the abatement of air and water pollution; schools; hospitals; transit systems; open-space land; water and sewer facilities; neighborhood recreation centers; parks; housing relocation programs; adult education and manpower training services; day-care centers for underprivileged children; special education programs such as consumer and domestic science classes; incentive pay to teachers of problem students; better trash collections and better garbage disposal; street cleaning; more and better street lighting; the elimination of rats; programs for applying advanced technology to the construction of city buildings; revised and modernized housing and building codes and zoning laws to assure proper city development.

In many demonstrations, financial assistance for such projects and activities will be available under existing Federal grant-in-aid programs. Hospitals, for example, receive assistance under the Hill-Burton program; transportation facilities under Mass Transportation Act of 1964; and manpower training programs under the Manpower and Development Training Act of 1962. The supplemental grant made available under the Demonstration Cities Act will ease the city's financial burden in meeting its local share of such programs. In cases where projects and activities involved in demonstration programs are not assisted under existing Federal programs—for example, a program for neighborhood health and social centers—the supplemental grant available under the act will help to finance the carrying out of such projects and activities.

The supplemental grant will be for an amount up to 80 percent of the aggregate amount of the non-Federal contributions required to support the projects or activities assisted by the Federal grant-in-aid programs which are undertaken in connection with such demonstration programs.

EXAMPLE

A comprehensive city demonstration program may involve, for example, 10 distinct projects or activities. A number of these may be financed under existing Federal grant-in-aid programs. Thus, there may be included in the comprehensive city demonstration program an urban renewal project, a Hill-Burton hospital, a federally assisted school construction program, and a public housing project. Each of these is supported in part by a Federal grant under the various Acts establishing the program, and in part by a State, local, or private matching. The proportion of the local share of the total cost varies among the programs. Urban renewal, for example, is two-thirds Federal; one-third local.

If the required aggregate non-Federal contributions to these Federal grant-in-aid projects amount to $5 million, the Secretary of Housing and Urban Development will make a grant to the city of 80 percent of that amount, or $4 million. The city would then be free to use the $4 million grant under the Demonstration Cities Act both to: First, to provide part of its required local share of projects funded under the existing Federal grant-in-aid programs; and second, provide funds to carry out the other, nonfederally assisted projects or activities undertaken as part of the demonstration programs.

MUST MAINTAIN EFFORT

Of course, we have to be certain that this additional assistance to cities is not used simply to replace local funds already being used by cities to rebuild and to provide community facilities and services. Accordingly, it is required, as a condition to receiving assistance for administering the comprehensive demonstration program, that the city not reduce, during the period an approved program is carried out, its prior level of expenditures for projects or activities similar to those being assisted under the demonstration program.

Fundamentally, the city demonstrations bill asks cities to do much more even than the full scale use of Federal grant assistance.

It calls on the cities to act, in conjunction with their demonstration programs, to develop entirely new techniques of rebuilding and restoring slum and blighted areas.

NEW TECHNIQUES

In determining whether a city demonstration program which meets the criteria I have outlined may be approved, the Secretary of Housing and Urban Development also will consider the extent and nature of purely local actions which encourage more rational urban development. The bill requires that the Secretary, in implementing the demonstration program, shall:

First. Emphasize local initiative in the planning, development, and implementation of comprehensive city demonstration programs;

Second. Insure, in conjunction with other appropriate Federal departments and agencies and at the direction of the President, maximum coordination of Federal assistance provided in connection with this title, prompt response to local initiative, and maximum flexibility in programing, consistent with the requirements of law and sound administrative practice; and

Third. Encourage city demonstration agencies to enhance neighborhoods by applying a high standard of design, maintain, as appropriate, natural and historic sites and distinctive neighborhood characteristics, and make maximum possible use of new and improved technology and design, including cost reduction techniques.

NOT A SUBSTITUTE FOR URBAN RENEWAL

Mr. President, I wish to emphasize that the demonstration cities program is not a substitute for urban renewal, nor is it intended to siphon off to the cities which participate in this program the existing grant authorization for urban renewal. To help clarify this intent, the subcommittee adopted my "in addition to urban renewal" motion to amend the declaration of purpose in section 101 so that it now reads:

The Congress further finds and declares * * * that Federal assistance in addi-

tion to that now authorized by the urban renewal program and other existing Federal grant-in-aid programs is essential.

In most communities, the urban renewal program will be the major existing program included in the demonstration cities programs. To protect those cities which do not participate under demonstration cities, the committee bill also authorizes $250 million in new urban renewal grant funds which will be available after July 1, 1967, for urban renewal projects which are identified and scheduled to be carried out as one of the projects or activities included within approved city demonstration programs.

The demonstration cities program asks an added effort. It does not encourage simply an acceleration of urban renewal, any more than it intends a diversion of funds from some cities to other cities under existing grant programs.

WE ASK A MAJOR COMMITMENT TO SOCIAL JUSTICE

These commitments which we ask of our cities should not be taken lightly. Cities will not find them easy to fulfill. They represent, in fact, an enormous demand upon local talent, leadership, and resources. But nothing less will do. What we sometimes casually refer to as the problems of cities are no less than the facts of our society. There is no longer room to escape from or to bury the conditions of city life. The health of our cities is the health of us all. The plight of the poor in our cities restricts for all Americans—in our consciences and in our daily lives—the promises of life, liberty and happiness. We can make our cities fit for people, and I believe that the demonstration cities bill will permit us to demonstrate that the job which must be done can be done.

Mr. PELL. Mr. President, I wish to express my strong support for the demonstration cities legislation now before the Senate, and to express my hope, also, that this very sensible bill will pass the Senate in substantially unchanged form.

We have been hearing a great deal in recent days about what is wrong with our Federal assistance programs for cities. The Senator from Connecticut and others have focused on many aspects of these programs which have not always improved the quality of urban life in the ways that were expected or intended.

My own State of Rhode Island, which is among the most urbanized of all, knows all too unhappily how some of these federally supported programs can fall short of the mark. We have had our share of urban renewal projects that displaced hundreds of people and transplanted them into settings that were not much better than the area being rebuilt. And Providence, like so many other cities across the land on this long, hot summer, has reaped its share of the inevitable fruits of such action.

As poorly conceived as some of our programs may now appear to be, and as distressing as some of the public results have been, I am very pleased to note that some of the sternest critics during the past few days have placed great hope in the bill which is now before us. It seems to me that the demonstration cities program does, in fact, hold the key to a more orderly resolution of the urban dilemma.

The chief merit of the bill, as I see it, is the emphasis and incentives which it provides for coordinated action. It not only seeks to relate various Federal programs one to another, but also seeks to program them in a systematic way so that housing, jobs, education, recreation, and health facilities will come together in the way they should to provide a proper community environment.

I have become more and more convinced of the need for such rational coordination in recent years as I have dug deeper and deeper into the problems of public transportation. I am convinced more than ever of the need for swift, efficient ground transportation between urban centers in such areas as the northeast seaboard, and I am watching with interest the progress of the $90 million program authorized last year by the High Speed Ground Transportation Act. I am increasingly impressed, also, with the way in which the total human environment must be considered when one element alone is changed. Innovations in transportation affect economic development, land use, population distribution, water supply, air pollution, the demand for recreation facilities and a host of other matters.

And so it is with the internal workings of our cities. We must be concerned with the total human environment, and we cannot afford the unbalance caused by uncoordinated action. I have been particularly impressed, in this regard, by the writings, and thinking of Constantinos Doxiadis, the brilliant Greek city planner, who has been concerned with this very problem of uncoordinated public action. Speaking on a recent "Meet the Press" program, Dr. Doxiadis described the problem in these words:

> Every one of the people who are concerned with the city speaks about one aspect, usually: economic, social, political or administrative, technological, or cultural or esthetic. And this is a great danger because we speak of one aspect of a very complicated problem.

To meet the danger, Dr. Doxiadis has established a new scientific discipline, the science of human settlements, which he calls "ekistics." It brings together such traditional disciplines as geography, economics, sociology, and architecture into a coherent, scientific effort to shape the environment in human terms.

There are thus striking similarities between Dr. Doxiadis' thinking and the legislation before us today. Both are concerned with intelligent coordination and both emphasize that human needs should be the ultimate objective of our efforts to change the urban environment. We can reflect usefully, I believe on this emphasis on human needs as one of the essential differences between planning and social action in a free society and that of a controlled, communistic society where the human element must so often yield to economic determinants. The bill before us would do much to allow for the human element in our urban programs. It is a big step in the right direction, and I am glad to support it.

Mr. McINTYRE. Mr. President, when the administration first sent up its proposal for a new demonstration cities program for our Nation, I read through the language of the original bill and was, quite frankly, shocked.

My astonishment was not with the nature of the original demonstration cities proposal, nor with its goals. The goal of helping to restore the municipalities of our Nation, small towns as well as big cities, to their rightful place as viable communities, is shared by all Americans.

We all join in agreement with our President when he described the problems of our cities—the slums, the crime rates, the lack of basic facilities—as our "biggest domestic problem."

My astonishment, and dismay, was rather with the staggering costs projected for the demonstration cities program. The administration bill was open ended; no limit was placed on the amounts which could be spent. Stories were going around that this program could cost $5 billion, $10 billion. Cries were heard for expenditures in the near future of over $20 billion.

I, for one, did not, and do not now, believe that our Federal Government, faced with the continuing costs of Vietnam, faced with constantly rising demand in the economy, could properly spend that much of our taxpayers' money on such domestic needs, even though these needs were legitimate and had some priority, until we had ended our heavy military expenditures in Vietnam by defeating the forces of the Vietcong.

Mr. President, when this bill came before the Subcommittee on Housing, we acted properly to change its form into a more moderate, responsible approach to the problems of our towns and cities. Under the leadership of the distinguished Senator from Maine [Mr. MUSKIE], the committee made the operating provisions of the bill more precise, more responsibly tailored to the most urgent needs of the cities, and generally more moderate in its approach.

As for the open-ended price, the subcommittee quickly moved to put a brake on the maximum spending on this program. Our Republican colleagues moved that the total operating funds in the bill be limited to a total of $2.3 billion. I personally felt that this figure was far, far too high, considering our other priority needs, the state of the Treasury, and the possibility of mounting costs in Vietnam.

I moved in subcommittee that the total operating price tag be reduced by an additional $1.4 billion to its present $900 million. While this still represents a large sum, I believe that it represents a reasonable and moderate compromise with those who were in favor of spending untold billions of dollars at this point in our history. Thus I support the bill in its present form.

I would like to add a few words about one specific portion of this bill in which I take a great deal of pride of authorship. I refer to title III of the bill as reported, which provides for urban information centers and other technical assistance functions.

Title III had its genesis in a problem faced by many communities in New Hampshire and across the country, especially small cities and small towns. This is the problem of technical expertise in the process of applying for Federal programs, and knowledge of the various programs which exist to provide a working partnership between the Federal Government and local communities for the benefit of the communities.

Many communities in New Hampshire have applied for participation in Federal programs, only to be turned down—not because the application was not meritorious—but rather because the community had failed to comply with the detailed requirements of that particular program, or because the program applied for was not as appropriate as others might have been. My office receives calls almost daily from selectmen and city councilmen whose communities, faced with a need for heavy spending for basic facilities, are interested in Federal assistance but are unaware of the particular Federal agencies or the specific requirements involved in participation in these projects.

This problem is not the fault of the communities involved. It is rather the expected result of the enormous proliferation of Federal agencies administering programs of Federal-community self-help and financial assistance. This is a problem which has engaged the attention of the Senate Subcommittee on Intergovernmental Relations for some time.

What title III of this bill attempts to do is to provide for the establishment of urban information and technical assistance centers to help communities to assess and qualify for the many opportunities—Federal, State and private—to meet their own needs.

There are two particular points which should be made about title III.

The first is that the staffing of the centers established by this title will be by non-Federal employees. Thus, although the Federal Government will provide part of the funds for the centers, the staff members will be local employees, responsible to the State governments or the municipal governments for whom the centers are established.

Thus we hope to avoid the problems which have arisen in the past when Federal employees, in agency regional offices, have been unwilling or unable to cooperate fully with the local official with whom they work. This is a provision which will place the control over information and technical assistance right where it belongs, in the hands of local government.

The second point involves the type of technical assistance to be rendered by the centers. It was our belief that big cities are perfectly able to afford the staff people who have the know-how and ability to qualify their municipal employers for Federal programs. There is no need in having the Federal Government pay part of the salary of a New York City official whose job involves applying for Federal funds.

In the small cities and towns, however, this need for "know-how" does exist. Small town budgets cannot afford the cost, and small town officials cannot afford the time, to become expert in all Federal and other financial programs and methods of qualification.

Under title III, therefore, we have distinguished the types of activities which urban information centers can perform according to the size of the communities which they serve. In the big cities, urban information centers will be restricted, in general, to the collection of urban data, not otherwise routinely available.

In the small towns, and for the urban information centers covering collections of small towns which will be run by the States, the urban information centers will provide technical assistance. This means that, in the State of New Hampshire, for example, the State government will be able to establish a center using these Federal funds which can be staffed with knowledgeable people able to sit down with town selectmen and explain the disadvantages and advantages of available Federal and other programs and actually assist the towns in preparing their applications.

I believe that title III of this bill will prove to be of meaningful help to every small town and small city in America. Its inclusion in the demonstration cities bill changes the character of the bill from one directed basically at big cities to one offering help to all sizes of communities. I urge my colleagues to support the passage of this bill.

Mr. NELSON. Mr. President, I offer my full support to the demonstration cities program. The situation in our cities has become a crisis. Seven million urban families live in deteriorated houses, in blighted areas lacking decent schools, recreation areas, and shopping facilities. Our cities suffer from congestion, poor planning, and lack of adequate public transportation. The crime rate is rising sharply.

The brunt of these conditions is borne by those who have limited power to change the situation—by Negroes and other minority groups living in the inner cities of our major metropolitan areas. The 1960 census revealed that 80 percent of American Negroes were crowded into the central cities. In the worst areas of the cities the unemployment rate for Negroes between the ages of 24 and 44 is 8.7 percent, while the national rate of unemployment has been lowered from 4.1 percent last December to a current 3.9 percent.

Economic decline is plaguing our cities. Tax revenues are falling, businesses are moving out of the cities, and this only compounds the tragedy of hard-core unemployment.

The future is not bright. The frustrations born of despair have led to riots and violence. We must act and act now.

By 1975 we will need schools for an additional 10 million children.

We will need an additional 2 million homes a year.

We will need transportation systems to move 200 million people and 80 million automobiles per day.

Most important, we will have to create 14.6 million new jobs.

These crucial problems are the critical areas upon which we must focus our domestic attention in the years to come. No panacea can be produced to solve the problems overnight.

Passage of the demonstration cities program will be an important first step. The program will employ joint Federal and local action to restore and rebuild neighborhoods in the worst of the slums.

Cities are involved in a maze of Federal programs. While current programs are aimed at alleviating particular conditions in a slum neighborhood, no program exists to replan and rebuild the entire areas.

The demonstration cities program will authorize the Department of Housing and Urban Development to plan for the restoration of such areas. Supplemental grants for communities will also be available.

The $12 million authorization for fiscal years 1967 and 1968 and the supplementals of $400 million for 1968 and $500 million for 1969 are worthwhile investments. We shall have to be prepared to exceed these amounts if we are to avert the disasters in store for our cities.

There is a tendency to think of the problems of our cities as being limited to huge metropolitan areas, such as New York, or to think of them as a problem which should concern only specialized groups, such as civil rights leaders, or elected city officials.

This is not correct. The problem of the cities is a problem for all of America. The crisis of the cities is a nationwide crisis.

The people in our State—known as a beautiful land of green forests, rolling farms, and sparkling blue lakes—are becoming more and more concentrated into a relatively small urbanized area. About three-fourths of our 4 million residents are now concentrated in the southeastern corner of the State—in cities such as Milwaukee, Madison, Racine, Kenosha, Waukesha, Fond du Lac, and Sheboygan.

Within many of these cities, gigantic problems are building up. The inner cores are becoming old and dilapidated. Higher income families are moving to the suburbs—which also have their problems—and these deteriorating centers of our cities are left largely to lower income families. This is creating serious social and economic problems.

Most of these cities face serious problems with their traffic, schools, streets, water and sewer services, housing, and law enforcement.

The overriding problem, of course, is financial. At this moment of crisis, the cities of Wisconsin find themselves almost powerless to help themselves because their principal source of revenue is a severely overburdened and inequitable property tax.

I wonder if we realize how we have starved the cities for tax revenue. In 1930, local government in Wisconsin received about 56 percent of all taxes collected, including Federal. It now receives only 16 percent.

Property taxes are steadily increasing, further aggravating the flight to the suburbs.

In 1961 in Wisconsin we enacted a property tax relief program which reduced property taxes by 11 percent statewide. But by 1965, the full effect of this tax relief program had been wiped out by tax rate increases.

The cities of Wisconsin estimate that there will be a $150 million a year gap between their revenues and their expenses by the early 1970's—even though their bonded indebtedness has increased 250 percent in the past decade.

Obviously, this is a crisis of tremendous proportions.

A bold, imaginative Federal program is needed to help these cities find the way out of their problems.

There is no guarantee that the demonstration cities program will become an overnight success. The road ahead is a difficult one. But the issue cannot be dodged or avoided any longer. We have no choice but to act. I am certain that the Congress will meet its responsibility and pass this vital legislation as an important step forward in coming to grips with the crisis in our cities.

METROPOLITAN PLANNING NEEDED

Mr. YARBOROUGH. Mr. President, the Committee on Banking and Currency has reported favorably S. 3708, the Demonstration Cities and Metropolitan Development Act of 1966. This legislation recognizes the problems of metropolitan growth and takes initiative in meeting present and future urban needs.

Title I of this bill, the comprehensive city demonstration programs, is similar to S. 2842 which I was privileged to cosponsor earlier this session. Titles II and III provide for planned metropolitan development and urban information services. This legislation is timely and well suited to meet the growing problems of urban areas.

More than two-thirds of the population of the United States live in metropolitan areas. Most cities are ridden with slums and blighted areas in which the underprivileged and poor tend to concentrate. Over 7 million homes in urban areas are run down or deteriorated. Crime and disease are prevalent. A coordinated Federal-local effort is necessary to combat these potentially explosive areas.

The demonstration cities approach is designed not merely to accelerate urban renewal projects but to place in better balance existing social and physical renewal programs aimed at meeting the needs of people living in slum and blighted areas. S. 3708 emphasizes local initiative and responses to local problems. The success of the program rests on the ability of local people to assess their own most pressing problems and devise their own solutions. All cities will benefit by the example of the demonstration cities program. The solutions devised to typical urban problems will be applicable throughout the country.

Title I of S. 3708 authorizes the Secretary of Housing and Urban Development to make grants and provide technical assistance to enable city demonstration agencies to plan, develop, and carry out comprehensive city demonstration programs. To qualify for assistance under title I, a city must be ready to mount a creative, responsible attack against major urban problems. Its physical and social problems must be suitable for a comprehensive city demonstration program which will have a substantial impact upon the blighted area. Title I would authorize appropriations not to exceed $12 million for planning comprehensive programs for the fiscal year ending June 30, 1967, and the same amount for fiscal year ending June 30, 1968. To provide supplemental grants needed to carry out the comprehensive demonstration programs, planned by the cities, the bill authorizes an appropriation not to exceed $400 million for fiscal year ending June 30, 1968, and not to exceed $500 million for the fiscal year ending June 30, 1969.

Title II provides for planned metropolitan development, strengthening Federal policy in four ways. It authorizes and encourages cooperation between Federal departments and agencies with respect to programs affecting metropolitan development. To provide information and assistance concerning programs of the Department of Housing and Urban Development the bill authorizes the appointment of metropolitan expediters. It requires review and comment on applications for Federal assistance by areawide comprehensive planning agencies and provides additional incentive, through supplemental grants for federally assisted development activities. The title would authorize grant appropriations of up to $25 million for fiscal year 1967 and $50 million for fiscal year 1968. These authorizations would remain available until appropriated, and amounts appropriated would remain available until expended. The proposed new program under title II would encourage coordination of local planning and Federal assistance.

Under title III of S. 3807, urban information and technical assistance services are established. Centers will be created to make available information and data on urban needs and to provide technical assistance to small communities with respect to solution of urban problems. The knowledge gained through the demonstration cities can thus be shared with communities throughout the country.

S. 3807 is a forward-looking bill which endeavors to control the problems of metropolitan growth and make our cities well-balanced with a full range of services and opportunities. City dwellers deserve decent homes and pleasant communities. I support this legislation and urge its immediate passage.

Mr. YOUNG of Ohio. Mr. President, the Demonstration Cities and Metropolitan Development Act of 1966 is among the most important legislative proposals on which the Senate will act this year. Major causes for recent rioting and mob disorder in Cleveland, Ohio, and in other great cities of the Nation were indignities of ghetto life—the pent-up frustrations, unemployment, and the hopelessness of many persons living in crowded and neglected city slums.

We, in the Congress, as well as city and State officials and community leaders must bear some blame for our failure and delay in providing adequate housing and in removing intolerable conditions in urban areas of this Nation.

There are more than 7 million homes in our cities that are substandard—run down or deteriorating. More than 3 million do not have adequate plumbing or hot and cold running water. The central section of many of our cities are virtually decaying.

More and more it is the old, the poor and the underprivileged who are concentrated in these blighted areas where crime, delinquency, poverty, and disease flourish. While the need for municipal services grows, the cities' ability to provide these services is hampered by the very blight that creates the demand.

It seems clear that the elimination of slum misery requires new programs. Cities, no matter how well they have been managed in recent years, are destitute of necessary finances. Therefore, the Federal Government must step in without delay and give hope to the hitherto hopeless and provide decent homes for those thousands who have been living in the midst of filth, stench, overcrowded in dark, ugly, and dirty tenements. We Senators would do well to stop, look, and listen before appropriating additional billions of dollars for foreign aid to so-called underdeveloped countries. Very likely, one-third of the billions of dollars spent for foreign aid since the end of World War II has been squandered or stolen by officials of countries we desired to aid. Unfortunately, some has been squandered by our own AID officials. If only 10 percent of our foreign aid appropriations from 1953 to 1966 had been eliminated and spent in our country to do away with city slums and ghettos and to aid high school dropouts and provide employment, recent rioting in city slums would not have occurred because the worst slums would have been eliminated. We should emphasize for our good Uncle Sam what is written in that book of all books, "Physician, heal thyself."

One of the first steps we in the Congress can take toward coping with the problems of our cities is to approve the demonstration cities bill. President Johnson has attached to this legislative proposal the rank of "first domestic priority." This is rightfully so for this legislation is directed at relieving and solving one of the most profound internal problems with which our country has had to wrestle since the days of the great depression.

Our cities, blighted at their centers and ringed by an unplanned growth of suburbs, are beset by problems which are completely beyond their ability to solve alone. Between 1954 and 1963 their tax revenues increased by 43 percent and local government indebtedness increased by 119 percent. With limited sources of revenue the cities have waged a heroic battle against problems which are overwhelming them. They must have help.

We in the Congress have created almost 200 different programs of urban assistance and development for one or another special area of need. Although present programs have produced solid benefits, we have learned that piecemeal attacks, no matter how numerous and

no matter how sound are simply inadequate to the total need. The demonstration cities bill recognizes that fact and provides a means by which our cities can assess their total problem and then choose from the wide range of existing urban assistance programs those ingredients which they determine are needed to answer it.

This is no Federal master plan. Decisions will be made at the local level by local officials who know and understand their own local problems.

The bill provides our cities with a trigger in the form of supplemental grants, which will enable them to do their planning on the scale and at the depth necessary to comprehend and attack the whole problem. Upon qualification for participation, a demonstration city would then draw from programs already in existence and already funded the assistance needed to put their programs into operation.

Mr. President, my home city of Cleveland, Ohio, is a prime example of the need for intensive and effective local-Federal action. Obviously one of the causes of the recent rioting in Cleveland was the terribly inadequate and long-neglected housing condition throughout the Hough Avenue area. The neglect of that entire area is inexcusable.

I deplore the violence which exploded throughout Cleveland. However, I am thoroughly convinced that much more of the same is to come unless strong corrective measures are taken.

Not long ago, Secretary Weaver of the Department of Housing and Urban Development and Mayor Locher of Cleveland took emergency steps to speed up urban renewal in Cleveland as a means for relieving the pressures of violence.

Among the measures taken were immediate action to speed up urban renewal programs, provisions for the construction of recreation areas, stepped-up trash collections, an approach to providing social and welfare services for residents in the University-Euclid urban renewal project, the correction of housing code deficiencies, and maximum utilization of existing housing in the area as a public housing resource. This emergency effort plainly shows what can be done on a much broader scale, under the demonstration cities proposal.

It is clear that the elimination of slum misery will require new programs and much money. Mr. President, the $900 million in this bill for the first 2 years is a pledge by the Congress to stamp out slums. We as legislators must act with determination in providing the wherewithal to rub out conditions in slum neighborhoods which give rise to the ugly rioting which has racked our cities over this summer. We must be determined in this task. The handwriting is clearly written on the battered walls of Cleveland, Chicago, and other great cities of our Nation.

The PRESIDING OFFICER. The bill is open to further amendment.

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

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

The bill was read the third time.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. TOWER. 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. TOWER. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. TOWER. Mr. President, I yield back my time on the bill.

Mr. MUSKIE. I yield back my time on the bill.

The PRESIDING OFFICER. All time on the bill has been yielded back.

The question is on the passage of the bill. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. INOUYE. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from Maryland [Mr. BREWSTER], the Senator from North Dakota [Mr. BURDICK], the Senator from Mississippi [Mr. EASTLAND], the Senator from Indiana [Mr. HARTKE], the Senator from Arizona [Mr. HAYDEN], the Senator from Alabama [Mr. HILL], the Senator from Louisiana [Mr. LONG], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mrs. NEUBERGER], the Senator from West Virginia [Mr. RANDOLPH], the Senator from Georgia [Mr. RUSSELL], the Senator from Florida [Mr. SMATHERS], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Georgia [Mr. TALMADGE] are necessarily absent.

I also announce that the Senator from Tennessee [Mr. BASS], the Senator from Arkansas [Mr. FULBRIGHT], and the Senator from Washington [Mr. MAGNUSON] are absent on official business.

I further announce that, if present and voting, the Senator from Alaska [Mr. BARTLETT], the Senator from North Dakota [Mr. BURDICK[, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Indiana [Mr. HARTKE], the Senator from Louisiana [Mr. LONG], the Senator from Wyoming [Mr. MCGEE], the Senator from Oregon [Mrs. NEUBERGER], and the Senator from Florida [Mr. SMATHERS] would each vote "yea."

On this vote, the Senator from Maryland [Mr. BREWSTER] is paired with the Senator from Georgia [Mr. TALMADGE]. If present and voting, the Senator from Maryland would vote "yea" and the Senator from Georgia would vote "nay."

On this vote, the Senator from Mississippi [Mr. EASTLAND] is paired with the Senator from Washington [Mr. MAGNUSON]. If present and voting, the Senator from Mississippi would vote "nay" and the Senator from Washington would vote "yea."

On this vote, the Senator from West Virginia [Mr. RANDOLPH] is paired with the Senator from Georgia [Mr. RUSSELL]. If present and voting, the Senator from West Virginia would vote "yea" and the Senator from Georgia would vote "nay."

On this vote, the Senator from Tennessee [Mr. BASS] is paired with the Senator from Alabama [Mr. SPARKMAN]. If present and voting, the Senator from Tennessee would vote "yea" and the Senator from Alabama would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT] and the Senator from California [Mr. MURPHY] are absent because of illness.

The Senator from Michigan [Mr. GRIFFIN], the Senator from Iowa [Mr. MILLER], the Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from California [Mr. MURPHY], and the Senator from Massachusetts [Mr. SALTONSTALL] would each vote "nay."

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

On this vote, the Senator from Michigan [Mr. GRIFFIN] is paired with the Senator from Iowa [Mr. MILLER]. If present and voting, the Senator from Michigan would vote "yea" and the Senator from Iowa would vote "nay."

The result was announced—yeas 53, nays 22, as follows:

[No. 217 Leg.]

YEAS—53

Aiken	Harris	Morton
Allott	Hart	Moss
Anderson	Inouye	Muskie
Bayh	Jackson	Nelson
Bible	Javits	Pastore
Boggs	Kennedy, Mass.	Pearson
Cannon	Kennedy, N.Y.	Pell
Carlson	Kuchel	Prouty
Case	Lausche	Proxmire
Church	Long, Mo.	Ribicoff
Clark	Mansfield	Smith
Cooper	McGovern	Symington
Dodd	McIntyre	Tydings
Douglas	Metcalf	Williams, N.J.
Ellender	Mondale	Yarborough
Fong	Monroney	Young, N. Dak.
Gore	Montoya	Young, Ohio
Gruening	Morse	

NAYS—22

Byrd, Va.	Hickenlooper	Russell, S.C.
Byrd, W. Va.	Holland	Simpson
Cotton	Hruska	Stennis
Curtis	Jordan, N.C.	Thurmond
Dirksen	Jordan, Idaho	Tower
Dominick	McClellan	Williams, Del.
Ervin	Mundt	
Fannin	Robertson	

NOT VOTING—25

Bartlett	Hayden	Randolph
Bass	Hill	Russell, Ga.
Bennett	Long, La.	Saltonstall
Brewster	Magnuson	Scott
Burdick	McCarthy	Smathers
Eastland	McGee	Sparkman
Fulbright	Miller	Talmadge
Griffin	Murphy	
Hartke	Neuberger	

So the bill (S. 3708) was passed, as follows:

S. 3708

An act to assist comprehensive city demonstration programs for rebuilding slum and blighted areas and for providing the public facilities and services necessary to improve the general welfare of the people who live in those areas, to assist and encourage planned metropolitan development, and for other purposes.

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

may be cited as the "Demonstration Cities and Metropolitan Development Act of 1966".

TITLE I—COMPREHENSIVE CITY DEMONSTRATION PROGRAMS

Findings and declaration of purpose

SEC. 101. The Congress hereby finds and declares that improving the quality of urban life is the most critical domestic problem facing the United States. The persistence of widespread urban slums and blight, the concentration of persons of low income in older urban areas, and the unmet needs for additional housing and community facilities and services arising from rapid expansion of our urban population have resulted in a marked deterioration in the quality of the environment and the lives of large numbers of our people while the Nation as a whole prospers.

The Congress further finds and declares that cities, of all sizes, do not have adequate resources to deal effectively with the critical problems facing them, and that Federal assistance in addition to that now authorized by the urban renewal program and other existing Federal grant-in-aid programs is essential to enable cities to plan, develop, and conduct programs to improve their physical environment, increase their supply of adequate housing for low- and moderate-income people, and provide educational and social services vital to health and welfare.

The purposes of this title are to provide additional financial and technical assistance to enable cities of all sizes (with equal regard to the problems of small as well as large cities) to plan, develop, and carry out locally prepared and scheduled comprehensive city demonstration programs containing new and imaginative proposals to rebuild or revitalize large slum and blighted areas; to expand housing, job, and income opportunities; to reduce dependence on welfare payments; to improve educational facilities and programs; to combat disease and ill health; to reduce the incidence of crime and delinquency; to enhance recreational and cultural opportunities; to establish better access between homes and jobs; and generally to improve living conditions for the people who live in such areas, and to accomplish these objectives through the most effective and economical concentration and coordination of Federal, State, and local public and private efforts to improve the quality of urban life.

Basic authority

SEC. 102. The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to make grants to provide technical assistance, as provided by this title, to enable city demonstration agencies (as defined in section 112(2)) to plan, develop, and carry out comprehensive city demonstration programs in accordance with the purposes of this title.

Eligibility for assistance

SEC. 103. (a) A comprehensive city demonstration program is eligible for assistance under sections 105 and 107 only if—

(1) physical and social problems in the area of the city covered by the program are such that a comprehensive city demonstration program is necessary to carry out the policy of the Congress as expressed in section 101;

(2) the program is of sufficient magnitude to make a substantial impact on the physical and social problems and to remove or arrest blight and decay in entire sections or neighborhoods; to contribute to the sound development of the entire city; to make marked progress in reducing social and educational disadvantages, ill health, underemployment, and enforced idleness; and to provide educational, health, and social services necessary to serve the poor and disadvantaged in the area, widespread citizen participation in the program, maximum opportunities for employing residents of the area in all phases of the program, and enlarged opportunities for work and training;

(3) the program, including rebuilding or restoration, will contribute to a well-balanced city with a substantial increase in the supply of standard housing of low and moderate cost, maximum opportunities in the choice of housing accommodations for all citizens of all income levels, adequate public facilities (including those needed for education, health and social services, transportation and recreation), commercial facilities adequate to serve the residential areas, and ease of access between the residential areas and centers of employment;

(4) the various projects and activities to be undertaken in connection with such programs are scheduled to be initiated within a reasonably short period of time; adequate local resources are, or will be, available for the completion of the program as scheduled, and, in the carrying out of the program, the fullest utilization possible will be made of private initiative and enterprise; administrative machinery is available at the local level for carrying out the program on a consolidated and coordinated basis; substantive local laws, regulations, and other requirements are, or can be expected to be, consistent with the objectives of the program; there exists a relocation plan meeting the requirements of the regulations referred to in section 107; the local governing body has approved the program and, where appropriate, applications for assistance under the program; agencies whose cooperation is necessary to the success of the program have indicated their intent to furnish such cooperation; the program is consistent with comprehensive planning in the entire urban or metropolitan area; and the locality will maintain, during the period an approved comprehensive city demonstration program is being carried out, a level of aggregate expenditures for activities similar to those being assisted under this title which is not less than the level of aggregate expenditures for such activities prior to initiation of the comprehensive city demonstration program; and

(5) the program meets such additional requirements as the Secretary may establish to carry out the purposes of this title.

(b) In implementing this title the Secretary shall—

(1) emphasize local initiative in the planning, development, and implementation of comprehensive city demonstration programs;

(2) insure, in conjunction with other appropriate Federal departments and agencies and at the direction of the President, maximum coordination of Federal assistance provided in connection with this title, prompt response to local initiative, and maximum flexibility in programing, consistent with the requirements of law and sound administrative practice; and

(3) encourage city demonstration agencies to (A) enhance neighborhoods by applying a high standard of design, (B) maintain, as appropriate, natural and historic sites and distinctive neighborhood characteristics, and (C) make maximum possible use of new and improved technology and design, including cost reduction techniques.

Financial assistance for planning comprehensive city demonstration programs

SEC. 104. (a) The Secretary is authorized to make grants to, and to contract with, city demonstration agencies to pay 80 per centum of the costs of planning and developing comprehensive city demonstration programs.

(b) Financial assistance will be provided under this section only if (1) the application for such assistance has been approved by the local governing body of the city, and (2) the Secretary has determined that there exist (A) administrative machinery through which coordination of all related planning activities of local agencies can be achieved, and (B) evidence that necessary cooperation of agencies engaged in related local planning can be obtained.

Financial assistance for approved comprehensive city demonstration programs

SEC. 105. (a) The Secretary is authorized to approve comprehensive city demonstration programs if, after review of the plans, he determines that such plans satisfy the criteria for such programs set forth in section 103.

(b) The Secretary is authorized to make grants to, and to contract with, city demonstration agencies to pay 80 per centum of the cost of administering approved comprehensive city demonstration programs, but not the cost of administering any project or activity assisted under a Federal grant-in-aid program.

(c) To assist the city to carry out the projects or activities included within an approved comprehensive city demonstration program, the Secretary is authorized to make grants to the city demonstration agency of not to exced 80 per centum of the aggregate amount of non-Federal contributions otherwise required to be made to all projects or activities assisted by Federal grant-in-aid programs (as defined in section 112(1)) which are carried out in connection with such demonstration program: *Provided*, That no Federal grant-in-aid program shall be considered to be carried out in connection with such demonstration program unless it is closely related to the physical and social problems in the area of the city covered by the program and unless it can reasonably be expected to have a noticeable effect upon such problems. The specific amount of any such grant shall take into account the number and intensity of the economic and social pressures in the sections or neighborhoods involved, such as those involving or resulting from population density, poverty levels, unemployment rate, public welfare participation, educational levels, health and disease characteristics, crime and delinquency rate, and degree of substandard and dilapidated housing. The amount of non-Federal contribution required for each project in a Federal grant-in-aid program shall be certified to the Secretary by the Federal department or agency (other than the Department of Housing and Urban Development) administering such program, and the Secretary shall accept such certification in computing the grants hereunder.

(d) Grant funds provided to assist projects and activities included within an approved comprehensive city demonstration program pursuant to subsection (c) of this section shall be made available to assist new and additional projects and activities not assisted under a Federal grant-in-aid program. To the extent such funds are not necessary to support fully such new and additional projects and activities, they may be used and credited as part or all of the required non-Federal contribution to projects or activities, assisted under a Federal grant-in-aid program, which are part of an approved comprehensive city demonstration program. Such grant funds, however, shall not be used—

(1) for the general administration of local governments; or

(2) to replace non-Federal contributions in any federally aided project or activity included in an approved comprehensive city demonstration program, if prior to the filing of an application for assistance under section 104 an agreement has been entered into with any Federal agency obligating such non-Federal contributions with respect to such project or activity.

Technical assistance

SEC. 106. The Secretary is authorized to undertake such activities as he determines to be desirable to provide, either directly or by contracts or other arrangements, technical

assistance to city demonstration agencies to assist such agencies in planning, developing, and administering comprehensive city demonstration programs.

Relocation requirements and payments

SEC. 107. (a) A comprehensive city demonstration program shall include a plan for the relocation of individuals, families, business concerns, and nonprofit organizations displaced or to be displaced in the carrying out of such program. The relocation plan shall be consistent with regulations prescribed by the Secretary to assure that (1) the provisions and procedures included in the plan meet relocation standards equivalent to those prescribed under section 105(c) of the Housing Act of 1949 with respect to urban renewal projects assisted under title I of that Act, and (2) relocation activities are coordinated to the maximum extent feasible with the increase in the supply of decent, safe, and sanitary housing for families and individuals of low or moderate income, as provided under the comprehensive city demonstration program, or otherwise, in order to best maintain the available supply of housing for all such families and individuals throughout the city.

(b)(1) To the extent not otherwise authorized under any Federal law, financial assistance extended to a city demonstration agency under section 105 shall include grants to cover the full cost of relocation payments, as herein defined. Such grants shall be in addition to other financial assistance extended to such agency under section 105.

(2) The term "relocation payments" means payments by a city demonstration agency to a displaced individual, family, business concern, or nonprofit organization which are made on such terms and conditions and subject to such limitations (to the extent applicable, but not including the date of displacement) as are provided for relocation payments, at the time such payments are approved, by sections 114 (b), (c), (d), and (e) of the Housing Act of 1949 with respect to projects assisted under title I thereof.

(c) Subsection (b) shall not be applicable with respect to any displacement occurring prior to the date of the enactment of this Act.

Continued availability of Federal grant-in-aid programs

SEC. 108. Notwithstanding any other provision of law, unless hereafter enacted expressly in limitation of the provisions of this section, funds appropriated for a Federal grant-in-aid program which are reserved for any projects or activities assisted under such grant-in-aid program and undertaken in connection with an approved comprehensive city demonstration program shall remain available until expended.

Consultation

SEC. 109. In carrying out the provisions of this title, including the issuance of regulations, the Secretary shall consult with other Federal departments and agencies administering Federal grant-in-aid programs. The Secretary shall consult with each Federal department and agency affected by each comprehensive city demonstration program before entering into a commitment to make grants for such program under section 105.

Labor standards

SEC. 110. (a) All laborers and mechanics employed by contractors or subcontractors in the construction, rehabilitation, alteration, or repair of projects which—

(1) are federally assisted in whole or in part under this title and

(2) are not otherwise subject to section 212 of the National Housing Act, section 16(2) of the United States Housing Act of 1937, section 109 of the Housing Act of 1949, or any other provision of Federal law imposing labor standards on federally assisted construction,

shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5): *Provided*, That this section shall apply to the construction, rehabilitation, alteration, or repair of residential property only if such residential property is designed for residential use for eight or more families. No financial assistance shall be extended to any such projects unless adequate assurance is first obtained that these labor standards will be maintained upon the construction work.

(b) The Secretary of Labor shall have, with respect to labor standards specified in subsection (a), the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. 133z–15), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c), and the Contract Work Hours Standards Act (76 Stat. 357).

Appropriations

SEC. 111. (a) There are authorized to be appropriated, for the purpose of financial assistance and administrative expenses under section 104, not to exceed $12,000,000 for the fiscal year ending June 30, 1967, and not to exceed $12,000,000 for the fiscal year ending June 30, 1968.

(b) There are authorized to be appropriated, for the purpose of financial assistance and administrative expenses under sections 105, 106, and 107, not to exceed $400,000,000 for the fiscal year ending June 30, 1968, and not to exceed $500,000,000 for the fiscal year ending June 30, 1969.

(c) Appropriations authorized under this section shall remain available until expended.

Definitions

SEC. 112. As used in this title—

(1) "Federal grant-in-aid program" means a program of Federal financial assistance other than loans and other than the assistance provided by this title.

(2) "City demonstration agency" means the city, the county, or any local public agency established or designated by the local governing body of such city or county to administer the comprehensive city demonstration program.

(3) "City" means any municipality (or two or more municipalities acting jointly), or any county or other public body (or two or more acting jointly) having general governmental powers.

(4) "Local" agencies include State agencies and instrumentalities providing services or resources to a city or locality, and "local" resources include those provided to a city or locality by a State or its agency or instrumentality.

Grant authority for urban renewal projects which are part of approved comprehensive city demonstration programs

SEC. 113. Section 103(b) of the Housing Act of 1949 is amended by inserting after the first sentence of the following new sentence: "In addition to the authority to make grants provided in the first sentence of this subsection, the Secretary may contract to make grants under this title, on or after July 1, 1967, in an amount not to exceed $250,000,000: *Provided*, That the authority to contract to make grants provided by this sentence shall be exercised only with respect to an urban renewal project which is identified and scheduled to be carried out as one of the projects or activities included within an approved comprehensive city demonstration program assisted under the provisions of section 105(c) of the Demonstration Cities and Metropolitan Development Act of 1966".

State limitation

SEC. 114. Grants made under section 105 for projects in any one State shall not exceed in the aggregate 15 per centum of the aggregate amount of funds authorized to be appropriated under section 111.

TITLE II—PLANNED METROPOLITAN DEVELOPMENT

Findings and declaration of purpose

SEC. 201. (a) The Congress hereby finds that the welfare of the Nation and of its people is directly dependent upon the sound and orderly development and the effective organization and functioning of the metropolitan areas in which two-thirds of its people live and work.

It further finds that the continuing rapid growth of these areas makes it essential that they prepare, keep current, and carry out comprehensive plans and programs for their orderly physical development with a view to meeting efficiently all their economic and social needs.

It further finds that metropolitan areas are especially handicapped in this task by the complexity and scope of governmental services required in such rapidly growing areas, the multiplicity of political jurisdictions and agencies involved, and the inadequacy of the operational and administrative arrangements available for cooperation among them.

It further finds that present requirements for areawide planning and programing in connection with various Federal programs have materially assisted in the solution of metropolitan problems, but that greater coordination of Federal programs and additional participation and cooperation are needed from the States and localities in perfecting and carrying out such efforts.

(b) It is the purpose of this title to provide, through greater coordination of Federal programs and through supplementary grants for certain federally assisted development projects, additional encouragement and assistance to States and localities for making comprehensive metropolitan planning and programing effective.

Cooperation between Federal agencies

SEC. 202. In order to insure that all Federal programs related to metropolitan development are carried out in a coordinated manner—

(1) the Secretary is authorized to call upon other Federal agencies to supply such statistical data, program reports, and other materials as he deems necessary to discharge his responsibilities for metropolitan development, and to assist the President in coordinating the metropolitan development efforts of all Federal agencies; and

(2) all Federal agencies which are engaged in administering programs related to metropolitan development, or which otherwise perform functions relating thereto, shall, to the maximum extent practicable, consult with and seek advice from all other significantly affected Federal departments and agencies in an effort to assure fully coordinated programs.

Metropolitan expediters

SEC. 203. Upon the request of one or more duly authorized local officials and after consultation with local governmental authorities in a metropolitan area, the Secretary may appoint a metropolitan expediter for such area whenever he finds a need for the services specified in this section. The metropolitan expediter shall provide information, data, and assistance to local authorities and private individuals and entities within the metropolitan area, and to all relevant Federal departments and agencies, with respect to all programs and activities conducted within such metropolitan area by the Department of Housing and Urban Development, and with respect to other public and private activities and needs within such metropolitan area which relate to the programs and activities of the Department.

Coordination of Federal aids in metropolitan areas

SEC. 204. (a) All applications made after June 30, 1967, for Federal loans or grants to assist in carrying out open-space land projects or for the planning or construction of hospitals, airports, libraries, water supply and distribution facilities, sewerage facilities and waste treatment works, highways, transportation facilities, and water development and land conservation projects within any metropolitan area shall be submitted for review—

(1) to any areawide agency designated to perform metropolitan or regional planning for the area within which the assistance is to be used, and which is, to the greatest practicable extent, composed of or responsible to the elected officials of the units of general local government within whose jurisdiction such agency is authorized to engage in such planning, and

(2) if made by a special purpose unit of local government, to the unit or units of general local government with authority to operate in the area within which the project is to be located.

(b)(1) Except as provided in paragraph (2) of this subsection, each application shall be accompanied (A) by the comments and recommendations with respect to the project involved by the areawide agency and governing bodies of the units of general local government to which the application has been submitted for review, and (B) by a statement by the applicant that such comments and recommendations have been considered prior to formal submission of the application. Such comments shall include information concerning the extent to which the project is consistent with comprehensive planning developed or in the process of development for the metropolitan area or the unit of general local government, as the case may be, and the extent to which such project contributes to the fulfillment of such planning. The comments and recommendations and the statement referred to in this section shall, except in the case referred to in paragraph (2) of this subsection, be reviewed by the agency of the Federal Government to which such application is submitted for the sole purpose of assisting it in determining whether the application is in accordance with the provisions of Federal law which govern the making of the loans or grants.

(2) An application for a Federal loan or grant need not be accompanied by the comments and recommendations and the statements referred to in paragraph (1) of this subsection, if the applicant certifies that a plan or description of the project, meeting the requirements of such rules and regulations as may be prescribed under subsection (c), or such application, has lain before an appropriate areawide agency or instrumentality or unit of general local government for a period of sixty days without comments or recommendations thereon being made by such agency or instrumentality.

(3) The requirements of paragraphs (1) and (2) shall also apply to any amendment of the application which, in light of the purposes of this title, involves a major change in the project covered by the application prior to such amendment.

(c) The Bureau of the Budget, or such other agency as may be designated by the President, is hereby authorized to prescribe such rules and regulations as are deemed appropriate for the effective administration of this section.

Grants to assist in planned metropolitan development

SEC. 205. (a) The Secretary is authorized to make supplementary grants to applicant State and local public bodies and agencies carrying out, or assisting in carrying out, metropolitan development projects meeting the requirements of this section.

(b) Grants may be made under this section only for metropolitan development projects in metropolitan areas for which it has been demonstrated, to the satisfaction of the Secretary, that—

(1) metropolitanwide comprehensive planning and programing provide an adequate basis for evaluating (A) the location, financing, and scheduling of individual public facility projects (including, but not limited to hospitals and libraries; sewer, water, and sewage treatment facilities; highway, mass transit, airport, and other transportation facilities; and recreation and other open-space areas) whether or not federally assisted; and (B) other proposed land development or uses, which projects or uses, because of their size, density, type, or location, have public metropolitanwide or interjurisdictional significance;

(2) adequate metropolitanwide institutional or other arrangements exist for coordinating, on the basis of such metropolitanwide comprehensive planning and programing, local public policies and activities affecting the development of the area; and

(3) public facility projects and other land development or uses which have a major impact on the development of the area are, in fact, being carried out in accord with such metropolitanwide comprehensive planning and programing.

(c)(1) Where the applicant for a grant under this section is a unit of general local government, it must demonstrate to the satisfaction of the Secretary that, taking into consideration the scope of its authority and responsibilities it is adequately assuring that public facility projects and other land development or uses of public metropolitanwide or interjurisdictional significance are being, and will be, carried out in accord with metropolitan planning and programing meeting the requirements of subsection (b). In making this determination the Secretary shall give special consideration to whether the applicant is effectively assisting in, and conforming to, metropolitan planning and programing through (A) the location and scheduling of public facility projects, whether or not federally assisted; and (B) the establishment and consistent administration of zoning codes, subdivision regulations, and similar land-use and density controls.

(2) Where the applicant for a grant under this section is not a unit of general local government, both it and the unit of general local government having jurisdiction over the location of the project must meet the requirements of this subsection.

(d) In making the determinations required under this section, the Secretary shall obtain, and give full consideration to, the comments of the body or bodies (State or local) responsible for comprehensive planning and programing for the metropolitan area.

(e) No grant shall be made under this section with respect to a metropolitan development project for which a Federal grant has been made or a contract of assistance has been entered into, under the legislation referred to in paragraph (2) of section 208, prior to February 21, 1966, or more than one year prior to the date on which the Secretary has made the determinations required under this section with respect to the applicant and to the area in which the project is located: *Provided*, That in the case of a project for which a contract of assistance under the legislation referred to in paragraph (2) of section 208 has been entered into after June 30, 1967, no grant shall be made under this section unless an application for such grant has been made on or before the date of such contract.

Extent of grant

SEC. 206. (a) A grant under section 205 shall not exceed (1) 20 per centum of the cost of the project for which the grant is made; nor (2) the Federal grant made with respect to the project under the legislation referred to in paragraph (2) of section 208. In no case shall the total Federal contributions to the cost of such project be more than 80 per centum. Notwithstanding any other provision of law, including requirements with respect to non-Federal contributions, grants under section 205 shall be eligible for inclusion (directly or through refunds or credits) as part of the financing for such projects: *Provided*, That projects or activities on the basis of which assistance is provided under section 105(c) shall not be eligible for assistance under section 205.

(b) There are authorized to be appropriated for grants under section 205 not to exceed $25,000,000 for the fiscal year ending June 30, 1967, and not to exceed $50,000,000 for the fiscal year ending June 30, 1968. Appropriations authorized under this section shall remain available until expended.

Consultation and certification

SEC. 207. In carrying out his authority under section 205, including the issuance of regulations, the Secretary shall consult with the Department of the Interior; the Department of Health, Education, and Welfare; the Department of Commerce; and the Federal Aviation Agency with respect to metropolitan development projects assisted by those departments and agencies; and he shall, for the purpose of section 206, accept their respective certifications as to the cost of those projects and the amount of the non-Federal contribution paid or to be paid to that cost.

Definitions

SEC. 208. As used in this title—

(1) "Metropolitan development" means all projects or programs for the acquisition, use, and development of open space land; and the planning and construction of hospitals, libraries, airports, water supply and distribution facilities, sewerage facilities and waste treatment works, transportation facilities, highways, water development and land conservation, and other public works facilities.

(2) "Metropolitan development project" means a project assisted or to be assisted under section 702 of the Housing and Urban Development Act of 1965; title II of the Library Services and Construction Act; section 606 of the Public Health Service Act; section 8 of the Federal Water Pollution Control Act; section 120(a) of title 23, United States Code; section 9 of the Federal Airport Act; section 3 of the Urban Mass Transportation Act of 1964; title VII of the Housing Act of 1961; section 5(e) of the Land and Water Conservation Fund Act of 1965; or section 101(a)(1) of the Public Works and Economic Development Act of 1965 (for a project of a type which the Secretary determines to be eligible for assistance under the other provisions listed above).

(3) "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or an agency or instrumentality of any of the foregoing.

(4) "Metropolitan area" means a standard metropolitan statistical area as established by the Bureau of the Budget, subject however to such modifications and extensions as the Secretary may determine to be appropriate for the purposes of this title.

(5) "Comprehensive planning" includes the following, to the extent directly related to area needs or needs of a unit of general local government, (A) preparation, as a guide for long-range development, of general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities; (B) programing of capital improvements based on a determination of relative urgency; (C) long-range fiscal plans for

implementing such plans and programs; and (D) proposed regulatory and administrative measures which aid in achieving coordination of all related plans of the departments or subdivisions of the governments concerned and intergovernmental coordination of related planned activities among the State and local governmental agencies concerned.

(6) "Hospital" means any public health center or general, tuberculosis, mental, chronic disease, and other type of hospital and related facilities, such as laboratories, outpatient departments, nurses' home and training facilities, and central service facilities normally operated in connection with hospitals, but does not include any hospital furnishing primarily domiciliary care.

(7) "Areawide agency" means an official State or metropolitan or regional agency empowered under State or local laws or under an interstate compact or agreement to perform comprehensive planning in an area; an organization of the type referred to in section 701(g) of the Housing Act of 1954; or such other agency or instrumentality as may be designated by the Governor (or, in the case of metropolitan areas crossing State lines, any one or more of such agencies or instrumentalities as may be designated by the Governors of the States involved) to perform such planning.

(8) "Special purpose unit of local government" means any special district, public-purpose corporation, or other limited-purpose political subdivision of a State, but shall not include a school district.

(9) "Unit of general local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

(10) "Secretary" means the Secretary of Housing and Urban Development.

State limitation

SEC. 209. Grants made under section 205 for projects in any one State shall not exceed in the aggregate 15 per centum of the aggregate amount of funds authorized to be appropriated, pursuant to section 206(b).

TITLE III—URBAN INFORMATION AND TECHNICAL ASSISTANCE SERVICES

Purpose

SEC. 301. It is the purpose of this title to assist States and metropolitan area agencies to make available information and data on urban needs and assistance programs and activities through centers established for such purpose, and to provide technical assistance through such centers to small communities with respect to the solution of urban problems.

Grant authority

SEC. 302. (a) The Secretary is authorized to make grants to States and metropolitan-area agencies to help finance programs for the assembly, correlation, and dissemination of information and data needed for improving, coordinating, and more effectively utilizing governmental and other programs and activities available for the solution of local urban problems and to provide technical assistance to small communities with respect to the solution of such problems. Activities aided by such grants shall include—

(1) the planning and establishment of urban information and technical assistance centers;

(2) the assembly, correlation, and dissemination of urban physical, social, and economic development information and data through such centers for the purpose of informing local governments, organizations, and individuals of the availability and status of Federal, State, and local programs and other resources and data for the solution of urban problems; and

(3) providing, through such centers, technical assistance with respect to the solution of urban problems to any small community requesting such assistance.

(b) A program assisted under this section shall—

(1) specify the information and technical assistance activities to be carried on and justify the needs for the costs of such activities; and

(2) represent substantially increased or improved activities on the part of the applicant State or metropolitan-area agency.

Extent of activities

SEC. 303. (a) An urban information and technical assistance center established by a metropolitan-area agency under this title shall be directed primarily to the provision of (1) informational services of general metropolitanwide utility, and (2) informational services and technical assistance of utility to the communities within that metropolitan area.

(b) An urban information and technical assistance center established by a State under this title shall be directed primarily to the provision of (1) informational services of general statewide utility, and (2) informational services and technical assistance of utility to communities not within metropolitan areas for which information centers have been established under this title.

Amount of grant

SEC. 304. (a) A grant under this section shall not exceed 50 per centum of the cost of the activities carried on under an approved urban information and technical assistance program.

(b) No grant shall be made under this title to assist in assembling data, or providing information, to be used primarily in the day-to-day operations of State or local governing bodies and agencies.

Cooperation and coordination

SEC. 305. (a) Federal departments and agencies shall cooperate with States and metropolitan-area agencies in providing information to assist in carrying out the purpose of this title.

(b) In the administration of this title, the Secretary shall seek to ensure the greatest practicable cooperation and coordination as between the various urban information and technical assistance centers established under this title.

Definitions

SEC. 306. As used in this title—

(1) "State" means any State of the United States, the Commonwealth of Puerto Rico, the Virgin Islands, or an agency or instrumentality designated by the chief executive of any of the foregoing, or a statewide agency or instrumentality of its political subdivisions designated by such chief executive.

(2) "Metropolitan area" means a standard metropolitan statistical area as established by the Bureau of the Budget, subject however to such modifications and extensions as the Secretary may determine to be appropriate.

(3) "Metropolitan-area agency" means (A) an organization or body composed of public officials which the Secretary determines to be representative of the political jurisdictions encompassing a metropolitan area; or (B) where no such organization exists and can qualify for a grant under this title, a public body or agency (i) designated by the governing body of that political jurisdiction within the area which contains the largest population, according to the most recent decennial census, and (ii) concurred in by other local political jurisdictions which, together with the designating jurisdiction, contain at least two-thirds of the population of the area.

(4) "Small community" means any municipality or other political subdivision of a State having a population of twenty-five thousand or less.

(5) "Secretary" means the Secretary of Housing and Urban Development.

Appropriations

SEC. 307. There are authorized to be appropriated for the purpose of carrying out the provisions of this title not to exceed $5,000,000 for the fiscal year ending June 30, 1967, and not to exceed $10,000,000 for the fiscal year ending June 30, 1968. Appropriations authorized under this section shall remain available until expended.

TITLE IV—MISCELLANEOUS

Study concerning relief of homeowners in proximity to airports

SEC. 401. Section 1113 of the Housing and Urban Development Act of 1965 is amended—

(1) by inserting "(a)" after "SEC. 1113.";

(2) by striking out "one year after the date of the enactment of this Act" and inserting in lieu thereof "six months after the date of the enactment of the Demonstration Cities and Metropolitan Development Act of 1966"; and

(3) by adding at the end thereof the following new subsection:

"(b) There is authorized to be appropriated the sum of $100,000 to carry out subsection (a)."

Mr. MUSKIE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. DOUGLAS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. MUSKIE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized and directed to make all necessary clerical and technical changes in the engrossed bill, S. 3708.

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

Mr. MANSFIELD. Mr. President, we witnessed today the Senate at its best. It has been some time since I have witnessed such excellence in debate in this Chamber. The junior Senator from Maine [Mr. MUSKIE] has demonstrated today the type of leadership in managing a bill that could be equaled by very few in the Senate. His grasp of the subject matter of the underlying problems of our great metropolitan areas is unsurpassed in this body. As the debate brought out, the State of Maine will not benefit directly from the passage of this measure; it and every State of the Union, large or small, will benefit by directing this Nation's attention and effort toward some of the deeper aspects of a national problem. The Nation has benefited by the leadership given this measure by the junior Senator from Maine. Even the most experienced in this body have marveled at his eloquence and his uncanny finesse and expertise in managing so controversial a measure. Its overwhelming passage today is attributable almost solely to his remarkable performance.

I would like also to commend the ranking minority member of this subcommittee, the junior Senator from Texas [Mr. TOWER], for his unfailing cooperation in expeditiously handling this controversial measure; he was, as always, most articulate.

I desire also to commend the junior Senator from Arkansas [Mr. FULBRIGHT] for his significant and eloquent contribution; today on this measure, as on all occasions in which he participates, he

demonstrates and stimulates excellence of debate and clarity of thought. In like manner, I desire to commend the senior Senator from Rhode Island [Mr. PASTORE], the Senators from New York [Mr. JAVITS and Mr. KENNEDY], the senior Senator from Ohio [Mr. LAUSCHE], and the senior Senator from Louisiana [Mr. ELLENDER] for their significant contributions in this debate.

As always, I desire to thank the distinguished minority leader [Mr. DIRKSEN] and the entire Senate for their cooperation in facilitating the handling of this measure. It is the leadership's hope that the momentum gained today can continue for the next 2 weeks, so that our adjournment date may be obtained in ample time prior to the fall elections.

Mr. FULBRIGHT subsequently said: Mr. President, I am sorry that I was not present at the vote on the demonstration cities bill. I was at the State Department and was unable to return to the Senate in time. Had I been able to be here in time, I would certainly have voted for the passage of the bill, as I made clear earlier this morning. I merely desire to have the RECORD show that I was at the State Department and unfortunately could not return to the Senate in time for the vote.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it meet at 12 o'clock on Monday rather than at 11 o'clock, as previously ordered.

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

AMENDMENT OF THE FEDERAL AVIATION ACT OF 1958

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1444, S. 3197.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (S. 3197) to amend section 416 of the Federal Aviation Act of 1958.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Commerce with an amendment to strike out all after the enacting clause and insert:

That subsection (b) of section 416 of the Federal Aviation Act of 1958 (49 U.S.C. 1386) is amended by adding at the end thereof the following new paragraph:

"(3)(A) If one or more air carriers, whether or not then holding a certificate to engage in foreign air transportation, have filed an application under section 401 of this Act for a certificate to engage in foreign air transportation, the Board may, subject to the provisions of subparagraph (B) of this paragraph, exempt such air carrier or carriers from the enforcement of such section with respect to any air transportation covered by such application, for a period not to exceed two years, subject to renewal, following the effective date of the order of such exemption, or the period terminating 60 days after the final decision by the Board on such application, whichever period is shorter, if the Board finds, after giving notice and an opportunity for interested parties to present their views to the Board, that the national interest, and the development and promotion of United States-flag international air transportation, are, or would be, adversely affected by reason of the operations of a foreign air carrier or carriers serving the United States if such exemption or exemptions were not granted, and that it is in the public interest to grant such exemption or exemptions. Application for an exemption pursuant to this paragraph shall be made in writing to the Board.

"(B) In carrying out the provisions of this paragraph, the Board (i) may not exempt any air carrier from any provision of section 401 of this Act unless the Board finds that it does not reasonably expect to dispose of the pertinent application for a certificate filed by such air carrier under such section within a year from the date of filing of an initial application by such air carrier for an exemption pursuant to this paragraph; (ii) may grant an exemption from any provisions of section 401 only to any air carrier or air carriers, or authorize a pooling agreement, pursuant to such provisions of this Act with respect to pooling agreements as the Board determines will not interfere with the purpose of this paragraph, among any air carriers, who are placed at a competitive disadvantage by the operations of any foreign air carrier, to the extent required to remove such competitive disadvantage, except that the Board also may grant such an exemption to any air carrier or authorize a pooling agreement whenever the Board finds that it is necessary in order to remove any remaining adverse effect on the development and promotion of United States-flag international air transportation, or in view of the actual or expected effect of the grant of any exemption hereunder upon the competitive balance between any air carriers operating in the area concerned, that it is necessary to grant an offsetting exemption to any other air carrier or authorize a pooling agreement to restore such competitive balance; and (iii) shall, in considering the public interest, take into account among other appropriate matters, the effect of the grant of an exemption hereunder upon interested parties, and shall attach to any order of such exemption such terms and conditions as it finds necessary to prevent such order of exemption from causing an undue burden upon other air carriers. No order granting an exemption pursuant to this paragraph shall become effective until approved by the President and shall be withheld from publication until the President's decision thereon. The operations under any such order shall not be considered as a factor constituting an advantage to the carrier providing such operations in selecting a carrier for certification pursuant to section 401.

"(C) The authority to grant initial exemptions pursuant to this paragraph shall terminate five years after the date of enactment of this paragraph, but such termination shall not affect the authority of the Board to renew any exemption in effect on the date of such termination."

The amendment was agreed to.

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

Mr. MANSFIELD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 1478), explaining the purposes of the bill.

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

SUMMARY OF THE BILL

The bill would amend section 416 of the Federal Aviation Act so as to authorize the Civil Aeronautics Board to exempt one or more carriers from the provisions of section 401. Section 401 sets forth the procedures which must be followed with respect to certification of an air carrier for permanent route authority. An exemption could be granted for a duration of 2 years, subject to renewal. In granting such an exemption, the Board must find that the national interest and the development and promotion of U.S.-flag air transportation is adversely affected as a result of foreign air carrier operations and that such exemption is in the public interest. The Board may not grant an exemption if it finds that it could reasonably dispose of the section 401 application for permanent route authority within 1 year.

If the preceding findings have been made the bill provides that the Board may exempt an air carrier or carriers, or authorize pooling agreements among such carriers, who are placed at a competitive disadvantage as a result of the operations of a foreign air carrier to the extent required to remove such disadvantage. The Board may also grant an exemption if such action is necessary to remove any remaining adverse effect on the development and promotion of the U.S.-flag system. In addition, if the grant of an exemption interferes with the competitive balance between other U.S. air carriers operating in the area, the Board may grant an offsetting exemption to such affected carriers if it finds such action necessary to restore the competitive balance. In considering the public interest the bill directs the Board to take into account, among other appropriate matters: the effect of the grant of an exemption upon interested parties; and requires that it attach to any exemption order such terms and conditions as it finds necessary to prevent the exemption from causing an undue burden upon other carriers.

No exemption granted pursuant to this measure shall become effective without the approval of the President. The operations under an exemption order shall not be considered as an advantage to the carrier granted the exemption when the Board makes its final decision in the section 401 certification proceeding for permanent route authority. The authority to grant new exemptions terminates 5 years after enactment of this bill. Thereafter the Board would only have authority to renew an exemption which was in effect on the date of termination.

COMMITTEE ACTION

S. 3197, introduced April 6, 1966, was referred to the Senate Committee on Commerce. The Aviation Subcommittee conducted hearings on the bill May 13, 1966.

Testimony was received from the following witnesses: Hon. Alan S. Boyd, Under Secretary for Transportation, Department of Commerce; John C. Leslie, vice president, assistant to chairman, Pan American World Airways, Inc.; Frank E. Loy, Deputy Assistant Secretary of State for Transportation and Telecommunications, Department of State; Hon. Charles S. Murphy, Chairman, Civil Aeronautics Board.

Statement submitted for the record was received from: B. Craig Raupe, staff vice president, Federal affairs, Eastern Air Lines, Inc.

Letters submitted for the record were received from the following: James P. Bass, assistant vice president, American Airlines, Inc.; E. O. Fennel, senior vice president, law, United Air Lines, Inc.; Thomas D. Finney, Jr., Clifford & Miller, counsel for Continental Air Lines; Joel H. Fisher, Sharlitt, Gelband & Green, attorney for Seabord World Airlines,

Inc.; J. B. Franklin, president, Airlift International, Inc.; Emory T. Nunnely, Jr., vice president and general counsel, Northwest Airlines, Inc.; Robert W. Prescott, president, the Flying Tiger Line, Inc.; J. Woodrow Thomas, vice president, Trans World Airlines, Inc.

The Aviation Subcommittee met in executive session on July 27, 1966, and ordered the bill reported favorably to the full committee with an amendment in the nature of a substitute. The Committee on Commerce met in executive session on August 9, 1966, and voted unanimously to report the bill as approved by the subcommittee.

BACKGROUND AND NEED FOR LEGISLATION

The need for this legislation arises as a result of the procedural anomaly which, in many instances, has served to place the U.S.-flag air transportation system at a serious disadvantage vis-a-vis foreign air carriers. With the tremendous upsurge in international air transportation, coupled with a very substantial increase in the number of foreign airlines now serving the world market, the situation has steadily worsened. The United States, through the Department of State and the Civil Aeronautics Board, negotiates with foreign governments for international air routes. Generally, it is customary that the negotiations result in an agreement in which the airline of the foreign government is granted air routes to, from, or through the United States in exchange for a grant of reciprocal routes to U.S. carriers. In most instances, such exchanges are made through bilateral air transport agreements. Once the agreement is consummated, the foreign air carrier is in a position to implement its new authority with relative procedural ease. The foreign airline simply files an application with the Civil Aeronautics Board for a permit to operate over the granted route under section 402 of the Federal Aviation Act. In most instances, the hearing on the permit provided for under 402 is pro forma and issuance is usually forthcoming within a matter of weeks. In addition, the issuance of a foreign air carrier permit is not subject to judicial review since section 801 of the Federal Aviation Act requires that it be approved by the President. (*Trans World Airlines* v. *Civil Aeronautics Board*, 184 F. 2d 66, certiorari denied 340 U.S. 941 (1950); *U.S. Overseas Airlines* v. *Civil Aeronautics Board*, 222 F. 2d 303 (1955); *Pan American-Grace Airways, Inc.* v. *Civil Aeronautics Board*, 342 F. 2d 905 (1964)).

In contrast to the ease with which the foreign carrier can enter the market, a U.S. carrier has only two avenues available to it, and for all practical purposes only one. In the latter case, the U.S. carrier must submit an application under section 401 of the Federal Aviation Act for a certificate to operate over the reciprocally granted route. Proceeding pursuant to section 401 generally prove exceedingly time consuming. As a result of the many procedural and due process safeguards implicit in this section, it is not an infrequent occurrence that processing an application may take 4 or 5 years before it is even submitted to the President. All U.S. carrier applicants must be accorded similar rights, and all protestants and all intervenors must be heard in the same proceeding. (*Ashbacker* v. *F.C.C.* 326 U.S. 327 (1945); *Delta Air Lines* v. *Civil Aeronautics Board*, 228 F. 2d 17 (1955); id. 275 F. 2d 632, certiorari denied 362 U.S. 969 (1959)).

The second method by which a U.S. carrier could be authorized to operate over a reciprocally granted route would be through means of an exemption granted pursuant to section 416. This section empowers the Board to exempt an air carrier in certain instances from various regulatory provisions of the act. In order to grant an exemption, the Board must find that enforcement of a certificate requirement would be an undue burden on the carrier as a result of the "limited extent of, or unusual circumstances affecting, the operations of such air carrier." The Board must further find that enforcement of the certificate requirements is not in the public interest. The courts have very narrowly construed the standards set forth in this section. In this connection, the Senate Commerce Committee and the House Interstate and Foreign Commerce Committee have expressed similar sentiments (H. Rept. No. 1950, 87th Cong.). Consequently, in only the most limited cases, could any relief be granted under section 416.

As discussed previously, this bill would permit the Civil Aeronautics Board to provide interim operating authority to a U.S. carrier and thereby overcome the operational advantage which the foreign carrier enjoys during a protracted and complicated 401 certificate proceeding. In testifying before the committee, the Chairman of the Civil Aeronautics Board, Robert S. Murphy; expressed strong endorsement for this legislation and stated that it "is especially timely and necessary at present because of several recently concluded important bilateral agreements—unless our law is changed, foreign air carriers will usually get the jump on U.S. air carriers in introducing new operations; and it will usually be no one's fault but our own." Chairman Murphy went on to illustrate "the urgency of the problem" by citing several current examples. He testified:

"At the present time, BOAC—a British carrier—holds a foreign air carrier permit authorizing operations over a London-New York-San Francisco-Honolulu-Tokyo-Hong Kong route. Quantas—an Australia carrier—has a route extending from Sydney through Honolulu and San Francisco to New York. These carriers can thus provide single-carrier service between the east coast of the United States and the Orient or the South Pacific, including stopovers in California and Hawaii. Moreover, the routes operated by BOAC and Quantas permit single-carrier, round-the-world operations, with stopovers in New York, as well as in California and Hawaii. No single U.S. airline can provide these services today. To be sure, there are applications for such authority presently pending in the *Trans-Pacific Route* case. That, however, is a highly complex proceeding involving dozens of applications for service between numerous points in the United States and the Pacific area.

"I would estimate that final decision by the Board and the President is almost certainly several years off.

"Recently, the United States entered into a new Air Transport Agreement with Japan under which a Japanese airline was granted the right to operate from Japan to California and New York, and beyond to Europe and around the world. Japan Airlines has been designated by the Japanese Government to operate this route and has applied for a permit under section 402. Assuming that it is granted, there will then be three foreign airlines with authority to provide single-carrier service from the Pacific to the east coast of the United States, and beyond, around the world, without any U.S. carrier having authority to provide such service.

The chairman of the Senate Commerce Committee, in remarks accompanying his introduction of this bill, also cited examples which demonstrate the need for this legislation. He stated:

"Years ago two American-flag carriers—Braniff and Panagra—applied to have their routes extended to New York so as to provide the first U.S.-flag one-carrier through service between New York and the west coast of South America. These applications, together with those of numerous other applicants, were later consolidated in the *United States-Caribbean-South America* case. After 4½ years this case is still at the examiner hearing stage. In the meantime, two foreign carriers—BOAC and Lufthansa—already are operating, by virtue of permits issued by the CAB and the President under section 402, the only one-carrier through services between the United States and the west coast of South America. The two U.S. carriers are at an obvious competitive disadvantage and can obtain no relief until the *United States-Caribbean-South America* case is decided some years hence.

"A second example occurred some years ago when Trans Canada Airlines started operating a through service between Cleveland and Europe via Toronto. TWA, which serves Cleveland on its domestic network, did not at that time have effective authority to operate through service between Cleveland and Europe on its transatlantic service. An amendment of its certificate was necessary, but this could not be accomplished until the so-called *Cleveland-New York Nonstop* case was finally decided. This case involved a large number of domestic carriers and took several years before TWA finally obtained the necessary authority to compete with Trans Canada for Cleveland-Europe passengers. The point is that, solely as a result of the CAB's and the President's lack of authority to cope with the problem expeditiously, Trans Canada obtained a several-years lead on TWA in this purely U.S. traffic market."

The hearing record contains other equally illustrative and persuasive examples of the need for this legislation. As pointed out in the analysis of the bill, this legislation is not designed to remove a competitive disadvantage with which a carrier individually, and apart from the U.S.-flag system as a whole, may find itself confronted. Exemptions could be granted only under those circumstances where the interests of the United States or our air carriers collectively are disadvantaged by foreign operations and where such an exemption is necessary to overcome the disadvantage. Granting an exemption to prevent impairment of this country's balance-of-payments position would certainly be in the interests of the United States. In this connection, one witness estimated, with respect to a single 401 route proceeding, that absent the exemption authority contemplated by the legislation, the U.S. dollar loss could exceed $40 million annually.

The committee notes that, in many circumstances, the need for any exemption under the bill could be avoided if the airline agreement with the foreign government took effect sufficiently far in the future so that both the U.S. and the foreign air carrier could be fully certificated and ready to operate when the new air routes actually took effect. The committee is convinced that the State Department and the CAB must make every reasonable effort to secure an agreed-upon timelag in the effective date of air service agreements so that there will be time to meet the procedural requirements of section 401 before operation by a foreign air carrier begins.

ANALYSIS OF THE BILL

The bill would authorize the Civil Aeronautics Board to exempt one or more air carriers from the provisions of section 401 of the Federal Aviation Act. An exemption would be limited to those carriers who have filed an application under section 401 for a certificate to engage in foreign air transportation and would cover only the air transportation set forth in the application. Eligibility would not be contingent upon a carrier presently having a certificate to engage in foreign air transportation. An exemption could be granted for a period not to exceed 2 years. The committee adopted the 2-year period as a means of emphasizing its strong conviction that the Board should act with dispatch in granting permanent authority

pursuant to a regular section 401 proceeding. In this connection, the committee also calls attention to the admonition set forth in section 401(c) that "the Board shall dispose of such application (for a certificate for permanent authority) as speedily as possible." The exemption is authorized only so long as the competitive disadvantage exists. If the disadvantage is removed, the Board may issue a show cause order as to why the exemption should not be revoked.

Upon timely filing, the Board is given authority to renew exemptions under the same terms and conditions as are required for the grant of the initial exemption, with one exception. In granting a renewal, the Board does not have to meet the requirements of clause (i) of subparagraph (B) which states that the Board must make a finding that it does not reasonably expect to dispose of an exemption application within a year from the date of filing. The effectiveness of an exemption could, in no event, exceed a period terminating 60 days after the final decision in the permanent certification proceeding.

The Board, prior to granting any exemption, must give notice and an opportunity for all interested parties to present their views. The bill specifically requires that the granting of an exemption is contingent upon a finding that that national interest would be served. With respect to national interest, the committee has in mind such factors as improving the position of the United States with regard to balance of payments, foreign policy considerations, and opportunities for increased employment. In addition, the Board must also find that the development and promotion of the U.S.-flag international air transportation is or would be adversely affected by reason of the operations of a foreign air carrier. Thus, the Board must find that U.S. air carriers are collectively placed at a disadvantage. It is not enough that a carrier shows that individually it is placed in a position of competitive disadvantage. The Board must also find that it is in the public interest to grant an exemption. This requirement makes clear that "the public interest" criteria set forth in section 102 of the act shall be considered by the Board just as it does with respect to all other exemption cases. The bill specifically prohibits the Board from granting an exemption if the Board finds that it could reasonably expect to dispose of a section 401 certificate application within a year from the date of filing an application for exemption.

There are three types of exemptions which this bill would authorize the Board to grant. The third type would be conditioned upon the grant of one of the first two. It should be emphasized at the outset that it is the committee's intention that the scope of exemption authority granted in this legislation should be narrowly construed and that the criteria set forth in subparagraph (A) be clearly demonstrated. It is not contemplated that this exemption authority be employed to effect extensive changes in existing route patterns, which properly should be the product of a section 401 certificate proceeding. The committee wishes to make emphatically clear that this bill does not purport to, is not designed, and should not be used to circumvent or "short-cut" the certification process. Its purpose is only to provide such interim relief to U.S. carriers as may be necessary to meet foreign competition arising from a procedural disparity (a detailed explanation of the procedural problem is covered elsewhere in this report) which operates to the advantage of foreign carriers and to the detriment of our carriers: Its purpose is to provide a temporary solution until a permanent solution, through certification, can be effected and with, to the extent practicable, minimal effect on the operations of other U.S. carriers.

The first type of exemption provides that if the Board determines that the U.S.-flag system has been placed at a competitive disadvantage it may exempt one or more carriers; provided, however, that in granting such an exemption, preference must be given to carriers found to be directly disadvantaged by the operation of the foreign carrier. Inherent in the Board's exercise of its exemption authority is the obligation to observe the traditional standards of reasonableness and substantiality.

In attempting to overcome the competitive disadvantage to the U.S.-flag system, this bill specifically authorizes pooling agreements. The Board could grant an exemption and in so doing, and concomitant with, authorize a pooling arrangement or make the exemption contingent upon a pooling agreement. The committee wishes to make clear that this authorization should not be considered as a direction that the Board place undue emphasis on pooling arrangements. Its purpose is only to suggest that this avenue of approach can be considered, if necessary and desirable in the interest of assuring equity among the various parties, to solve the problem to which this specific legislation is directed. This authorization should not be considered as either endorsement or repudiation of pooling arrangements in other fields. The scope of the committee hearings was not directed toward the formulation of policy concerning the desirability of altering the Board's existing authority, or its application in this area.

The second type of exemption which this bill authorizes would arise in a situation in which no individual carrier can prove competitive disadvantage but where, nevertheless, the U.S.-flag system was found to be placed at a disadvantage vis-a-vis foreign carriers. In this situation, all U.S. carriers, whether domestic or international, would be eligible to apply for an exemption.

The third type of exemption is designed to alleviate undue hardships which might arise as a consequence of the grant of an exemption under the first two categories. The Board would be authorized to grant an offsetting exemption to a carrier which suffered the hardship if it found such action was necessary to restore competitive balance.

The bill requires that the Board, in considering the public interest, must take into account the effect of the grant of an exemption upon other interested parties and it requires that the Board attach to any exemption order such terms and conditions as it finds necessary to prevent the order from causing an undue burden upon other carriers. This requirement simply serves to make explicit that existing law relating to public interest determinations is applicable. The bill provides that no exemption authorized by this legislation shall become effective until approved by the President and that any order relating thereto shall be withheld from publication until the President's decision thereon. The bill does not change existing law with respect to other provisions of section 416 in that grants of exemptions processed thereunder are not subject to Presidential approval. (*Pan American World Airways* v. *Civil Aeronautics Board*, 261 F. 2d 754 (C.A.D.C. 1958).)

The operations of an air carrier pursuant to an exemption order shall not be considered by the Board as a factor constituting an advantage to such carrier when it makes its final determination in selecting a carrier for permanent certification under section 401.

For all practical purposes, this law will expire 5 years from the date of enactment. Provision is made, however, that the Board shall have authority thereafter to renew any exemption in effect prior to the 5 year expiration.

CONCLUSION

In considering this legislation, the committee has attempted to accommodate the views of all interested parties which have been valid and offered in good faith. It has made every effort to incorporate provisions necessary to safeguard the legitimate interests of these parties. The committee is convinced that the bill which it is reporting is just and equitable and that it provides the best solution to the procedural problem it was designed to overcome. The committee knows of no Government agency which opposes the reported bill.

In approving this bill, the committee has not departed from the policies set forth by Senate and House Commerce Committee conferees in House Report No. 1950, 87th Congress, 2d session. The report admonished the Civil Aeronautics Board for exceeding the proper use of exemption authority and employing it to accomplish results not contemplated by the Federal Aviation Act. It made clear that the Congress would insist that the Board act only pursuant to specific statutory authority and not under strained interpretations of law. Since the report, the Board, to its credit, has carefully heeded the advice of the conferees. It was in this spirit that the Board expressed the need for additional specific statutory authority to grant exemptions in certain limited instances. In so doing, it pointed out that this need has been particularly emphasized by several important international bilateral agreements containing reciprocal route exchanges which have recently been conducted. The committee, for reasons set forth in this report, concurs with the Board and accordingly recommends prompt enactment.

COST OF LEGISLATION

Passage of this legislation will result in no additional cost to the Government.

FINANCIAL INSTITUTIONS SUPERVISORY ACT OF 1966

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1448, S. 3158. I do this so that the bill will become the pending business.

The PRESIDING OFFICER. The bill will be read by title.

The LEGISLATIVE CLERK. A bill (S. 3158) to strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loan associations, and for other purposes.

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 Banking and Currency with an amendment.

UNANIMOUS-CONSENT AGREEMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, after the opening statements made by the manager of the bill and by the ranking minority member on Monday, there be a time limitation of 1 hour on each amendment and 2 hours on the bill; that the rule of germaneness apply; and that the time shall be under the control of the proponents of the amendments and the manager of the bill, or whomever he may designate; and that the usual provisions of unanimous consent agreements apply.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement, subsequently reduced to writing, is as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That, effective on Monday, August 22, 1966, after the opening statements by the managers of the bill during the further consideration of the bill (S. 3158) to strengthen the regulatory and supervisory authority of Federal agencies over insured banks and insured savings and loan associations, and for other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader or someone designated by him: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the majority and minority leaders or someone designated by them: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

Mr. PROXMIRE. Mr. President, I urge the Senate to approve S. 3158, the financial institutions supervisory bill. The bill authorizes the Federal authorities who supervise insured banks and savings and loan associations to issue cease-and-desist, suspension, and removal orders to prevent violations of laws and regulations and unsafe and unsound practices.

The bill is the final result of many months, in fact, many years, of effort on the part of the supervisory authorities; bank and savings and loan trade associations and their members; and last, but not least, on the part of the Committee on Banking and Currency.

I might say, Mr. President, in all fairness, that in my judgment a great deal of the impetus for this bill came from the distinguished senior Senator from Arkansas [Mr. McCLELLAN]. Senator McCELLAN does an enormous amount of work for the Senate, and receives very little credit for it. He conducts the investigations that result in legislation which other Senators offer, and for which other Senators receive the credit.

On April 4, Senator McCLELLAN testified strongly in favor of S. 3158. Senator McCLELLAN appeared as chairman of the Permanent Investigations Subcommittee which had just conducted a thorough investigation into federally insured banks. Senator McCLELLAN testified to the need for both the power to issue cease-and-desist orders and the power to suspend pending hearings and to remove after hearings officers and directors of banking institutions. He testified that had the tools provided by this bill been available and used, they could have prevented the shocking and scandalous loss of millions of dollars to depositors in the San Francisco National Bank case for example, the case which the Senator from Arkansas had thoroughly investigated, and which was one of the outstanding scandals in this Nation in the past several years.

Mr. President, I also wish to emphasize that this is a bill which in its present form is controversial. There are individual views. The distinguished Senator from Texas was supported in these views by the Senator from South Carolina [Mr. THURMOND] and the Senator from Iowa [Mr. HICKENLOOPER]. At the same time, I believe that we should recognize that the ranking Republican member of the Subcommittee on Financial Institutions and of the Committee on Banking and Currency, the Senator from Utah [Mr. BENNETT], is a sponsor of this legislation, a strong supporter of the legislation; and his statement in support of the legislation, it seems to me, is something that all Senators should ponder.

Senator BENNETT said:

Since this legislation is aimed only at improperly conducted institutions, it should have no application to those that are presently managing and continue to manage their business efficiently and within accepted practices. The proposed cease and desist proceedings and authority for removal of officers of institutions will not have any effect nor should they be considered a threat of additional power except to those who are engaging in unlawful, unsound, or irregular practices.

The bill as reported represents a serious effort on the part of the committee to solve or eliminate the many difficult problems raised by the bill. We have in fact rewritten the bill to a very large extent in an effort to accomplish these purposes. As a result of these changes we have, I think, succeeded in accomplishing most of the objectives sought in the original bill, and at the same time I think we have eliminated or at least reduced to the minimum most of the objections which were taken to the original bill.

As a result I am glad to say that the bill now has the strong support of the administration, even though the administration would have preferred to have additional powers. I am also glad to say that the bill has the strong support of the American Bankers Association and the United States Savings & Loan League, even though the latter would also like to have some changes—different, I might add, from those the administration might request.

Mr. President, in connection with the support of the American Bankers Association, I received a letter today from Charles R. McNeill, director of the Washington office of the American Bankers Association. I should like to quote two short paragraphs from his letter:

From the time that this legislation was first introduced in the Senate, The American Bankers Association has shared the views of the Federal bank supervisory agencies and the Federal Home Loan Bank Board that these agencies do need additional enforcement powers to facilitate their supervision and regulation of selected problem cases in the commercial banking and savings and loan industries. The bill which your Committee has ordered reported should very effectively fulfill this need.

The American Bankers Association did have certain reservations and objections to specific features of S. 3158 as it was originally introduced. Witnesses for this Association presented to your Committee several recommendations for amendment of the Bill, and we are pleased to advise you that S. 3158 as reported satisfactorily carries out our recommendations for modification and improvement. The American Bankers Association, therefore, supports the Bill as reported, and we earnestly hope that the Senate will act with dispatch to approve this Bill without further amendment.

While there are other trade associations which do not find the bill acceptable and cannot support it, such as the National Association of Supervisors of State Banks and the National League of Insured Savings Associations, the committee has made many changes suggested by these organizations and has removed many of the features which they considered objectionable.

Mr. President, I might also point out here that in looking at this bill in perspective, we have a situation in which the regulating agencies have asked for this legislation. They say they need it if they are to carry out their job—their responsibility to protect the depositors of this country and to protect the general public from the kind of unfortunate scandals which have developed, infrequently, in the past. So those who have the responsibility for carrying out the law have said that they need this legislation.

In the second place, those who would be subject to the legislation, most of them—the American Bankers Association and the United States Savings & Loan League, by far the largest bank and savings and loan associations in the country—also say that they support and favor this legislation. So that we have a situation in which both the regulators and those who would be regulated are in favor of it.

Mr. President, I ask unanimous consent that a letter from Mr. Charles R. McNeill, from which I have quoted, be printed at this point in the RECORD.

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

THE AMERICAN BANKERS ASSOCIATION,
Washington, D.C., August 17, 1966.

Hon. WILLIAM PROXMIRE,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: The American Bankers Association is most appreciative of your actions supporting the amended version of S. 3158 which was ordered reported yesterday by the Senate Committee on Banking and Currency.

From the time that this legislation was first introduced in the Senate, The American Bankers Association has shared the views of the Federal bank supervisory agencies and the Federal Home Loan Bank Board that these agencies do need additional enforcement powers to facilitate their supervision and regulation of selected problem cases in the commercial banking and savings and loan industries. The bill which your Committee has ordered reported should very effectively fulfill this need.

The American Bankers Association did have certain reservations and objections to specific features of S. 3158 as it was originally introduced. Witnesses for this Association presented to your Committee several recommendations for amendment of the Bill, and we are pleased to advise you that S. 3158 as reported satisfactorily carries out our recommendations for modification and improvement. The American Bankers Association, therefore, supports the Bill as reported, and we earnestly hope that the Senate will act with dispatch to approve this Bill without further amendment.

Again, please accept our sincere thanks for the considerate support which you have given to our recommendations with respect to this important legislative proposal. With best wishes, I am

Sincerely yours,

CHARLES R. MCNEILL.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a telegram from Mr. McNeill of the same nature, supporting this legislation, be printed at this point in the RECORD.

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

It is our understanding that S. 3158, a bill enlarging the enforcement powers of the three Federal banking agencies as well as those of the Federal Home Loan Bank Board, is scheduled for consideration by the Senate in the very near future. The American Bankers Association has from the time of initial introduction of this bill shared the views of the Federal bank supervisory agencies that there is a need for intermediate enforcement powers with which these agencies may more effectively deal with selected problem cases involving financial institutions. The A.B.A. was concerned with certain features of S. 3158 as originally introduced, because we felt that the enforcement powers granted were too broadly drawn and that the legislation likewise lacked certain essential administrative and judicial safeguards for the protection of both individuals and institutions. However, the Senate Banking and Currency Committee has given conscientious attention to the objections raised by this association and through comprehensive amendment has satisfactorily met the objections raised by this association. We are therefore pleased to advise you that S. 3158, as amended and as reported by the Senate Banking and Currency Committee, has the support of the American Bankers Association. We are hopeful that the Senate will see fit to approve this bill without further amendment.

CHARLES R. MCNEILL.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a letter from the United States Savings & Loan League, signed by Mr. Stephen Slipher, legislative director, representing the savings and loan associations, be printed at this point in the RECORD.

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

UNITED STATES SAVINGS AND LOAN LEAGUE,
Washington, D.C., August 18, 1966.

Hon. WILLIAM W. PROXMIRE,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

DEAR SENATOR PROXMIRE: Since you will be the floor manager for S. 3158, the Federal Supervisory Bill, I wanted you to have available an up-to-date statement of the views of the United States Savings and Loan League.

We support the bill in the form approved by the Senate Banking Committee. We submitted to Staff Director Matt Hale some suggested revisions, but we are not pressing for their adoption on the Senate floor or reducing our support for the pending draft. We will undoubtedly attempt to get some modifications of the bill on the House side and are confident the Senate Conferees will give fair consideration to any changes which we might succeed in getting on the House side.

We support the bill and urge its enactment because we agree with the Administration and the Federal agencies that it is necessary to provide the Federal Home Loan Bank Board and the Federal banking agencies with effective "intermediate" supervisory powers. The Federal agencies need a workable "cease and desist" procedure to deal with supervisory problems which are too serious to go unchecked but not serious enough to justify a complete "take over" of the institution.

We realize that it is rather unusual for a business group to accept, let alone endorse, further Federal supervision, but the U.S. League is convinced that in a business in which public confidence is such a vital factor it is to our own best interests that the Board be given adequate power to deal with the handful of financial institutions whose conduct might reflect unfavorably on the vast majority of the soundly operated savings and loan associations. Needless to say, effective financial supervision is very much in the "public interest".

In case the question arises, there are 5100 savings and loan associations in the U.S. League and they represent over 95% of the savings and loan assets in the nation.

Sincerely,

STEPHEN SLIPHER,
Legislative Director.

Mr. PROXMIRE. For several years the Federal Home Loan Bank Board has been particularly concerned about the deficiencies in its supervisory powers. In past sessions of Congress bills have been introduced again and again, but no action has been taken. This year the administration reviewed the matter thoroughly and presented to the Congress a revised bill broadened to cover the three Federal bank supervisory agencies as well as the Federal Home Loan Bank Board. The bill was proposed in a letter of March 29, 1966, signed by the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Federal Home Loan Bank Board, and the Chairman of the Federal Deposit Insurance Corporation. I ask unanimous consent that this letter may be inserted in the RECORD at this point.

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

DEPARTMENT OF THE TREASURY,
FEDERAL RESERVE BOARD, FEDERAL HOME LOAN BANK BOARD,
FEDERAL DEPOSIT INSURANCE CORPORATION,
Washington, D.C., March 29, 1966.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Transmitted herewith is proposed legislation to strengthen and make more immediately effective the supervisory and regulatory authorities of the Federal Home Loan Bank Board, the Federal Savings and Loan Insurance Corporation, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System.

The President, in his January 1966 Economic Report, stated that appropriate regulations are clearly required to protect the safety of savings of American families and to assure the most efficient and equitable regulation of financial institutions. Among other measures, he recommended Congressional action on financial legislation to "arm regulatory agencies with a wider range of effective enforcement remedies." The attached draft bill is designed to provide these remedies.

The continued economic growth of this country is clearly dependent upon the existence of financially sound and capably managed private lending institutions. The great majority, by far, of the financial institutions affected by this bill are soundly managed and operated. However, our financial system has not been entirely free from supervisory problems, and unlawful, unsound, or irregular practices have appeared in some cases. Even though few in number, improperly conducted institutions could cause public concern that might extend to the entire industry. In such cases, it is essential that the Federal supervisory have the statutory authority and administrative facility to move quickly and effectively to require adherence to the law and cessation and correction of unsafe or improper practices.

Existing remedies have proven inadequate. On the one hand they may be too severe for many situations, such as taking custody of an institution or terminating its insured status. On the other they may be so time-consuming and cumbersome that substantial injury occurs to the institution before remedial action is effected.

The proposed legislation is designed to correct this situation by providing for two additional intermediate remedies, less drastic than seizure or termination of insurance:

First, the bill would authorize cease-and-desist proceedings in any case where an institution has violated law or regulation or has engaged in unsafe or unsound practices. Moreover, in conjunction with a cease-and-desist proceeding in the more serious cases, it would authorize issuance of temporary orders requiring the institution to cease the violations or questionable practices forthwith, pending the outcome of a full hearing.

Second, the bill would provide authority for the removal, after a hearing, of those directors or officers of institutions who have committed violations of law or regulation, or engaged in unsafe or unsound practices, or breached their fiduciary duty, causing substantial probable loss or damage to the institution, or serious prejudice to the interests of the depositors or share holders. If the gravity of the charges warranted it, such directors or officers could be suspended, pending the hearing. In addition, any director or officer who is indicted for the commission of a felony involving dishonesty or breach of trust could be suspended, or, if convicted, removed from office.

The enactment of this legislation will result in substantial improvement in the supervision and regulation of banks and savings and loan associations. The provisions in the bill for administrative hearings and judicial review of final orders will adequately protect the rights of any insured institution and its officers, directors, or other persons against whom action proves necessary.

The proposed bill contains a number of other provisions which would strengthen the present statutes, the details of which are set out in the attached section-by-section analysis of the bill.

In summary, the bill provides valuable additional protection to major sectors of our financial system and to millions of our citizens who have entrusted their funds to it. We urge its early approval by the Congress.

The Bureau of the Budget advises that enactment of this proposed legislation would be in accord with the program of the President.

Sincerely,

HENRY H. FOWLER,
Secretary of the Treasury.
WILLIAM McC. MARTIN,
Chairman, Board of Governors of the Federal Reserve System.
JOHN E. HORNE,
Chairman, Federal Home Loan Bank Board.
K. A. RANDALL,
Chairman, Federal Deposit Insurance Corporation.

Mr. PROXMIRE. Mr. President, the chairman of the committee promptly held hearings on the bill on April 4, 5, 7, 12, and 14. During these hearings 12 witnesses were heard. When it became evident that more time was needed for the institutions involved and their representatives to study the bill, the chairman postponed the hearings, which resumed on May 17, 18, and 19, at which time 10 more witnesses were heard. Following the hearings, the record was carefully studied; and a committee print was prepared with the assistance of the agencies and several of the interested trade associations, in an effort to accomplish the objectives of the administration and at the same time meet the objections of the industry. This committee print bill was considered by the Financial Institutions Subcommittee at a meeting on August 2, at which time several amendments were adopted. The amended bill was considered by the full committee at a meeting on August 16, at which the bill was further amended and ordered reported to the Senate.

I believe that this bill has been given as full and comprehensive consideration as has any bill of this kind which has been considered by this Senate this year.

I might point out that, in the best traditions of the democratic lawmaking process, this bill takes into consideration the views of those who would be regulated as well as the views of the regulators. Furthermore, as I have said, it takes into account the views of those who still disagree with the bill and who, I am convinced, in some cases would disagree with about any bill that we could possibly draft. Nevertheless, their views have been taken into consideration, and where at all possible, they have been written into the bill. This is a compromise measure which I believe meets every legitimate objection.

The problem which faced the committee was well stated by the chairman during the hearings:

We have here a difficult and delicate problem of reconciling conflicting interests—on one hand, the interests of depositors and savers who have their money in these insured institutions, the interests of well-run banks and savings and loan associations who contribute substantial premiums to the reserve funds of the insuring agencies, and the interests of the Government which underwrites the insuring agencies—in preventing irresponsible or even criminal individuals from looting or otherwise wrecking insured banks and savings and loan associations through improper activities; on the other hand, the interests of insured banks and savings and loan associations and their officials in receiving fair treatment from the Government, and in receiving a reasonable degree of protection from Government actions which might at times, for one reason or another, generate into arbitrary, capricious, and overbearing tactics.

Each of these interests deserves full and fair consideration.

In my judgment the committee has given full and fair consideration both to the interests of depositors and others in that category and to the interests of banks and savings and loan associations and their officials.

The bill as introduced authorized each of the four supervisory agencies—the Comptroller of the Currency with respect to national banks, the Federal Reserve Board with respect to State member banks, the Federal Deposit Insurance Corporation with respect to State nonmember banks, and the Federal Home Loan Bank Board with respect to Federal savings and loan associations and insured State savings and loan associations—to issue cease-and-desist orders if a bank or savings and loan association "is violating or has violated or is about to violate a law, rule, regulation, or charter or other conditions imposed by or agreement entered into with" the agency or "is engaged or has engaged or is about to engage in an unsafe or unsound practice." Temporary cease-and-desist orders could be issued if the violation or unsafe or unsound practice could cause insolvency—or substantial dissipation of assets or earnings—or could otherwise seriously prejudice the interest of depositors or savers.

The original bill also authorized suspension or removal of a director or officer if he had violated any law, rule, or regulation or of a final cease-and-desist order or if he had engaged in any unsafe or unsound practice or had done anything which constituted a breach of his fiduciary duty and if the Board also found that the association had suffered or would probably suffer substantial financial loss or other damage or that the interest of depositors or savers could be seriously prejudiced.

The bill as introduced also required that in the case of proceedings affecting a State bank or State savings and loan association the Federal authority should, to the extent compatible with the public interest, consult the appropriate State supervisor.

The discussions between the agencies and the industry and the deliberations of the subcommittee and the full committee have resulted in very substantial changes in these provisions.

Perhaps the most significant change made in this process was to limit suspensions and removals to cases involving personal dishonesty. Under the bill as reported, a bank or a savings and loan association director or officer may be removed if three specific findings are made—first, that he has committed a violation of law, rule, or regulation or of a final cease-and-desist order or has engaged in an unsafe or unsound practice in connection with his institution or has engaged in a practice which constitutes a breach of his fiduciary duty.

Even if he has done these things they do not constitute grounds for suspension or removal unless, in addition, there is a finding, second, that the institution has suffered or will probably suffer substantial loss or other damage or the interests of its depositors or savers could be seriously prejudiced. So, even if the officer engaged in unsafe or unsound practices—and that is the most modest provision he could violate—in addition to that it is necessary that the institution has or will probably suffer substantial loss or damage, and that the interests of the depositors could be seriously prejudiced. In addition to those two conditions, there must be a third finding—that the violation or practice or breach of fiduciary duty involves personal dishonesty on the part of the director or officer.

This was a considerable change from the bill as initially introduced, in which personal dishonesty did not have to be determined. Under the bill as reported it has to be determined and this limits the action of the supervisory agency and substantially protects the directors and officers of the bank.

Another section provides that a director or officer of a bank or savings and loan association may be removed if he has evidenced his personal dishonesty and unfitness to continue as an officer by conduct or practice with respect to another business institution which resulted in substantial financial loss or other damage. A third ground for suspension or removal of a director or officer is having been charged in any information, indictment, or a complaint authorized by a U.S. attorney with the commission of or participation in a felony involving dishonesty or breach of trust. The director or officer may also be removed if he is convicted of the felony.

This is a very limited power. In every case personal dishonesty must be involved, as well as substantial financial loss or other damage, and so on. I do not believe that any Member of this Senate would want to keep his money in a bank or a savings and loan association if one of its directors or officers had engaged in this kind of conduct and was still active in the affairs of the bank or savings and loan association. I believe as strongly as any other man in the Senate that a man is innocent until he has been proved guilty. I believe the interests of the officer and director should be fully protected.

I believe equally strongly that the interests of savers and depositors and borrowers and trust beneficiaries and the public at large must also be protected. Remember, we are speaking about bank officers and savings and loan officers who are handling other people's money by virtue of a special governmental license granted to them in the public interest.

Furthermore, the bill grants to the director or officer an opportunity to apply to the U.S. district court for a stay if a temporary suspension order is granted or to appeal from a final order to the appropriate U.S. court of appeals or the Court of Appeals for the District of Columbia Circuit.

Bearing in mind that the power to suspend or remove is a drastic one which should only be exercised with the greatest care, the bill has been amended so

as to provide that the power to suspend or remove directors and officers of national banks will continue to be administered by the Federal Reserve Board, which was granted the power to remove officers of national banks and State member banks in 1933. The committee thought it would be better to have the important and delicate task of suspending and removing bank officers and directors entrusted to the collective judgment of a group of officials rather than to a single official. Accordingly, the committee decided to follow the precedent established by the Banking Act of 1933, and to leave the power of suspension and removal of directors and officers of national banks in the Federal Reserve Board.

However, the committee took cognizance of the criticisms directed at the present arrangement on the ground that the Comptroller must go to an outside agency in order to have an official of one of his banks removed. Back in 1933, when this removal power was given to the Federal Reserve Board, the Comptroller was a member of the Board from which he was removed in 1935. In order to remedy this situation, the bill as reported puts the Comptroller back on the Board for purposes of handling these suspension and removal cases.

The committee recognized, of course, that the Comptroller of the Currency in his capacity as administrator of national banks has general chartering and supervisory powers which enable him in many cases to bring about the removal of officers and directors without taking formal legal action. The bill would not affect in any way these general chartering and supervisory powers of the Comptroller, and the committee anticipates that in many, perhaps most, cases it would not be necessary in the future for the Comptroller to make use of the formal procedures.

Another major change made in the bill as reported was to require the Federal agencies, when taking action with respect to a State bank or savings and loan association—other than the relatively routine suspensions and removals based on charges or convictions for felony involving dishonesty or breach of trust—to give notice of the proposed action to the State supervisor. This notice must set forth the grounds for the proposed action and the length of time which the Federal agency thinks it appropriate to give to the State supervisor to take satisfactory corrective action. And, of course, this gives the State supervisor an opportunity to convince the Federal agency that the proposed action is not appropriate or necessary. Only if the State supervisor does not bring about a satisfactory solution of the problem can the Federal agency go ahead with its proceeding.

This provision gives a very substantial measure of protection to the bank or savings and loan association involved. For all practical purposes it gives the State supervisor an opportunity to review the matter, to hear the institution's side of the story and to bring the institution and the Federal agency together in a satisfactory solution of the problem. In my judgment, this is one of the most important and most significant features in the entire bill. I think it carries out fully the views enunciated by the chairman of the committee in his speech to the National Association of Supervisors of State Banks:

> The duties and powers of the Federal Reserve Board and the FDIC are broad and sweeping. They must be in order to carry out their functions. But neither they nor the State member and insured banks nor the State bank supervisors should ever forget for one moment that the State banks are chartered by the States, and are operated under State laws, and are responsible first and foremost to the officials of the States which created them.

I should like to sum up merely by saying that the bill is designed to fill a real need. It is strongly supported by the administration and by the two largest trade associations—the American Bankers Association and the United States Savings & Loan League.

Mr. President, there may be allegations—as there always are, when a greater degree of enforcement authority is requested—that this makes the agencies more powerful, that it deprives the individual who will be supervised of his freedom, and so forth. In the case of this legislation, Mr. President, there is a ready answer.

This is an intermediate power which is being asked. It is not a reaching out for more power. The fact is, the supervisory agencies now have, in a very real sense, far more power than the bill would provide.

It is already provided in the law and has been for years, for example, that the Home Loan Bank Board can, if it wishes to do so, take over and operate a Federal savings and loan association. This would be an extreme action for it to take, but is one which the Home Loan Bank Board sometimes finds it is required to take. However, it takes it only with the greatest reluctance because in doing so it means that the Government is moving in and moving in sled-length all the way.

Mr. President, how much more precise, how much more fair it is to provide, instead of a takeover of the entire institution, that the Home Loan Bank Board be given the power merely to require an institution to cease and desist its improper practices.

How much better, rather than to take over an entire institution, to remove an officer whose conduct has been not only illegal or improper, whose conduct not only jeopardizes the deposits, but, in addition, is evidenced by personal dishonesty.

The bill would simply provide that the agency, instead of moving in all the way, would be in a position to take intermediate appropriate action.

In addition, of course, perhaps the greatest power that these Federal agencies possess is the power to suspend insurance. They can do this, but it is a very serious action when they do.

It would mean that any future depositor would not be protected. It is an action that would mean virtually in every case the end of the institution. They have this kind of power now.

The bill would not ask for any power of that kind. Instead of a sledge hammer authority, in which action could be devastating, the agency would use a surgical scalpel which it could use and use appropriately.

Mr. President, I ask unanimous consent that excerpts from the committee report may be printed in the RECORD.

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

GENERAL STATEMENT

S. 3158 would grant to the Federal agencies supervising banks and savings and loan associations—the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board—authority to issue cease-and-desist orders or suspension or removal orders subject to standards and procedures designed to protect both the institutions involved and their officials and the depositors, savers and others interested in the sound and effective operation of the financial institutions. These powers would be granted, as intermediate powers short of conservatorship or withdrawal of insurance, in order to prevent violations of law or regulation and unsafe and unsound practices which otherwise might adversely affect the Nation's financial institutions, with resulting harmful consequences to the growth and development of the Nation's economy.

DESCRIPTION OF THE BILL

Cease-and-desist orders

S. 3158 would authorize each of these agencies to issue temporary and permanent cease-and-desist orders to institutions under their jurisdiction if they are or have violated a law, rule, regulation, or charter, or other written condition or agreement, or have engaged or are engaging in an unsafe or unsound practice, or there is reasonable cause to believe they are about to do so. Temporary orders, issued in the event of likelihood of insolvency, substantial dissipation of assets, or other serious prejudice to the interests of depositors or savings account holders, could be stayed by a district court on application filed within 10 days. Permanent orders, issued after a hearing on the record, could be appealed to the local U.S. court of appeals or the District of Columbia Court of Appeals.

Suspension and removal orders

S. 3158 would also authorize the issuance of suspension and removal orders against directors, officers, and other employees and persons participating in the management of banks and savings and loan associations. These orders could be issued when (1) a director or officer of an institution violates a law or regulation or a final cease-and-desist order, or engages in unsafe or unsound practices or a breach of his fiduciary duties, and (2) this violation or practice has caused or will probably cause substantial financial loss or damage to the institution or its depositors or savers and (3) this violation or practice involves personal dishonesty. Such orders could also be issued if an officer or director has caused substantial financial loss to another business institution and thereby evidenced personal dishonesty and unfitness, or if any other person participating in the conduct of the affairs of the institution has caused substantial fiancial loss to the institution or any other business institution, and thereby evidenced his personal dishonesty and unfitness to continue.

A stay of a suspension order could be sought within 10 days in district court, and

removal orders, issued after a hearing on the record, could be appealed to the local U.S. court of appeals or the District of Columbia Court of Appeals. In addition, if a director, officer or other person participating in the conduct of an institution is indicted or charged with a felony involving dishonesty or breach of trust, he may be suspended and, if convicted, removed. Violators of such suspension or removal orders are subject to a fine of $5,000 and 1-year imprisonment. Court injunctions may also be obtained to compel obedience to any cease and desist or suspension or removal order. Suspension and removal orders may be issued by the Federal Home Loan Bank Board with respect to directors and officers of Federal savings and loan associations and insured State associations, by the Federal Deposit Insurance Corporation with respect to insured nonmember State banks, and by the Federal Reserve Board with respect to State member banks. Suspension and removal orders with respect to directors and officers of national banks (except for the virtually routine suspensions and removals based on charges or convictions for felony involving dishonesty or breach of trust) may be issued by the Federal Reserve Board, and in such cases the Comptroller of the Currency is made a member of the Board of Governors, with power to vote on the matter.

Notice to State supervisory authorities

Whenever one of the Federal agencies intends to institute a cease-and-desist proceeding or a suspension or removal proceeding (other than one based on a felony charge or conviction) in a matter involving a State-chartered institution, S. 3158 requires that the appropriate State supervisory authority must be given notice of the agency's intent to do so and must be advised of the grounds therefor. The State supervisory authority must be given an appropriate time (specified in the notice) to take satisfactory corrective action, and only after the expiration of this period may the Federal agency institute the proceedings.

HISTORY OF THE LEGISLATION

On March 29, 1966, the administration presented a draft bill in a letter signed by the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Federal Home Loan Bank Board, and the Chairman of the Federal Deposit Insurance Corporation, which was introduced by the chairman and ranking minority member of the committee, by request. The letter urged early approval of the proposal.

Hearings were started promptly, and 12 witness were heard on April 4, 5, 7, 12, and 14, 1966. During these hearings it became evident that the important issues involved could not be fully explored by the affected institutions and their representatives, and the hearings were therefore postponed to provide further time for study. At that time the chairman made the following statement of the considerations which led to this postponement:

"We have here a difficult and delicate problem of reconciling conflicting interests—on one hand, the interests of depositors and savers who have their money in these insured institutions, the interests of well-run banks and savings and loan associations who contribute substantial premiums to the reserve funds of the insuring agencies, and the interests of the Government which underwrites the insuring agencies—in preventing irresponsible or even criminal individuals from looting or otherwise wrecking insured banks and savings and loan associations through improper activities; on the other hand, the interests of insured banks and savings and loan associations and their officials in receiving fair treatment from the Government, and in receiving a reasonable degree of protection from Government actions which might at times, for one reason or another, generate into arbitrary, capricious, and overbearing tactics.

"Each of these interests deserves full and fair consideration."

Hearings were resumed on May 17, 18, and 19, 1966, and 10 additional witnesses were heard. In addition, letters and statements were received from many additional institutions and trade associations.

Thereafter an effort was made to prepare a revision of the proposed bill which would accomplish the objectives described by the chairman, and would meet with general satisfaction in the Government agencies and the institutions affected and their representatives. These efforts resulted in a committee print draft dated July 22, 1966. The principal changes effected by this draft were (1) to restrict the cases in which suspension and removal orders could be issued to those involving personal dishonesty, (2) to require the Federal agencies in cases involving State-chartered institutions to notify State supervisory agencies and give them an opportunity to take corrective action, and (3) to require the Comptroller of the Currency—the only supervisory agency consisting of a single official rather than a Board—to obtain the approval of the Federal Reserve Board before instituting a proceeding to suspend or remove an officer of a national bank.

This draft was considered at an executive session of the Subcommittee on Financial Institutions on August 2, 1966. The bill was reported to the full committee, with amendments. The principal amendment was to delete the provision requiring the Comptroller of the Currency to get the approval of the Federal Reserve Board before instituting a suspension or removal proceeding, and instead to go back to the principle of the present law—section 30 of the Banking Act of 1933—and to continue the existing provision authorizing removal of national bank officials by the Federal Reserve Board. Two changes were made in section 30—it was limited to national banks, with State member banks being subject to the new provisions of the bill applicable to insured nonmember banks and savings and loan associations, and a power to suspend was added. An amendment proposed by Senator THURMOND was also adopted, requiring the notice to be given to the State supervisory authority to set forth specifically the specific time provided for him to take corrective action. The result of the subcommittee action was set forth in a committee print dated August 5, 1966.

The full committee reviewed this bill at its meeting on August 16, 1966, and the bill was ordered reported to the Senate, after a further amendment was adopted. Under the subcommittee version of the bill, removals of national bank officers, governed by section 30 of the Banking Act of 1933, would be considered under different standards and procedures than State banks and savings and loan associations. The committee felt this was not desirable, and amended the bill so as to provide that the standards and procedures for suspensions and removals would be the same as those for State banks and savings and loan associations. The committee retained, however, the principle that the agency delegated to exercise the power to suspend or remove national bank officials should be the Federal Reserve Board, with the Comptroller of the Currency sitting as a member of the Board and casting a vote on these national bank suspension and removal cases.

THE NEED FOR THE LEGISLATION

The reasons for the proposals embodied in S. 3158 were clearly expressed in the letter of March 29, 1966, signed by the Secretary of the Treasury, the Chairman of the Board of Governors of the Federal Reserve System, the Chairman of the Federal Home Loan Bank Board and the Chairman of the Federal Deposit Insurance Corporation:

"The continued economic growth of this country is clearly dependent upon the existence of financially sound and capably managed private lending institutions. The great majority, by far, of the financial institutions affected by this bill are soundly managed and operated. However, our financial system has not been entirely free from supervisory problems, and unlawful, unsound, or irregular practices have appeared in some cases. Even though few in number, improperly conducted institutions could cause public concern that might extend to the entire industry. In such cases, it is essential that the Federal supervisory agencies have the statutory and administrative facility to move quickly and effectively to require adherence to the law and cessation and correction of unsafe of improper practices.

"Existing remedies have proven inadequate. On the one hand they may be too severe for many situations, such as taking custody of an institution or terminating its insured status. On the other they may be so time consuming and cumbersome that substantial injury occurs to the institution before remedial action is effected."

The testimony at the hearings, by the administration witnesses and by many other witnesses, fully supported the position taken in this letter.

The vital importance of sound and effective systems of banks and savings and loan associations to the continued economic growth of the country is clear. The banking system is a fundamental part of our monetary system and the Nation's $130 billion of demand deposits represents the principal element in the Nation's money supply. Banks and savings and loan associations are among the principal financial intermediaries of the Nation, holding about $300 billion in savings and channeling some $30 billion of new savings each year into homebuilding and other productive fields.

The great majority of banks and savings and loan associations are soundly managed and operated. Of the 14,000 commercial banks, the 500 mutual savings banks and the 6,000 savings and loan associations, since the beginning of 1962 there have been only 26 involuntary closings, although some mergers have occurred for supervisory reasons, and other extraordinary actions have been taken to avoid other failures. Clearly our bank and savings loan systems are sound and healthy.

However, like all human institutions, our banks and savings and loan associations, and those interested in them, have from time to time been the victims of careless or irresponsible individuals or, on extremely rare occasions, outright criminals. Furthermore, the present monetary situation with the extraordinary demands for credit far outrunning the available supply, the resulting upward pressure on interest rates and the consequent compulsion to obtain high yields, often at the risk of loss—have imposed an unusual burden on all financial institutions. It is not surprising that there have been in recent months a few very substantial involuntary liquidations and a few forced mergers.

The Federal supervisory agencies in varying degrees have been seriously handicapped in their efforts to prevent irresponsible and undesirable practices by deficiencies in the statutory remedies. Experience has often demonstrated that the remedies now available to the Federal supervisory agencies are not only too drastic for use in many cases, but are also too cumbersome to bring about prompt correction and promptness is very often vitally important.

In his testimony before your committee on the proposed bill, Chairman K. A. Randall, of the Federal Deposit Insurance Corporation demonstrated this point:

"The only ultimate corrective action which the Corporation may take under existing law is to institute a proceeding under the Federal Deposit Insurance Act to terminate the insured status of the bank for engaging in 'continued' unsafe and unsound practices or violations of law or regulations on the part of the bank or its officers or directors. This is a lengthy and time-consuming proceeding which involves notice to the bank or its offending officers or directors, an opportunity for making corrections during the 120-day period, an opportunity for a hearing, and a final notice of termination to become effective at a later date after issuance."

The Federal Home Loan Bank Board derives its enforcement authority from two different sources, section 5(d) of the Home Owners' Loan Act of 1933, and section 407 of the National Housing Act. In the case of Federal associations, the Board's enforcement authority is limited to a proceeding under section 5(d)(1) to require the correction of violations of law or regulations, or a proceeding under section 5(d)(2) for the appointment of a conservator or receiver for the association. Section 5(d)(1) provides for an administrative hearing, and, in the absence of a special statutory review procedure, a party may obtain initial court review of a final order in a U.S. district court, followed by an appeal to a court of appeals, etc. However, within 30 days after service of notice upon it of alleged violations, the association may waive the administrative hearing and submit the controversy to a U.S. district court. The ensuing trial de novo can be a long-drawn-out process, and in one such case 3 years were spent in motions and extended pretrial discovery procedures. In short, section 5(d)(1) is ill suited to securing prompt correction of irregular practices or unsafe operations.

The only immediately effective remedy available to the Board is to take custody of a Federal association under section 5(d)(2) of the Home Owners' Loan Act. Such action is, of course, a drastic remedy and is employed only as a last resort. But where management is uncooperative, it is the only means by which the Board may minimize losses by putting an immediate stop to violations of law or improper practices. Present law provides no other protection against increased losses caused by the continuation of such violations or practices while time-consuming enforcement proceedings are in progress.

Section 407 of the National Housing Act, the enforcement section for all insured institutions, is also inadequate since the only enforcement power is the Board's authority to terminate an institution's insured status. This is a lengthy and time-consuming proceeding which involves notice to the institution, an opportunity to make corrections during the 120-day period, and opportunity for a hearing. Such proceedings can consume months, if not years. During this time the losses of an institution can multiply. Even if termination is finally achieved, there remains 2 years of continuing coverage of the institution's insured accounts existing on the effective date of termination. During such period, the Insurance Corporation is without any further remedy to prevent increased losses, no matter what the conduct of those in control of the institution or the additional losses that might be incurred.

The committee concluded that the administration's request for additional flexible and effective supervisory powers should be granted, within carefully guarded limits, in order to make sure that our banks and savings and loan associations would continue to serve the Nation effectively and well.

DUAL FINANCIAL SYSTEMS

The committee was concerned with the effect of this bill upon the dual banking system and the dual savings and loan system, each consisting of nationally chartered institutions and State-chartered institutions, with the majority of the State-chartered institutions having the benefit of Federal insurance and many of them the benefit of membership in either the Federal Reserve System or the Federal Home Loan Bank System. The committee did not wish to take any action which would do violence to the balance between State and Federal functions and responsibilities which underlies the dual banking system and the dual savings and loan system. On the contrary, the committee was in full agreement with the statement made by the chairman in his remarks before the National Association of Supervisors of State Banks at Williamsburg, Va., quoted in the hearings:

"The duties and powers of the Federal Reserve Board and the FDIC are broad and sweeping. They must be in order to carry out their functions. But neither they nor the State member and insured banks nor the State bank supervisors should ever forget for one moment that the State banks are chartered by the States, and are operated under State laws, and are responsible first and foremost to the officials of the States which created them."

Accordingly, the committee endorsed the proposal that in any case involving a State bank or a State savings and loan association (except for the virtually routine suspensions and removals based on charges or convictions for a felony involving dishonesty or breach of trust), the appropriate State supervisory authority must be notified and must be given an opportunity, during a reasonable time under the circumstances, to take effective corrective action—or to convince the Federal agency it is mistaken if the State supervisory authority thinks this is the case.

In addition to the protection against arbitrary and oppressive action which this provides for the benefit of the institutions and individuals affected, this provision constitutes a significant recognition in Federal statutes of the importance of the powers and responsibilities of the State supervisory authorities in our dual financial systems.

The committee considers that the bill emphasizes the role of the State chartering and supervisory authorities, and in no way lessens the status of these State authorities.

SUSPENSIONS AND REMOVALS LIMITED TO CASES INVOLVING PERSONAL DISHONESTY

Under S. 3158, as introduced, a director or officer of a bank or savings and loan association could be suspended or removed if he—"has committed any violation of law, rule, or regulation, or of a cease-and-desist order which has become final, or has engaged or participated in any unsafe or unsound practice in connection with the bank/association, or has committed or engaged in any act, omission, or practice which constitutes a breach of his fiduciary duty as such director or officer, and the agency/Board determines that the bank/association has suffered or will probably suffer substantial financial loss or other damage or that the interests of its depositors/savings account holders could be seriously prejudiced by reason of such violation or practice or breach of fiduciary duty."

Many of the terms in this provision are far from clear. Violations of regulations may be major or they may be minor and technical. "Unsafe" and "unsound" have no definite or fixed meaning. What "could" prejudice the interests of depositors or savers may not be clear. While the committee recognized that if these terms were strictly construed, they might provide satisfactory results, the committee was also convinced that a broad construction of these terms might result in the issuance of suspension or removal orders on the basis of nothing more than a difference of opinion about the most debatable of management problems.

The committee did not think it desirable to leave any opening for such a result. As indicated below, the power to suspend or remove an officer or director of a bank or savings and loan association is an extraordinary power, which can do great harm to the individual affected and to his institution and to the financial system as a whole. It must be strictly limited and carefully guarded.

Accordingly, the committee adopted language which, in addition to the above requirements, imposes the further requirement that the violation or practice must be "one involving personal dishonesty on the part of such director or officer."

With this limitation, and with the opportunity given to seek judicial review of suspension or removal orders, together with the amendment requiring the hearing on such a case to be private unless both the agency and the individual agree that it should be public, the committee concluded that the danger of abuse of the power has been reduced to the minimum.

THE COMPTROLLER OF THE CURRENCY

The Comptroller of the Currency, who also has the more descriptive but less historic title of Administrator of National Banks, is the only one of the four supervisory agencies which consists of a single individual—a corporation sole. The problems involved in delegating the vital quasi-judicial function of suspending or removing directors or officers of national banks to a single official—as distinguished from a body of men—gave the committee much concern.

Under existing law, the Comptroller has no explicit statutory authority to suspend or remove directors or officers of national banks, though the general chartering and supervisory powers conferred on him in order to enable him to carry out his duty to maintain and strengthen a sound, effective, and progressive national bank system now enable him, when necessary, to accomplish this result in most instances, these powers would not be affected in any way by the bill.

The existing law—section 30 of the Banking Act of 1933 (12 U.S.C. 77)—provides that if a director or officer of a national bank continues to violate any law relating to the bank or continues unsafe or unsound practices in conducting the business of the bank, after having been warned by the Comptroller to discontinue such violations or practices, the Comptroller may certify the facts to the Federal Reserve Board, which, after notice and hearings, may remove the director or officer. In 1933 when this provision was enacted, the Secretary of the Treasury and the Comptroller of the Currency were members of the Board of Governors and therefore were able to participate in the deliberations and decisions of the Board on these cases. In 1935, however, the Secretary and the Comptroller were removed from the Board. The provision has seldom if ever been used in recent years in the case of national banks, and the Comptroller of the Currency has advised the committee that he considers it completely unworkable.

The duty and responsibility of suspending or removing bank officials is a quasi-judicial function of the highest delicacy, requiring the most careful balancing of the interests of the institutions and officials involved, on the one hand, and the interests of the depositors, savers, borrowers, and the Government and the public generally on the other hand. To permit suspensions and removals without thorough consideration would be

unfair to the institutions and officers involved. Any procedure which would permit this would have a harmful effect on the banking system itself and on depositors, borrowers, and the public. On the other hand, to permit persons who violate banking laws and regulations or who engage in unsafe and unsound practices to remain in responsible positions in banks and savings and loan associations, handling other people's money under special licenses granted by the Government in the public interest, is equally contrary to the interests of depositors, borrowers, and the public.

The committee came to the conclusion that it would be better to have this difficult and delicate quasi-judicial task entrusted to the collective judgment of a group of officials rather than to a single official. Accordingly, the committee decided to follow the precedent established by the Banking Act of 1933 and leave the power of suspension or removal of directors and officers of national banks in the Federal Reserve Board. The committee took cognizance of the disadvantages of the present statute which requires the Comptroller of the Currency were members of the action by an independent agency, outside the office of the Comptroller and the Treasury Department in which the Comptroller's office is located. For this reason the committee again went back to the precedents in existence in 1933 and made the Comptroller of the Currency a member of the Board of Governors of the Federal Reserve System, with power to vote, in cases of suspension or removal of directors and officers of national banks.

PRIVILEGE OF THE FLOOR

Mr. PROXMIRE. Mr. President, I ask unanimous consent that on next Monday, August 22, 1966, when the Senate resumes consideration of S. 3158, that all members of the staff of the Committee on Banking and Currency may have the privilege of the floor, in order to be of assistance to Senators.

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

ADJOURNMENT UNTIL MONDAY

Mr. PROXMIRE. Mr. President, in accordance with the order previously entered, I move that the Senate stand in adjournment until Monday next at noon.

The motion was agreed to; and (at 3 o'clock and 26 minutes p.m.) the Senate adjourned until Monday, August 22, 1966, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 19, 1966:

DIPLOMATIC AND FOREIGN SERVICE

The following-named Foreign Service officers for promotion from the class of career ministers to the class indicated:

To be career ambassadors

Foy D. Kohler, of Ohio.

Douglas MacArthur II, of the District of Columbia.

The following-named Foreign Service officers for promotion from class 1 to the class indicated:

To be career ministers

Richard H. Davis, of the District of Columbia.

G. McMurtrie Godley, of the District of Columbia.

Marshall Green, of the District of Columbia.

William Leonhart, of West Virginia.

Henry J. Tasca, of the District of Columbia.

Leonard Unger, of Maryland.

EXTENSIONS OF REMARKS

REA Financing

EXTENSION OF REMARKS

OF

HON. A. S. MIKE MONRONEY

OF OKLAHOMA

IN THE SENATE OF THE UNITED STATES

Friday, August 19, 1966

Mr. MONRONEY. Mr. President, the Senate Committee on Agriculture and Forestry has just completed a week of hearings on S. 3720, introduced by Senator JOHN SHERMAN COOPER, of Kentucky, to provide supplemental financing for the rural electric and rural telephone systems. I am a cosponsor of that measure, which I consider the most important proposal in many years designed to assure the future of the REA cooperatives and their continued ability to bring modern electric service to millions of rural families.

Senator COOPER, who is a member of the Subcommittee on Rural Electrification and Farm Credit, in charge of this legislation, appeared as the first witness before the subcommittee as it opened its hearings on Monday.

The next day the committee heard Secretary of Agriculture Freeman and REA Administrator Clapp, who expressed their support and endorsed the provisions of the Cooper bill. They recommended, however, that the intermediate loan rate be changed from 3 to 4 percent.

Because Senator COOPER's statement reviews the progress of REA, and gives the reasons for the development of this important proposal, I ask unanimous consent that his testimony be printed in the RECORD.

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

STATEMENT OF SENATOR JOHN SHERMAN COOPER, BEFORE THE SENATE SUBCOMMITTEE ON RURAL ELECTRIFICATION AND FARM CREDIT ON S. 3337 AND S. 3720, REA SUPPLEMENTAL FINANCING PLAN, AUGUST 15, 1966

Mr. Chairman and members of the Subcommittee on Rural Electrification and Farm Credit, I appreciate very much the opportunity to appear before the Subcommittee this morning to present my views in support of the proposal to provide a method of supplemental financing for the rural electric cooperatives, as this Subcommittee begins its consideration of S. 3337 and S. 3720.

Earlier this year, on May 10, Senator BASS and I introduced S. 3337, to provide supplemental financing for the rural electric and rural telephone systems, in which we were joined by 28 other Members of the Senate.

Since that time, as I stated in the Senate Friday, the House Committee on Agriculture has held hearings on similar bills designed to accomplish the same purpose, and during the course of its meetings, the House Subcommittee on Conservation and Credit, of which Congressman POAGE is chairman, developed a modified bill. The modification incorporates provisions submitted or approved by the Rural Electrification Administration, which are also acceptable to the National Rural Electric Cooperative Association. I believe it would be correct to say that the modified bill almost wholly resolves the differences between the earlier Administration and Poage or Bass-Cooper bills.

Because it seemed to me that testimony could be more constructively directed to the modified bill, which evidently represents a broad area of agreement at least among the supoprters of the REA program, I thought it would be helpful to have the supplemental REA financing proposal before the Subcommittee in this form. When officials of the NRECA came to my office and asked that I consider introducing such a bill in the Senate, I discussed this suggestion with Senator TALMADGE, Chairman of this Subcommittee, and Congressman POAGE, who agreed that it could serve to make more productive the Senate hearings and avoid plowing old ground.

Therefore, on Friday, I introduced S. 3720 for myself and on behalf of Senator BASS, who was not able to be in the Senate at that time. Our bill is the same as the modified House Committee bill, except that it maintains the interest rate for intermediate loans at 3 percent, as provided in S. 3337.

I thought it important to have the bill printed and formally before this Subcommittee today as hearings begin, and was not able to be in touch with every Senator who may be interested in this proposal. However, Senator BASS and I are glad that 23 other Members of the Senate, all of whom are among the sponsors of the original bill, S. 3337, are also sponsors of the modified bill, S. 3720.

I

Before discussing the need for Congress to act by providing a means to supplement the existing financing of rural electric and rural telephone systems through annual Federal appropriations of 2 percent REA loan funds, I should like to review briefly my own interest in this subject.

I have supported the REA program since I first came to the Senate in 1946. Not all remember those earlier days now, but I recall standing at night on a hill outside Somerset, Kentucky, looking down upon the lights of the town, and noticing that the countryside was dark—for the farmers and those outside of town could not get light and power. Since 1935, when the REA was established, it has become a vital part of the great change that has come over agriculture and rural life, as the entire nation has grown and developed. That growth and development will continue, as our country continues to change and move forward.

It has been my pleasure to work with the officers and directors and members of local rural electric cooperatives in Kentucky, of