technological forecasting as an input to foreign policy judgments. New understandings and mutual respect between the physical sciences and the social sciences are prerequisites if the gap between them is to be completely closed. We must have programs of international scientific and technical cooperation on two levels: with the advanced nations in understanding and controlling the total environment; and with those nations in assisting the material progress of the developing nations.

Our future no longer stands in the wings. Man's needs and his competence have both reached dimensions which can no longer be ignored. The scientific revolution has arrived—live, and in color. We cannot clearly foresee the advances, discoveries and innovations which lie ahead, but the uses to which we put the new knowledge and our human relationships may well be critical.

Modernize Customs Procedures

EXTENSION OF REMARKS

OF

HON. AL ULLMAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, January 25, 1967

Mr. ULLMAN. Mr. Speaker, I introduced legislation yesterday which would correct some longstanding abuses of our customs regulations and procedures.

The general purpose of my bill is to eliminate the requirement for reimbursement by the traveler for all overtime inspection and quarantine services performed at designated ports of entry on Sundays and holidays.

This bill will require the Government to provide, without reimbursement by the private parties involved, the necessary Federal inspection agency services—such as customs, immigration, and agriculture foreign quarantine—during regular hours of duty on Sundays and the eight national holidays.

Under present law and regulation, the traveler by boat and airplane, or commercial carrier, arriving during Sunday or holiday hours, must pay up to $60 to clear customs at many ports of entry. The fee is intended to compensate the customs collector for his overtime duties and inconvenience. If the same entry takes place during ordinary business hours, the Government provides these services free of charge.

Mr. Speaker, all administrative means of correcting this situation have been explored, and in the judgment of all concerned a legislative remedy is the most appropriate solution.

This system, while it may have been justified years ago, works a considerable hardship in this age of pleasure travel by boat and plane. In many cases the use of these facilities by vacationers is limited almost exclusively to off-hours entry.

In addition, our Nation's commitment to expanded commercial interchange with our neighbors is burdened by these restrictions. These services are performed in the interest of the public and the Nation's welfare, and not in the interest of any individual citizen or private group. U.S. citizens and private groups should not be required to pay these expenses which result from the conduct of the Government's business, particularly in enforcement agencies whose activities are similar to other police functions required to protect the Nation.

The bill I introduce today has the support of private aircraft and vessel operators, as well as all segments of our transportation industry. The proposed legislation is the same bill approved by the Senate in the 89th Congress. I was privileged to introduce it in the House on August 16, 1966, but time did not permit its consideration before adjournment.

One practice, which is patently unfair, is the sliding fee system now employed at small ports of entry. The first traveler arriving at a port of entry—say at 10 a.m. Sunday morning—may be charged $60 for his overtime customs inspection. Another traveler who by chance arrives at 10:15—while the inspector is still on the premises—will be charged perhaps $20 for his inspection.

The public has the right to know in advance the cost of clearing customs. Therefore the bill provides for the collection of a flat fee for inspection services, and specifies how this fee will be computed, in circumstances when other sections of the legislation do not apply. This feature of the bill was proposed by the Treasury Department and enjoys its support.

I consider these antiquated practices, which date back 50 or more years, completely inequitable today. Transportation into our country is no longer limited to the weekday operations which prevailed when the laws were enacted establishing these practices.

In promulgating the present requirements, I am sure that the Treasury Department did not intend to hinder international travel for business or pleasure, or to provide a lucrative reward for some of their employees.

I believe it is time for the U.S. Government to move into the 20th century by providing, without reimbursement, Government services needed to handle the international commerce of the United States on all Sundays and holidays of the year.

SENATE

THURSDAY, JANUARY 26, 1967

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

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

Almighty God, grant to our anxious, groping hearts the assurance that behind the shadows, and in them, standeth one who slumbers not nor sleeps.

We are beset by perplexity; our needs are many, but our greatest need is of Thee; unless we find Thee and art found of Thee the laws of Thy physical universe break our mortal life and the laws of Thy moral order make mockery of our futile rebellion.

Breathe now Thy peace on hearts that pray—the peace that comes only when our jarring discords are tuned to the music of Thy will; then, as heralds of Thy love, send us forth across all barriers of race and creed, bearing to yearning hearts, as a holy sacrament, the bread of human kindness and the red wine of willing sacrifice.

Gird our hearts to seek peace and pursue it, that the sadly sundered family of mankind at last may be bound by golden cords of understanding fellowship around the feet of the one God.

We ask it in the dear Redeemer's name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the Journal of the proceedings of Wednesday, January 25, 1967, was dispensed with.

MESSAGES FROM THE PRESIDENT—APPROVAL OF BILL

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries, and he announced that on January 25, 1967, the President had approved and signed the act (S. 376) fixing the representation of the majority and minority membership of the Joint Economic Committee.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 28)

The PRESIDENT pro tempore laid before the Senate the following message from the President of the United States, which, with the accompanying report, was referred to the Joint Committee on the Economic Report:

To the Congress of the United States:

A healthy and productive economy is a bulwark of freedom.

Around the world and here at home, our trials of strength, our works of peace, our quest for justice, our search for knowledge and understanding, our efforts to enrich our environment are buttressed by an amazing productive power.

Americans have confronted many challenges in this century. The ones we face in 1967 are as trying of men's spirits as any we have known. But the overwhelming majority of us face our challenges in comfort, if not affluence. The sacrifices required of most of today's generation are not of income or security; rather we are called on to renounce prejudice, impatience, apathy, weakness, and weariness.

In purely material terms, most Americans are better off than ever before. That fact expands our responsibilities, as it enlarges our resources to meet them.

RECENT ECONOMIC GAINS

An average of 74 million persons were at work in 1966—2 million more than in 1965. Nonfarm payrolls averaged 64

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million, a gain of 3 million. On the whole, these jobs were better paying than ever, and more regular and more secure than most workers can remember.

The value of our total production of goods and services in 1966 was $740 billion—$58 billion, or 8½ percent, higher than in 1965. More of the increase than we wanted represented higher prices. Still, the gain was nearly 5½ percent after correction for price changes.

Labor, business, and the farmer all contributed to this major gain in production, and they rightly shared the benefits.

Aggregate compensation of employees rose 10.3 percent. Average compensation per man-hour in the private economy rose 6.5 percent, reflecting increased wages and fringe benefits, more overtime, the shift to higher paying jobs, and increased employer contributions to social security. Corporate profits after taxes advanced more than 8 percent; per dollar of sales they were roughly unchanged from the high rate of 1965. Net income per farm rose more than 10 percent.

The single most meaningful measure of economic well-being is real disposable income per person—the after-tax purchasing power in stable dollars, available on the average to every man, woman, and child. It rose 3½ percent or $89 per person in 1966. Although this advance was somewhat smaller than in 1965, it was still three times as large as the average yearly gain in the 1950's.

February 1961 launched the strongest and most durable economic expansion in our economic annals, and it still continues.

Almost 9 million jobs have been added in the last 6 years.

The rate of unemployment has fallen from 7 percent in early 1961 to under 4 percent. The rate for white adult males fell from 5 percent to 2 percent; for Negro men, from nearly 12 percent to less than 5 percent.

Early in 1961, more than two-thirds of our major labor markets were "areas of substantial unemployment"; today only eight of the 150 are so classified, and 66 have unemployment below 3 percent.

While total population rose 11 million between 1961 and 1965, the number of Americans in poverty declined 5½ million, and probably fell at least another 1¼ million in 1966. The poverty definition is adjusted for the increase in living costs.

Our gross national product—GNP—has grown 50 percent in 6 years. In constant prices, the gain has averaged 5½ percent a year. The physical output of our factories and mines is up over 50 percent.

Private output per man-hour in 1966 was 19 percent higher than in 1961.

The 6-year addition to our gross stock of private productive capital—machines, buildings, transportation equipment, land improvements, and inventories—is valued at $220 billion.

American families have added $470 billion to their accumulated financial assets. They have added $150 billion to their debts. So their net financial position is $320 billion stronger than 6 years ago.

OUR ECONOMIC PROBLEMS

Prosperity is everywhere evident. But prosperity is never without problems, and—in 1966—some of them were serious.

SOME LEADING PROBLEMS

1. Economic progress still left far too many behind.

Nearly 3 million workers were without jobs at the end of 1966. Perhaps two-thirds of them were "frictionally" unemployed: new entrants to the labor force in the process of locating a job; persons who quit one job to seek another; workers in the "off" months of seasonal industries; those temporarily laid off but with instructions to return. Their unemployment will be temporary; many were drawing unemployment insurance.

But most of the remaining third will wait a long time for a steady job. They are the "hard core" unemployed—lacking the necessary skills to find other than intermittent work; the victims of past or present discrimination; those unable or unwilling to move from depressed areas and occupations; the physically or emotionally handicapped.

Another half million to 1 million potential workers were not even counted as unemployed. Many had long ago abandoned any search for a job. Some had never tried.

But even among those who worked year round, some 2 million breadwinners—particularly the low skilled with large families—earned incomes insufficient to support a minimum standard of decent subsistence.

And 6½ million families were poor because the heads of their households were unable to work: either aged, severely handicapped, or a widowed or deserted mother with young children.

Those left behind used to be called the invisible poor. But an awakened public conscience has sharpened the vision of most Americans.

2. Price increases—although less than in many comparable periods—still were greater than we wanted or should long tolerate.

It is tempting to blame the creep of prices on the greed of producers—or the irresponsibility of labor—or Government policies—or bad weather—or economic disturbances abroad. Some of the price rise may have been due to each. But the main causes lay elsewhere:

Some can be traced to imbalances created by the special pressures of Vietnam procurement and booming private investment.

The spurt of demand—partly real, partly psychological—that followed the step-up of our Vietnam effort in mid-1965 simply exceeded the speed limits on the economy's ability to adjust. Our resources were sufficient for the task; but the sheer speed of the advances strained the ability of industrial management to mobilize resources at the required pace.

Some price advance was the inevitable cost of the adjustments required in recovering from a decade of slack:

Wages had to be raised sharply in underpaid occupations, which previously held their labor only because the alternative was no job at all.

Producers in once stagnant, low-profit industries saw opportunities for expansion and found it possible to raise prices and earnings in order to attract needed capital.

Demand pressed harder on skilled occupations and professional services where we had trained too few persons to meet the needs of a high employment economy.

Some price increases would still have occurred had we moved at a steadier pace.

But these price increases could have come slowly enough and have been small enough not to threaten a chain reaction of wages chasing other wages—wages chasing prices—prices chasing wages—and prices chasing other prices.

It is this spiral we must and can avoid. But it will require responsible action on the part of all.

3. Achieving equilibrium in our balance of payments remained a problem in spite of strong new measures.

The costs of Vietnam required us to spend many more hundreds of millions of dollars beyond our shores. At the same time, the spurt of demand caused our imports—especially of capital goods—to soar.

We are determined to continue our progress toward equilibrium.

4. Tight money and high interest rates concentrated the burden of restraint on housing.

Interest rates in 1966 were as high as at any time in 40 years. They were pushed there by an insatiable demand for credit, straining against a deliberately restricted supply. Monetary policy in 1966—like tax policy—was properly aimed at slowing down an economy expanding too fast.

The brakes applied last year worked. But tight money worked painfully and inequitably. It cut construction by more than $8 billion during 1966. Its impact was equivalent to a heavy across-the-board tax increase, but with most of its effect concentrated on a single industry.

FINDING SOLUTIONS

We will move this year toward solutions for these problems and others. But they cannot all be completely solved in 1967.

LIFTING THE BURDEN ON HOUSING

Now that the economy's advance is again more moderate, the burden of tight money is being lifted. Interest rates are still extremely high—but they are moving down from their peaks. Credit is still not readily available to all who can make sound and productive use of it—but it is becoming easier to get. More savings are flowing into our thrift institutions and are beginning to be available to builders and homebuyers.

The steps we took last year and those I am now proposing, the steps the Federal Reserve has recently taken and is continuing to take to increase credit availability and lower interest rates, should have our housing industry moving smartly forward by the end of 1967, and ready for one of its best years in 1968.

RESTORING PRICE STABILITY

The advance of prices has already begun to slow. Wholesale prices in December were below their levels of August.

The more moderate pace of economic advance now underway, which the policies I am recommending are designed to maintain, should further diminish inflationary pressures.

We cannot rescind all of last year's increases in costs, some of which are still spreading through our structure of prices. Price stability cannot be restored overnight. But we will be making good progress toward price stability this year.

IMPROVING OUR INTERNATIONAL PAYMENTS

We have recently announced stronger voluntary balance-of-payments programs for 1967. Our policies to constrain economic expansion to a sustainable pace should permit an improved export surplus.

I am now recommending further steps to strengthen our external payments. Yet so long as we remain heavily engaged in southeast Asia, we will have a balance-of-payments problem.

COMBATING POVERTY

We will continue to attack poverty and deprivation through such weapons as community action and Headstart; rent supplements and child nutrition; aid to elementary and secondary education in poverty areas and the Teachers Corps; the Manpower Development and Training Act, the Job Corps, the Neighborhood Youth Corps; medicare, medicaid, and neighborhood health centers; measures to end discrimination in jobs, education, and public facilities; and the expanded coverage enacted last year for a higher minimum wage.

I am proposing that our attack be reinforced with new weapons in 1967.

Yet, with old weapons and new, the war on poverty will not be won in 1967—or 1968. There is no wonder drug which can suddenly conquer this ancient scourge of man. It will be a long and continuing struggle, which will challenge our imagination, our patience, our knowledge, and our resources for years to come. Our capacity to stay with the task will be a test of our maturity as a people.

USING THE GAINS OF GROWTH

From early 1961 to the end of 1966, our GNP rose an average of $44 billion a year. About $9 billion a year was price increase. Of the balance an average real gain of $10 billion a year—in 1966 prices—came from putting idle men and machines back to work; an average real gain of $25 billion a year—in 1966 prices—came from the growth of our resources: a larger work force, more and better capital and management, higher productivity.

Further gains from putting idle resources to work will now be harder to achieve.

But our annual dividend from growth has meanwhile become more generous. In 1967 it will add $30 billion at today's prices to our potential output.

Our economic policies must assure that we realize this potential dividend—and use it wisely.

REALIZING THE GROWTH DIVIDEND

To insure our full dividend from economic growth requires that markets for goods and services expand steadily and adequately—but not excessively. In recent years, we have tested and refined the power of fiscal and monetary policy to stimulate or moderate the expansion of total demand.

During 1966, Federal expenditures were expanding rapidly. But tax policy worked to counter their impact.

Federal expenditures in our national income accounts grew $19 billion in calendar year 1966, reflecting the stepup in national defense; in social security, medicare, and related payments; and in grants to State and local governments. They added strongly to private purchasing power. They would have added more but for the substantial expenditure cutbacks put into effect during the year.

On the other side, taxes restrained demand. Higher payroll taxes, the restoration of some excise taxes, the institution of graduated withholding, and the suspension of tax incentives to investment all represented new measures that were draining off more than $9 billion of spendable incomes by yearend. In combination, and for the full year, these measures and an expanding economy produced $18 billion more in revenues than in 1965. Prompt action by Congress in response to my tax proposals of January and September made tax policy an important force for economic restraint.

Taking the two sides together, our national income accounts budget was in surplus in the first half and in balance for 1966 as a whole.

But as private investment threatened to outrun private saving, sharp monetary restraint was also applied. In response to both fiscal and monetary restraints, the economy shifted gears from excessive speed to a moderate advance.

FISCAL POLICY FOR 1967

In the year ahead we are determined to maintain that moderate advance; we need no further slowdown; we can tolerate no new spurt of demand. After midyear, the tax increase I have proposed and a more moderate growth of Federal spending will increase the freedom of monetary policy to support expansion. I am confident that the opportunity will be used.

The specific fiscal program I am recommending includes a surcharge of 6 percent on the tax liabilities of individuals, exempting persons in the lowest income brackets; the same 6 percent surcharge on the tax liabilities of corporations.

Here are some examples of the effect of this proposal, as applied to a married couple with two dependents, using typical deductions:

With $5,000 income, their tax will be unchanged—still $130 lower than they would have paid in 1963.

With $10,000 income, their tax in 1968 will rise $67, or $1.30 a week. Their annual tax will still be $190 less than they would have paid in 1963.

With $20,000 income, their tax in 1968 will rise $190, or $3.65 a week. But their annual tax will still be $450 less than they would have paid in 1963.

A corporation with profits before tax of $100,000 will pay an extra $2,490. It will still pay $2,510 less than it would have paid in 1963.

One with profits of $1,000,000 will pay an extra $28,410, still $12,590 less than it would have paid in 1963.

The surcharge will provide for $5.1 billion of extra revenues in fiscal year 1968 on a national income accounts basis, substantially offsetting the expansion of $5.8 billion in defense purchases.

The national income accounts budget will also be affected by my proposals for social security benefits and taxes.

After allowance for these changes, the national income accounts deficit for fiscal year 1968 is now estimated at $2.1 billion, compared with $3.8 billion in fiscal year 1967.

I am also recommending two further accelerations of corporate tax payments, to begin in 1968:

Requiring quarterly payment of estimated tax on the basis of 80 percent rather than 70 percent of liability;

Requiring, over a 5-year period, that small corporations, as well as large, become current in their tax payments, in the same way as individual proprietors.

We have fashioned a fiscal program for sustainable expansion. With that program, we now see a rise of about $47 billion in our GNP in 1967—a growth dividend close to 4 percent in real terms.

USING THE GROWTH DIVIDEND

The first priority for the use of our growth dividend must, as always, be the defense of freedom. But it will take only a small part of our $47 billion of added production.

These will be the public claims on our growth dividend:

Ten billion dollars more of our output in 1967 will go for the support of our men in Vietnam and other urgent needs of defense.

One and one-half billion dollars will go for the expansion of other Federal purchases, including adjustments in Federal, civilian, and military pay.

State and local governments will use about $8 billion more of the Nation's resources in 1967. In this, they will be aided by Federal grants totaling nearly $15 billion.

The remaining $27½ billion of our GNP gain in 1967—nearly 60 percent of it—will be used in the private sector. And the flow of goods and services to consumers will expand this year by even more than that.

In the past several years, an unusually large part of our output growth has gone to expand the productive capacity of business and to build up inventories to support high and growing production and sales. On balance, a slightly smaller portion of our resources will be used for these purposes in 1967 than in 1966.

For the year as a whole, slightly less of our resources than last year will be used to build new homes, although a sharp recovery in residential construction from its current deep recession is expected during the course of the year.

As the flow of goods and services to consumers expands, the ability of our elderly citizens to share in these gains will be supported by a rise of more than $6 billion in social security and medicare payments.

In 1967, we will have no bonus dividend from using previously idle resources. But the dividend from growth alone is a big

one. We must be sure we get it; and we must use it wisely.

RESTORING PRICE STABILITY

From the beginning of 1961 until 1965, the United States enjoyed both price stability and a strongly expanding economy. The average of wholesale prices hardly moved, and consumer prices rose only a little more than 1 percent a year. Last year, that record was blemished. Consumer prices rose 2.9 percent between 1965 and 1966, wholesale prices 3.2 percent.

When we were involved in Korea, consumer prices rose 8.0 percent between 1950 and 1951, wholesale prices 11.4 percent. And we had price controls during most of 1951.

Even when we were not at war, consumer prices rose 3.5 percent between 1956 and 1957, wholesale prices 2.9 percent.

Nevertheless, we are not satisfied with our record on prices. And we expect to improve on it this year.

There are many reasons why we refuse to tolerate rapidly rising prices:

They injure those with fixed incomes, especially older people.

They can lead to speculation and economic distortions which could undermine prosperity.

They weaken our competitive position in world markets.

As they persist, they become harder to stop without throwing the economy into reverse.

Restoring price stability is one of our major tasks. It will not be accomplished all at once, or all in 1967. That could be done—if at all—only at the cost of mass unemployment, idle machines, and intolerable economic waste. But a gradual return to stability can go hand in hand with steady economic advance.

Such an improvement will require prudent fiscal and monetary policies; Government efforts to help relieve the key points of pressure on prices; the responsible conduct of those in business and labor who have the power to make price and wage decisions.

With steady, sustainable, and balanced growth, we can look forward to relief of pressures on capacity in such strained areas as machinery and metals; adjustments of raw materials supplies to demand; the end of labor shortages in key areas.

Other efforts of the Federal Government can help to relieve particular pressures on prices and wages. We will continue to develop manpower training programs to meet skill shortages; to increase the efficiency of the employment services in matching jobs and men; to handle Government procurement so as to minimize its pressure on prices; to dispose of surplus Government stockpiles to alleviate shortages of raw materials; to manage farm programs to assure adequate supplies as well as equitable returns.

But efforts of the Government alone will not be enough. The cooperation of business and labor is essential for success.

In the past year, most businessmen who had a choice in setting prices and most trade unions that negotiated wage contracts acted responsibly. They did so because they took account of the national interest and saw that it was also their own.

If business and labor were to consider only their own short-run interests, each union might seek a wage increase which exceeds the most recent settlement by some other union; each business might strive to achieve a new profit record by translating strong demand into higher prices, whether or not costs have increased.

But when business and labor consider the national interest—and their own longer run interests—they realize that such actions would have only one result: a wage-price spiral which is in the interest of neither.

If unions now attempt to recoup in wages all of the past or anticipated advance in the cost of living—in addition to the productivity trend; if businesses now seek to pass along rising costs when it would be possible to absorb them or do not reduce prices when costs fall; then the result will be just such a spiral—damaging to business, damaging to labor, and disastrous to the Nation.

Once again, I appeal to business and labor—in their own interest and that of the Nation—for the utmost restraint and responsibility in wage and price decisions.

INTERNATIONAL ECONOMIC POLICIES

The current year is a critical one for our international economic policies and for the economic progress of the world community.

As the largest single market and source of capital, the United States carries special responsibilities.

TRADE

This administration is committed to reducing barriers to international trade, as demonstrated by my recent action terminating the 1954 escape clause action on watches, and rolling back the special tariff on imports of glass.

The Kennedy round of trade negotiations is now entering its final and most critical phase. I emphasize once more how important this great attempt to liberalize world trade is for all the developed and developing nations of the free world.

After more than 4 years of discussion, it is essential that the participants now resolve the many complex problems that still remain. It would indeed be a tragedy if the wide authority granted to the President by the Trade Expansion Act of 1962 were allowed to lapse unused. Never before has there been such a splendid opportunity to increase world trade. It must not be lost.

But the Kennedy round is not the end of the road. We must look beyond the negotiations in Geneva to further progress in the years ahead. We must begin to shape a trade policy for the next decade that is responsive to the needs of both the less-developed and the advanced countries.

We should seize every opportunity to build and enlarge bridges of peaceful exchange with the countries of Eastern Europe and the Soviet Union. We should have the ability to adopt our policies to whatever political circumstances or commercial opportunities may present themselves. I again urge the Congress to provide authority to expand our trade relations with Eastern Europe and the Soviet Union.

AID

Although 1966 was a relatively good year for world economic growth, average output in developing countries rose by less than $3 a person.

There were, however, encouraging signs of progress. Developing nations demonstrated a willingness to take difficult but necessary steps to help themselves. India, for example, revised her foreign exchange and agricultural policies to promote more rapid growth.

Among the wealthier nations, stronger efforts were made to assist the development of the poorer countries. Canada and Japan increased their assistance programs. Major free world aid donors joined in new groups to coordinate their flow of aid.

The United States will continue to respond constructively to the aspirations of the developing nations. We will give first priority to fighting the evils of hunger, disease, and ignorance in those free world countries which are resolutely committed to helping themselves.

There should, however, be increasing efforts to make both the receiving and giving aid a matter for creative international partnership. We shall, therefore—

Continue to support enthusiastically, in a manner consistent with our balance-of-payments position, such promising cooperative regional efforts as the Alliance for Progress, the Inter-American, the Asian, and the African Development Banks, and the Mekong Development Fund of the United Nations;

Further encourage the coordinated extension and expansion of aid by the major donor countries in ways that result in an equitable sharing of the burden;

Seek the cooperation of other major donor countries this year in replenishing the resources of the International Development Association.

BALANCE OF PAYMENTS

We can take some satisfaction in the fact that our balance of payments in 1966 may prove to have been in surplus on official reserve settlements. Despite the added costs of the war in Vietnam and the rapid growth of imports, our deficit on a liquidity basis increased only slightly in 1966.

But we cannot relax our efforts to seek further improvement.

Our goal in the coming year is to continue to move toward balance of payments equilibrium as rapidly as the foreign exchange costs of the Vietnam conflict may permit. This goal will be supported through measures and policies consistent with healthy growth at home and our responsibilities abroad.

We already have extended and reinforced the voluntary restraint programs for corporate investment abroad and for foreign lending by financial institutions. I am counting on the continued full cooperation of businesses and banks with these programs in 1967. And I have instructed all agencies of the Government to intensify their efforts to limit the

dollar drain resulting from their activities.

But more is needed. I now recommend the following steps:

1. The Congress should extend the interest equalization tax, in strengthened form, to July 31, 1969. This tax has proved extremely useful in limiting the borrowing of developed countries in our capital markets and in reinforcing the Federal Reserve voluntary program. As we move toward easier money in the United States, foreign borrowing in our financial markets may tend to increase. I am therefore requesting authority to adjust the rates of the interest equalization tax as monetary conditions warrant, so that the effective impact on interest costs can be varied between 0 and 2 percent. This would replace the present flat 1-percent impact.

Moreover, to insure against possible anticipatory increases in foreign borrowing, I am also requesting that the tax be imposed at rates which provide an impact of 2 percent on interest costs while the legislation is under consideration by Congress.

2. The most satisfactory way to arrest the increasing gap between American travel abroad and foreign travel here is not to limit the former but to stimulate and encourage the latter. I shall appoint in the near future a special industry-Government task force to make specific recommendations by May 1, 1967, on how the Federal Government can best stimulate foreign travel to the United States. After a careful review of their advice, I shall ask the U.S. Travel Service and other appropriate agencies to take the steps that seem most promising.

3. As part of our longrun balance-of-payments program, I shall also—

Request continuation and expansion by $4.5 billion of the lending authority of the Export-Import Bank in order to support the expansion of exports;

Continue to urge other countries to participate in the development of better means both of sharing the resource burdens and of neutralizing the balance-of-payments effect arising from the common defense and foreign assistance efforts.

4. For the longer run strength of our payments balance, we should intensify efforts to stimulate exporters' interest in supplying foreign markets; enlist the support of the financial community to attract additional foreign investment in the United States; and encourage further development of foreign capital markets.

IMPROVING THE INTERNATIONAL MONETARY SYSTEM

In 1966, significant progress was made toward a better international monetary system. Through close consultation and cooperation among the financial authorities of major countries, temporary strains were met promptly and effectively.

Two large forward steps were taken on the road to international monetary reform: wide consensus was reached on basic principles for the deliberate creation of additional reserve assets; and the negotiations advanced to a second stage in which all members of the International Monetary Fund are participating.

An even greater effort must be made in the coming year to improve our monetary system. In particular, I urge that all countries participate in the continuing task of strengthening the basic monetary arrangements that have served the world so well; both surplus and deficit countries assume their full responsibility for proper adjustment of international payments imbalances, and cooperate in efforts to lower world interest rates; full agreement be reached on a constructive contingency plan for the adequate and orderly growth of world monetary reserves.

HELPING THE DISADVANTAGED

The United States is the first large nation in the history of the world wealthy enough to end poverty within its borders. There are many fronts in the war on poverty. We are moving forward on them all.

There must be full employment so that those qualified and able to work can find jobs. The unemployment rate last year was the lowest in 13 years.

Those not now fully qualified must be given the education and training, the health and guidance services which will enable them to make their full contribution to society. We have greatly increased our aid to education and enlarged our training programs, and we will expand them further.

For those who will be unable to earn adequate incomes, there must be help—most of all for the benefit of children, whose misfortune to be born poor must not deprive them of future opportunity. We have increased our income support, and we will increase it further.

Wherever the poor and disadvantaged are concentrated, intensive and coordinated programs to break the cycle of deprivation and dependency must continue and be reinforced. We have instituted these programs in hundreds of cities and rural areas; we are expanding them and designing others.

INCOME GUARANTEES

Completely new proposals for guaranteeing minimum incomes are now under discussion. They range from a "negative income tax" to a complete restructuring of public assistance to a program of residual public employment for all who lack private jobs. Their advocates include some of the sturdiest defenders of free enterprise. These plans may or may not prove to be practicable at any time. And they are almost surely beyond our means at this time. But we must examine any plan, however unconventional, which could promise a major advance. I intend to establish a commission of leading Americans to examine the many proposals that have been put forward, reviewing their merits and disadvantages, and reporting in 2 years to me and the American people.

PUBLIC ASSISTANCE

Our system of public assistance is now 30 years old and has obvious faults. The standards of need set by many States are unrealistically low; benefits are further restricted by excessively stringent eligibility conditions. In some respects the system perpetuates dependency.

1. State standards of need are miserly low. In 18 States a family of four is presumed able to manage for a month on $45 a person—or less. And in many States, actual payments average far below their own standards of need.

It is time to raise payments toward more acceptable levels.

As a first step, I ask the Congress to require that each State's payments at least meet its own definition of need; and that its definition should be kept up to date annually as conditions change.

2. With minor exceptions, payments under public assistance are reduced dollar for dollar of earnings by the recipient, removing any incentive to accept part-time work. We should encourage self-help, not penalize it.

It is time to put an end to this 100-percent tax on the earnings of those on public assistance.

I shall therefore ask Congress to enact payment formulas which will permit those on assistance to keep some part of what they may earn, without loss of payments.

3. Many recipients of public assistance are capable of receiving training which would ultimately make them self-supporting.

I therefore urge the Congress to make permanent the unemployed parent and community work and training programs associated with aid to families with dependent children—AFDC—and to require all States receiving Federal support under AFDC to cooperate in making community work and training available for the unemployed parents of dependent children.

TRAINING AND EMPLOYMENT

The coexistence of job vacancies and idle workers unable to fill them represents a bitter human tragedy and an inexcusable economic waste. One of society's most creative acts is the training of the unemployed, the underemployed, or the formerly unemployable to fill those vacancies.

A dynamic economy demands new and changing skills. By enabling workers to acquire those skills, we open opportunities for individual development and self-fulfillment. And we make possible higher production without inflationary pressures.

I shall ask the Congress for funds to support a new and special effort to train and find jobs for the disadvantaged who live in urban ghettos.

I shall also propose legislation to improve the effectiveness of the Federal-State employment service.

SOCIAL SECURITY

Millions of aged still live in poverty. Millions of younger Americans are willing to pay for more adequate retirement benefits in the future.

I ask the Congress to approve an overall 20-percent increase in our social security program. We can increase benefits for all social security beneficiaries by at least 15 percent, raise the minimum benefit by 59 percent to $70 a month, assure workers with 25 years of coverage at least $100 a month, extend medical insurance to disabled beneficiaries, and allow larger earnings without loss of benefits.

UNEMPLOYMENT INSURANCE

Our system of unemployment insurance was created in a world of massive unemployment. The needs of a high employment economy are different. Today, when jobs are available, the jobless who exhaust their benefits typically need training, guidance, or other supportive services.

Therefore, I am asking the Congress to consider legislation to provide such services in conjunction with extended benefits to the long-term unemployed, to extend the protection of the system to additional workers, to establish more uniformly adequate benefits, and to correct abuses.

CITIES AND HOUSING

The American city is not obsolete; it is still a great engine for economic and social progress. But cities are in trouble, threatened by congestion, pollution, crime, poverty, racial tension, slums, and blight.

Yesterday's rural poor have been moving to the city just as many of the jobs they seek and need have been moving to the suburbs. Inadequate transportation and discrimination in housing make it difficult for them to follow the jobs; and deficiencies of education, health, and skills compound their disadvantages.

Most cities cannot afford the massive expenditures necessary to solve these problems. The flight of higher income families and businesses to the suburbs erodes sources of revenue for the cities, even as expenditure demands escalate. Inflexible city limits have created a hodgepodge of local taxing jurisdictions, often dividing the tax base from the need. The cities cannot collect for the many benefits they supply to residents of the suburbs.

The problems of the cities flow across irrelevant boundaries established by historical accident. So solutions must draw on the resources and imagination of a larger area. Our efforts have been aimed to encourage a metropolitan approach to metropolitan problems.

We must also find ways to enlist more fully the resources and imagination of private enterprise in the great task of restoring our cities.

I have just appointed a Commission, under the chairmanship of Senator Paul H. Douglas, to work with the Department of Housing and Urban Development to examine problems of codes, zoning, taxation, and development standards and to recommend ways to increase the supply of low-cost housing. I am convinced that this study can make a major contribution to the solution of urban problems.

Last year, the Congress enacted the pathbreaking model cities legislation. The Federal Government will help cities to focus all available programs on their needs—eventually to overwhelm the problems that have heretofore overwhelmed the cities.

More than 70 cities will have completed their plans and be eligible to start receiving assistance in 1968. Federal aid for water and sewer projects, open land conservation, and urban mass transportation is encouraging a more coordinated approach to metropolitan problems. I seek increased appropriations for all of these programs. And I shall seek authorization and resources for a greatly expanded program of research on urban problems.

Growth in the number and incomes of American families will require us to build about 2 million new houses a year for the next decade, most of them in and around cities. Last year, housing bore a disproportionate part of the burden of needed restraint. But we are now moving into a period of renewed homebuilding. I look for construction to rise briskly during 1967.

Federal programs for fiscal 1968 will assist in construction or renovation of 165,000 housing units for the urban poor, the elderly, and the handicapped. The rent supplement program will contribute to this goal.

This year will be a brightening one for the housing industry; it can also be a landmark year in the progress and evolution of our cities.

EDUCATION AND HEALTH

Individually and collectively, Americans have insatiable appetites for more education and better health. Education and health contribute both to individual well-being and to the Nation's productivity. But far too many of our urban and rural poor are denied adequate access to either. The efficiency of our methods of education and of providing medical care can and should be strengthened.

History will record these years as the time when this Nation awoke to its needs—and its limitations—in education and health. The Elementary and Secondary Education Act, Headstart, the Teachers Corps, medicare, medicaid, and the partnership in health will be landmarks in our social and economic development.

I shall propose an expanded Headstart program; a followthrough program in the early years of school; and the opening of other new educational opportunities for children; both legislative and administrative changes to accelerate research and development on more efficient and effective ways of providing health resources; an expanded child health program, including early diagnosis and treatment, a pilot program of dental care, and the training of additional health personnel to provide services to children.

ABATING POLLUTION

A polluted environment erodes our health and well-being. It diminishes individual vitality; it is costly to industry and agriculture; it has debilitating effects on urban and regional development; it takes some of the joy out of life.

The 89th Congress enacted important legislation to improve the quality of our environment. All 50 States have now signified their intention to establish water quality standards for their interstate and coastal waters. The Federal Government is assisting State and local governments through comprehensive water basin planning, and is providing financial help to States for the administration of water pollution control and to local areas for the construction of sewage treatment facilities. In addition, we are studying appropriate methods to encourage industry to control its discharge of pollutants.

The foundation for abating air pollution was laid in the Clean Air Act of 1965. But the air over every city proves that further steps are necessary.

I propose that we get on with the jobs of preserving and restoring our environment. I will present detailed proposals on control of air pollution in another message.

IMPROVING OUR TAX SYSTEM

Our tax system is one in which we can take pride. In terms of fairness, revenue productivity, and balanced economic impact, it is unsurpassed by any other tax system in the world today.

Nevertheless, it can be improved. As they now stand, our tax laws impose undue burdens on some and grant unfair benefits to others.

A system as complex as ours cannot be perfected in a single bill. Rather, the process of tax reform must be continuous, with every provision of the law subject to constant examination and adjustment where needed. Moreover, this work of basic reform should proceed independently of the requirements for raising taxes or the opportunities for tax reduction.

I, therefore, plan to submit proposals to the Congress to improve the equity of our tax system and reduce economic distortions. These proposals will be designed to avoid significant budgetary effects.

As one specific reform, I will urge changes to deal with abuses by tax-exempt private foundations.

IMPROVING GOVERNMENT ORGANIZATION

Separate Departments of Labor and Commerce perpetuate the obsolete notion that there is fundamental conflict between the interests of business and labor, or between the interests of either and that of the Nation.

A single Department of Labor and Business can more effectively carry out those national programs which affect the private productive sector as a whole. The two Departments share many common objectives; their interests and activities coincide or overlap in fostering economic and regional development; matching the skills of labor with the needs of employers; providing more jobs at better wages; avoiding labor disputes; maintaining a fair distribution of private incomes without inflation; providing stability of production and jobs; providing basic economic and social information and technical services needed by both private and public sectors; and supporting expansion of international trade and considering its impact on the domestic economy.

By combining these activities, we can greatly improve efficiency, reduce costs, simplify the reporting burden on business, provide better and more uniform statistics, and assure that the views and the problems of the private sector enter more effectively into decisions on general economic policy.

I urge the Congress to support my recommendation for a new Department of Labor and Business.

OTHER ECONOMIC POLICIES

1. I renew four recommendations made in my Economic Report of 1966 and not acted upon by the 89th Congress:

A fair system of charges for users of highways, aviation facilities, and inland waterways, to improve efficiency in the use of transportation resources, and to reimburse the Federal Government for a part of its expenditures on facilities which directly benefit those who use them;

Truth-in-lending legislation, to provide consumers with a full and clear statement of the true cost of credit;

Stronger regulation of savings and loan holding companies; and

Provision of Federal charters for mutual savings banks, to enlarge and strengthen our system of thrift institutions.

2. To aid the advance of technology on which economic progress depends, I now urge congressional support for a long-overdue modernization of our patent system; a large-scale program of research in transportation.

3. Total holdings in the Nation's stockpile of strategic and critical materials now stand at $6.5 billion. Of this amount, $3.4 billion are excess to our defense needs as presently determined.

During the last fiscal year, the Administrator of General Services disposed of excess stockpile materials valued at slightly more than $1 billion without disruption of the domestic economy or the normal channels of trade.

The last session of the Congress authorized disposal of excess stockpile material valued at $782 million. I will ask the Congress for authority to dispose of additional stockpile excesses, bringing to about $2 billion the present value of excess stockpile material available for disposal.

I believe that we should relieve taxpayers of the burden of carrying unneeded surplus stocks, and provide businesses and workers with the materials necessary to assure continued high levels of production.

4. The responsibility which we share with the States to insure that our banks and thrift institutions are honest, competent, and competitive is a continuing function demanding constant attention. We must continue to encourage the orderly and progressive development of a financial system adequate to meet the needs of a growing and dynamic economy.

I urge the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Home Loan Bank Board to continue and to intensify their efforts to coordinate their regulatory policies and procedures, and to improve their examination methods.

AFTER VIETNAM

Despite all our efforts for an honorable peace in Vietnam, the war continues. I cannot predict when it will end. Thus our plans must assume its long duration.

But peace will return—and it could return sooner than we dare expect.

When hostilities do end, we will be faced with a great opportunity, and a challenge how best to use that opportunity. The resources now being claimed by the war can be diverted to peaceful uses both at home and abroad, and can hasten the attainment of the great goals upon which we have set our sights.

If we keep our eyes firmly fixed on those goals—and if we plan wisely—we need have no fear that the bridge from war to peace will exact a wasteful toll of idle resources, human or material.

But when that welcome day of peace arrives, we will need quick adjustments in our economic policies. We must be prepared for those adjustments, ready to act rapidly—both to avoid interruption to our prosperity and to take full and immediate advantage of our opportunities.

Planning for peace has been an important activity in many executive agencies. But the effort needs to be stepped up and integrated.

Accordingly, I am instructing the heads of the relevant agencies in the executive branch, under the leadership of the Chairman of the Council of Economic Advisers, to begin at once a major and coordinated effort to review our readiness. I have asked them to consider possibilities and priorities for tax reduction; to prepare, with the Federal Reserve Board, plans for quick adjustments of monetary and financial policies; to determine which high priority programs can be quickly expanded; to determine priorities for the longer range expansion of programs to meet the needs of the American people, both through new and existing programs; to study and evaluate the future direction of Federal financial support to our States and local governments; to examine ways in which the transition to peace can be smoothed for the workers, companies, and communities now engaged in supplying our defense needs, and the men released from our Armed Forces.

I have directed that initial reports be prepared on all of these and related problems, and that thereafter they be kept continuously up to date.

CONCLUSION

Our task for 1967 is to sustain further sound and rewarding economic progress while we move toward solutions for the problems we met in 1966. It will require a flexible and delicate balance of economic policies.

Above all, we must guard against any interruption of our prosperity. The steady advance of jobs and incomes is our most powerful weapon in the battle against poverty and discrimination at home. And it undergirds our policy around the world.

Yet we must be equally alert to the dangers of inflation.

In his Economic Report of January 1956, President Eisenhower wrote:

> The continuance of general prosperity cannot be taken for granted. In a high-level economy like ours, neither the threat of inflation nor the threat of recession can ever be very distant. . . . The only rigid rule we can afford to admit to our minds is the principle that the best way to fight a recession is to try to prevent it from occurring.

Only 18 months later, the sharpest recession of the entire postwar period began—which also led to the largest peacetime budget deficit in our history. Over the same 18 months, both consumer prices and wholesale prices advanced 5½ percent—considerably faster than in the 18 months since June 1965.

That history does not invalidate but rather reinforces President Eisenhower's proposition. Neither the threat of inflation nor of recession is ever distant in a high-level economy.

How can we steer between these dangers, and—at the same time—supply the needs of national defense, strengthen our overseas payments, relieve the inequities of tight money and high interest rates, maintain the momentum of social progress, and provide the growth of incomes which lets each of us move toward fulfilling his private aspirations?

I am confident that we can find such a course. We will continue to coordinate the tools of monetary and fiscal policy to the common goal—the sound, balanced, and noninflationary advance of production and incomes. We are steering toward lower interest rates, a better balance in our economy, a budget and a social security program that reflect national priorities.

There will be surprises in store along the way. We must be prepared to meet them swiftly and flexibly. And I think we are. The tools of economic policy are not perfect; but they are far better understood and accepted—in the Government and in the private community—than ever before.

We have surely proved over recent years that economic progress does not need to be interrupted by frequent recessions. And, although prices have risen faster in the past year and a half than we expected or wished, we have done better than in most similar periods of our economic history. And we have done it without burdensome controls on prices or wages.

The Federal Government cannot do the whole job—or even very much of it. Production and incomes arise from the strength and skill of workers, the ingenuity of managements, the willingness of savers to risk their capital, the genius of inventors and engineers, the patience of teachers, the devotion of local public servants—the contributions of all who participate in our economy.

Yet the Federal Government has a role of leadership and a responsibility for coordination.

The Congress defined that role in the Employment Act of 1946:

> . . . it is the continuing policy and responsibility of the Federal Government . . . with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare, . . . useful employment opportunities . . . for those able, willing and seeking to work, and to promote maximum employment, production, and purchasing power.

Our economic policies for 1967 respond to that mandate.

LYNDON B. JOHNSON.

JANUARY 26, 1967.

COMMITTEE MEETING DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Subcommittee

on Antitrust and Monopoly of the Committee on the Judiciary was permitted to meet during the session of the Senate today.

On request of Mr. BYRD of West Virginia, and by unanimous consent, the Special Committee on Appalachia of the Committee on Public Works was permitted to meet during the session of the Senate today.

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.

EXECUTIVE SESSION

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

EXECUTIVE MESSAGES REFERRED

The PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

By Mr. RUSSELL, from the Committee on Armed Services:

Gen. John P. McConnell (major general, Regular Air Force), U.S. Air Force, to be reappointed as Chief of Staff, U.S. Air Force.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). If there be no further reports of committee, the nominations on the Executive Calendar will be stated.

DEPARTMENT OF STATE

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

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

Mr. MOSS. Mr. President, I am proud to speak this morning in behalf of my Utah colleague, former Congressman David S. King, and to urge his confirmation as Ambassador Extraordinary and Plenipotentiary of the United States to the Malagasy Republic.

Dave King is admirably prepared to fill this ambassadorship. As the son of Utah's illustrious Senator William H. King, who served 27 years in the House of Representatives and the Senate, young Dave grew up in the political, diplomatic and social atmosphere of the Capital City. His friends included young people of all nations, and he developed a broad view of people and the world early in life. As a young student, he attended school in France. Later he lived abroad as a missionary for the Church of Jesus Christ of Latter-day Saints—Mormon—in Great Britain.

He did his undergraduate work in economics at the University of Utah, and after graduation he took his law degree at Georgetown University. He served as law clerk to Justice Stephens of the U.S. Court of Appeals for the District of Columbia, and is a member of the bar in both the District of Columbia and Utah. He served as counsel for the Utah State Tax Commission, and has practiced law in Salt Lake City. He has also been the vice president and director of a finance company, and a teacher of commercial law. He has fluent command of the French language and is a gifted and inspired speaker.

Dave King served for 6 years in the House of Representatives where he was highly respected. He went to Vietnam for the Foreign Operations and Government Information Subcommittee of the House Government Operations Committee, and his reports were full and penetrating. He served also on the Interior and Insular Affairs Committee, and, for one term, on the Science and Astronautics Committee, both of which give him additional background to serve his country well in an ambassadorship.

One of Dave's greatest assets has always been his charming and dynamic wife, Rosalie Lehner King. She would be an embellishment to any American embassy, and I predict will win friends for the United States wherever she goes. Since she is a registered nurse by profession, she has both the understanding and skills to be of assistance in areas of social need, should she be called upon to consult or serve.

And finally, I want to mention the King children—Jody, who is Mrs. Robert V. Olsen, is in Tunisia with her husband. Both are serving in the Peace Corps. David, Jr., is serving as a missionary for the Latter-day Saints Church in France. The others, Franklin Lawrence, Stephen Edward, Matthew Thomas, Christine, and Christopher Henry, will accompany their parents to the Republic of Malagasy. The United States has a bonanza in the King family—we could send no finer representatives of this country abroad as a sample of good healthy Americanism.

David S. King will be an excellent Ambassador Extraordinary and Plenipotentiary of the United States of America to the Malagasy Republic. I urge his immediate confirmation.

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

UNITED NATIONS

The legislative clerk read sundry nominations to the United Nations.

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

The PRESIDING OFFICER. Without objection, the nominations are considered and confirmed en bloc.

Mr. KUCHEL. Mr. President, I am delighted to see a distinguished citizen of California, Ambassador Richard E. Pedersen, nominated and now confirmed as Deputy Representative of the United States of America in the United Nations Security Council.

I had the pleasure of talking with Ambassador Pedersen the other day. He has a phenomenal record of accomplishment in public service in this field. I ask unanimous consent that I may be permitted to place in the RECORD at this point a brief biographical sketch of Ambassador Pedersen.

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

RICHARD F. PEDERSON

Present Position: Senior Adviser to the Representative of the United States of America to the United Nations and in the Security Council, with the personal rank of Ambassador.

Office Address: United States Mission to the United Nations, 799 United Nations Plaza, New York, New York.

Born: February 21, 1925, at Miami, Arizona.

Legal Residence: California.

Marital Status: Married, May 9, 1953.

Family: Wife's maiden name: Nelda Newell Napier. Children: Paige Elizabeth, Jonathan Foote, Kendra Gayle.

Home Address: 1 Lexington Avenue, New York, New York.

Education: University of the Pacific, Bachelor of Arts summa cum laude, 1946; Stanford University, Master of Arts, 1947; Harvard University, Doctor of Philosophy, 1950; George Williams College Doctor of Laws, 1964.

EXPERIENCE

Military, 1943–1945: Served with infantry, Army of the United States, European Theater of Operations (ETO).

Non-Government, 1949–1950: Teaching fellow, tutor Harvard.

Government, 1950–1953: With Office of United Nations Economic and Social Affairs, Department of State.

1953–1955: Adviser economic and social affairs, United States Mission to the United Nations.

1955: Appointed FSO-4 (Integrated), Consul, and Secretary in the Diplomatic Service; assigned to the Department.

1956: Assigned to the United States Mission to the United Nations; adviser on political and security affairs.

1959: Appointed FSO-4; senior adviser, political and security affairs, and chief of political section.

1953–1965: Member, United States Delegation, 8th–20th Session, United Nations General Assembly, New York, New York.

1962: Resigned from the Foreign Service.

1964–65: Counselor, United States Delegation, 19th–20th Sessions, United Nations General Assembly, New York, New York.

1964–1966: Counselor of the United States Mission to the United Nations, with personal rank of Minister.

1966 to present: Senior Adviser to the Representative of the United States of America to the United Nations and in the Security Council, with personal rank of Ambassador.

Memberships and Clubs: Chairman program committee, member national council Y.M.C.A., 1961—. Member: American Political Science Association, American Foreign Service Association, Council on Foreign Relations.

Publications: Not stated.

Decorations and Awards: Recipient Sumner Peace prize for dissertation Harvard, 1950.

Named one of ten outstanding young men United States Junior Chamber of Commerce, 1956.

Outstanding Alumni award, University of the Pacific, 1962.

Named one of 50 outstanding alumni Pi Kappa Delta, 1964.

Mr. KUCHEL. Mr. President, I also wish to say Godspeed to another distinguished Californian, Mr. John F. Henning. He has served the administration as Under Secretary of Labor; and now he goes to the post of Ambassador to New Zealand. He goes across the Pacific to affirm America's close ties with an old and trusted ally. I want to wish him well in his new assignment.

Mr. MANSFIELD. Mr. President, I move that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. 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 Order No. 4 on the calendar, and that the rest of the calendar be considered in sequence.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

JENNIE L. WALDEN

The resolution (S. Res. 66) to pay a gratuity to Jennie L. Walden was considered and agreed to, as follows:

S. RES. 66

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Jennie L. Walden, widow of Reuben A. Walden, an employee of the Architect of the Capitol assigned to duty in the Senate Office Buildings at the time of his death, a sum equal to six months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

HAZEL V. HOAK

The resolution (S. Res. 65) to pay a gratuity to Hazel V. Hoak was considered and agreed to, as follows:

S. RES. 65

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Hazel V. Hoak, widow of John E. Hoak, an employee of the Senate at the time of his death, a sum equal to six and one-half months' compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

CORNELIUS O'NEAL

The resolution (S. Res. 64) to pay a gratuity to Cornelius O'Neal was considered, and agreed to, as follows:

S. RES. 64

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Cornelius O'Neal, widower of Leila M. O'Neal, an employee of the Senate at the time of her death, a sum equal to six months' compensation at the rate she was receiving by law at the time of her death, said sum to be considered inclusive of funeral expenses and all other allowances.

MARTHA I. ROBINSON

The resolution (S. Res. 63) to pay a gratuity to Martha I. Robinson was considered, and agreed to, as follows:

S. RES. 63

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Martha I. Robinson, widow of Evermont Robinson, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

RESOLUTION PASSED OVER

The resolution (S. Res. 62) to pay a gratuity to Dorothy S. McIntyre was announced as next in order.

Mr. MANSFIELD. Mr. President, I ask that this resolution go over.

The PRESIDING OFFICER. The resolution will be passed over.

MEMBERSHIP ON CERTAIN JOINT COMMITTEES

The resolution (S. Res. 61) providing for members on the part of the Senate of the Joint Committee on Printing and the Joint Committee of Congress on the Library was considered, and agreed to, as follows:

S. RES. 61

Resolved, That the following-named Members be, and they are hereby, elected members of the following joint committees of Congress:

JOINT COMMITTEE ON PRINTING: Mr. Hayden, of Arizona; Mr. Jordan of North Carolina; and Mr. Scott, of Pennsylvania.

JOINT COMMITTEE OF CONGRESS ON THE LIBRARY: Mr. Jordan of North Carolina; Mr. Pell, of Rhode Island; Mr. Clark, of Pennsylvania; Mr. Cooper, of Kentucky; and Mr. Scott, of Pennsylvania.

SENATE MANUAL

The resolution (S. Res. 60) authorizing the revision and printing of Senate Manual for use during the 90th Congress was conisdered and agreed to, as follows:

S. RES. 60

Resolved, That the Committee on Rules and Administration be, and it is hereby directed to prepare a revised edition of the Senate Rules and Manual for the use of the Ninetieth Congress, that said Rules and Manual shall be printed as a Senate document, and that two thousand additional copies shall be printed and bound, of which one thousand copies shall be for the use of the Senate, five hundred and fifty copies shall be for the use of the Committee on Rules and Administration, and the remaining four hundred and fifty copies shall be bound in full morocco and tagged as to contents and delivered as may be directed by the committee.

ORDER FOR ADJOURNMENT UNTIL MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 12 o'clock noon Monday next.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

PERSONAL STATEMENT

Mr. MANSFIELD. Mr. President, if I may have the attention of the Senator from New York [Mr. JAVITS], I should like to refer to a request made by him after we had the vote on cloture last Tuesday. I do not have the exact language, but the Senator made a request then, as I have read the RECORD, asking that I move at that time that the Senate turn to the consideration of the next order of business. I declined to do so.

I wish to apologize, because I misunderstood the request, and I want the record to be clear that the fault was mine and the misunderstanding was entirely my responsibility.

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

Mr. MANSFIELD. I yield.

Mr. JAVITS. I think it is typically gracious of the Senator; but I have been here too long, and my affection for the Senator and the minority leader are too great, and they have indulged me too often, for me to have dilated on that point at all. We just passed it by, and the next day the Senator did precisely what he could have done the day before.

Mr. MANSFIELD. Exactly. And, therefore, the Senator from Montana was at fault, and wishes to apologize for the misunderstanding.

Mr. JAVITS. I thank the Senator.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Is there further morning business?

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION AUTHORIZATION ACT, 1968

A letter from the Administrator, National Aeronautics and Space Administration, Washington, D.C., transmitting a draft of proposed legislation to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes (with accompanying papers); to the Committee on Aeronautical and Space Sciences.

EXTENSION OF CERTAIN NAVAL VESSEL LOANS

A letter from the Secretary of the Navy, transmitting a draft of proposed legislation to authorize the extension of certain naval vessel loans now in existence, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

REPORT ON PROJECTS TO BE UNDERTAKEN FOR ARMY NATIONAL GUARD

A letter from the Deputy Assistant Secretary of Defense (Properties and Installations), reporting, pursuant to law, on pro-

posed projects to be undertaken for the Army National Guard, at East Haven, Conn., and Camp Ripley, Minn.; to the Committee on Armed Services.

PROPOSED LEGISLATION RELATING TO INTERSTATE COMMERCE

A letter from the Chairman, Interstate Commerce Commission, Washington, D.C., transmitting eight drafts of proposed legislation relating to the following subject: Through Routes and Joint Rates; Clarification of Agricultural Cooperative Exemption; Suspension and Revocation of Motor Carrier Operating Authority for Noncompliance with Commission's Rules, Regulations, or Orders; Section 22 Rates; Pooling Agreements of Household Goods Carriers; Elimination of Unnecessary Motor Carrier Regulation; Elimination of Unnecessary Valuation and Reporting Requirements; and Delegation of Authority to Qualified Individual Employees (with accompanying papers); to the Committee on Commerce.

REPORT ON DISPOSAL OF FOREIGN EXCESS PROPERTY

A letter from the General Manager, U.S. Atomic Energy Commission, Washington, D.C., reporting, pursuant to law, on the disposal of foreign excess property, during fiscal year 1966; to the Committee on Government Operations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on potential benefits from quarterly collections of Federal unemployment taxes, Department of Labor and Department of the Treasury, dated January 1967 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of methods used to provide telephone service to military family housing occupants, Department of Defense, dated January 1967 (with an accompanying report); to the Committee on Government Operations.

RECOMMENDATION ADOPTED BY INTERNATIONAL LABOR CONFERENCE

A letter from the Assistant Secretary for Congressional Relations, Department of State, transmitting, for the information of the Senate, recommendation No. 123, concerning the employment of women with family responsibilities, adopted by the International Labor Conference at Geneva, on June 22, 1965 (with an accompanying paper); to the Committee on Labor and Public Welfare.

REPORT ON LOSSES INCURRED BY THE POSTAL SERVICE

A letter from the Postmaster General, reporting, pursuant to law, on losses incurred by the postal service in the performance of public services, during the fiscal year ended June 30, 1967; to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

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

By the PRESIDENT pro tempore:

A resolution of the House of Representatives of the State of Colorado; to the Committee on Foreign Relations:

INTRODUCTION OF MEMORIAL

H. M. No. 1001, Memorializing the Congress of the United States concerning the conflict in Viet Nam

Whereas, The United States is engaged in a war in Viet Nam; and

Whereas, The scope of this country's involvement has grown by successive stages of escalation to a level which has been exceeded only by the Nation's participation in World War I and World War II; and

Whereas, Despite Article I, Section 8, of the Constitution of the United States, which grants to Congress, and Congress alone, the power to declare war, there has been no full and free discussion in the Congress of the United States on the origin and nature of this war and the extent to which it is in the national interest; now, therefore,

Be It Resolved by the House of Representatives of the Forty-sixth General Assembly of the State of Colorado:

That this House of Representatives hereby petitions the Congress of the United States to determine, at hearings by the appropriate committees and after full discussion by its members, the origin and nature of this war, and whether it is in, or conflicts with, our national interest; and thereafter, by appropriate resolution, to authorize and direct the President of the United States to conduct this nation's affairs in Viet Nam and Southeast Asia in accordance with that determination; and

Be It Further Resolved, That a copy of this Memorial be transmitted to the members of the United States Congress from the State of Colorado.

A resolution of the Senate of the State of Washington; to the Committee on Public Works:

IN THE LEGISLATURE OF THE STATE OF WASHINGTON—SENATE MEMORIAL 1967-2

To the Honorable Lyndon B. Johnson, President of the United States, and to the Senate and House of Representatives of the United States of America, in Congress Assembled, and to the Secretary of the Department of Transportation:

We, your Memorialists, the Senate of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

Whereas, The Bureau of Public Roads of the Department of Transportation in late November 1966 advised all states of a cut in their authority to obligate federal-aid highway funds for fiscal 1967 as well as a retroactive prohibition on obligating any funds not yet obligated from previous apportionments as of June 30, 1966; and

Whereas, The State of Washington had twenty-six million dollars authorized as of June 30, 1966, and ninety-seven million two hundred thousand dollars was to be allocated to it for fiscal 1967, which amounts were reduced to zero and seventy-two million five hundred thousand dollars, a cut of fifty million dollars; and

Whereas, The State of Washington has geared its highway planning and steadily increasing construction in reliance on the promises, announced policies, budgets, statutes, and urgings of the federal government, resulting in the employment of a heavy proportion of construction engineers and consulting engineers; and

Whereas, The private construction industry has increased its employment and capital investments to meet anticipated highway department programs; and

Whereas, The federal aid cut will create employment difficulties in both state government and private industry as well as losses in capital investments; and

Whereas, The federal aid cut will severely curtail this state's efforts to achieve an adequate state highway transportation system and to fulfill its obligations to complete its portion of the interstate highway system;

Now, therefore, be it resolved, That the Senate of the State of Washington does respectfully urge that the Congress of the United States does at the earliest possible time devise and approve legislation which will restore all federal aid highway funds to the levels in effect and contemplated in November 1966, prior to the cut-back.

Be it further resolved, That copies of this Memorial be transmitted by the Secretary of the Senate to the President of the United States, to the Vice President, to the Senators and Representatives from the State of Washington, to the Chairmen of the Committees on Finance and on Commerce of the Senate, to the Speaker and the Chairman of the Ways and Means and Public Works Committees of the House of Representatives, and to the Secretary of the Department of Transportation.

I, Ward Bowden, Secretary of the Senate, do hereby certify this is a true and correct copy of the Resolution adopted on January 12, 1967.

WARD BOWDEN,
Secretary of the Senate.

The petition of Edward T. Weir, of Jacksonville, Fla., praying for a redress of grievances; to the Committee on the Judiciary.

A letter in the nature of a petition from Rev. Robert H. Fix, of Onamia, Minn., relating to safety on the road; to the Committee on Public Works.

ADDITIONAL FUNDS FOR COMMITTEE ON ARMED SERVICES—REPORT OF A COMMITTEE

Mr. STENNIS, from the Committee on Armed Services, reported the following original resolution (S. Res. 71); which was referred to the Committee on Rules and Administration:

S. RES. 71

Resolved, That the Committee on Armed Services, or any duly authorized subcommittee there of, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to examine, investigate, and make a complete study of any and all matters pertaining to—

(1) Common defense generally;

(2) The Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force generally;

(3) Soldiers' and sailors' homes;

(4) Pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces;

(5) Selective service;

(6) Size and composition of the Army, Navy, and Air Force;

(7) Forts, arsenals, military reservations, and navy yards;

(8) Ammunition depots;

(9) Maintenance and operation of the Panama Canal, including the administration, sanitation, and government of the Canal Zone;

(10) Conservation, development, and use of naval petroleum and oil shale reserves;

(11) Strategic and critical materials necessary for the common defense;

(12) Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations.

SEC. 2. For the purpose of this resolution, the committee, from February 1, 1967, to January 31, 1968, inclusive, is authorized to (1) make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants: *Provided,* That the minority is authorized to select one person for appointment, and the person so selected shall be appointed and his compensation shall be so fixed that his gross rate shall not be less by more than $2,300 than the highest gross rate paid to any other employee; and (3) with the prior consent of the heads of the

departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 3. The expenses of the committee under this resolution, which shall not exceed $175,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

BILLS INTRODUCED

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

By Mr. COTTON:

S. 679. A bill to encourage individuals to pursue the career of nursing by financially assisting public and nonprofit hospitals and certain other health facilities in meeting the costs of paying a fair and reasonable wage to nursing personnel employed by them; to the Committee on Labor and Public Welfare.

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

(NOTE.—The above bill was ordered to be held at the desk until February 2, 1967 for additional cosponsors.)

By Mr. PROUTY:

S. 680. A bill for the relief of Massoud Philip Sissi; to the Committee on the Judiciary.

By Mr. BARTLETT (for himself, Mr. GRUENING, Mr. BREWSTER, and Mr. BYRD of West Virginia):

S. 681. A bill to promote the replacement and expansion of the U.S. nonsubsidized merchant and fishing fleets; to the Committee on Commerce.

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

(NOTE.—The above bill was ordered to be held at the desk until February 1, 1967, for additional cosponsors.)

By Mr. NELSON (for himself and Mr. MONDALE):

S. 682. A bill to provide for the control and prevention of erosion and sediment damage on rivers and streams, and for other purposes; to the Committee on Agriculture and Forestry.

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

(NOTE.—The above bill was ordered to be held at the desk for 1 week for additional cosponsors.)

By Mr. MAGNUSON (by request):

S. 683. A bill to facilitate the provision of adequate, economical, and dependable electric service for the present and future needs of the public and the proper and timely installation and use of the products of advancing technology in the generation or transmission of electric energy; to the committee on Commerce.

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

By Mr. YOUNG of Ohio:

S. 684. A bill to amend title II of the Social Security Act to increase the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title; to the Committee on Finance.

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

By Mr. HILL:

S. 685. A bill for the relief of the living descendants of the Creek Nation of 1814; to the Committee on Interior and Insular Affairs.

By Mr. BREWSTER:

S. 686. A bill for the relief of Philip Dunstan Gabb; and

S. 687. A bill for the relief of Tin Shik Chin; to the Committee on the Judiciary.

By Mr. DODD (for himself, Mr. MAGNUSON, Mr. BARTLETT, Mr. BREWSTER, Mr. CLARK, Mr. HART, Mr. HARTKE, Mr. MOSS, Mr. NELSON, Mr. YARBOROUGH, and Mr. WILLIAMS of New Jersey):

S. 688. A bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation, and for other purposes; to the Committee on Commerce.

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

By Mrs. SMITH:

S. 689. A bill for the relief of Guvenc Alpander, and his wife, Tanju Tumer Alpander; to the Committee on the Judiciary; and

S. 690. A bill to authorize and direct the Secretary of the Treasury to cause the vessel *Draggin' Lady*, owned by George W. Stevenson of Rockport, Maine, to be documented as a vessel of the United States with coastwise privileges; to the Committee on Commerce.

By Mr. YOUNG of North Dakota:

S. 691. A bill for the relief of Dr. Amado G. Chanco, his wife, Ruby Chanco, and his daughter, Arlene Chanco; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 692. A bill for the relief of Hou Tzeng-Yin (David S. Hou); and

S. 693. A bill for the relief of Aaron Bailey; to the Committee on the Judiciary.

By Mr. SCOTT (for himself, Mr. BAKER, Mr. BENNETT, Mr. JAVITS, and Mr. PEARSON):

S. 694. A bill to establish a Federal-State tax-sharing system; to the Committee on Finance.

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

By Mr. KENNEDY of Massachusetts (for himself and Mr. MAGNUSON):

S. 695. A bill to authorize the Secretary of the Interior in cooperation with the States to preserve, protect, develop, restore, and make accessible estuarine areas of the Nation which are valuable for sport and commercial fishing, wildlife conservation, recreation, and scenic beauty, and for other purposes; to the Committee on Commerce.

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

By Mr. COOPER (for himself, Mr. MONDALE, Mr. GRUENING, and Mr. YARBOROUGH):

S. 696. A bill to amend the Rural Electrification Act of 1936, as amended, to provide additional sources of financing for the rural electrification and rural telephone programs, and for other purposes; to the Committee on Agriculture and Forestry.

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

(NOTE.—The above bill was ordered to be held at the desk until February 3, 1967, for additional cosponsors.)

By Mr. CHURCH (for himself and Mr. JORDAN of Idaho):

S. 697. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the southwest Idaho water development project, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. MUSKIE (for himself, Mr. BOGGS, Mr. JACKSON, Mr. MUNDT, and Mr. MOSS):

S. 698. A bill to achieve the fullest cooperation and coordination of activities among the levels of government in order to improve the operation of our federal system in an increasingly complex society, to improve the administration of grants-in-aid to the States, to provide for periodic congressional review of Federal grants-in-aid, to permit provision of reimbursable technical services to State and local government, to establish coordinated intergovernmental policy and administration of grants and loans for urban development, to authorize the administration of grants and loans for urban development, to authorize the consolidation of certain grant-in-aid programs, to provide for the acquisition, use, and disposition of land within urban areas by Federal agencies in conformity with local government programs, to establish a uniform relocation assistance policy, to establish a uniform land acquisition policy for Federal and federally aided programs, and for other purposes; to the Committee on Government Operations.

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

(NOTE.—The above bill was ordered to be held at the desk until February 6, 1967, for additional cosponsors.)

By Mr. MUSKIE (for himself, Mr. BREWSTER, Mr. CLARK, Mr. GRUENING, Mr. HART, Mr. JACKSON, Mr. KENNEDY of New York, Mr. MCGEE, Mr. METCALF, Mr. NELSON, Mr. RANDOLPH, and Mr. MOSS):

S. 699. A bill to strengthen intergovernmental cooperation and the administration of grant-in-aid programs, to extend State and local merit systems to additional programs financed by Federal funds, to provide grants for improvement of State and local personnel administration, to authorize Federal assistance in training State and local employees, to provide grants to State and local governments for training of their employees to authorize interstate compacts for personnel and training activities, to facilitate the interchange of Federal, State, and local personnel, and for other purposes; to the Committee on Government Operations.

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

(NOTE.—The above bill was ordered to be held at the desk until February 6, 1967, for additional cosponsors.)

By Mr. FONG:

S. 700. A bill for the relief of Yuan-Fu-Kuo and his wife, Li-Tzu Yen Kuo; to the Committee on the Judiciary.

By Mr. MOSS:

S. 701. A bill to authorize and direct the acquisition of certain lands within the boundaries of the Wasatch National Forest in the State of Utah by the Secretary of Agriculture; which, by unanimous consent, was referred to the Committee on Interior and Insular Affairs.

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

RESOLUTIONS

STUDY TO ACHIEVE PORTABILITY OF BENEFIT RIGHTS UNDER PRIVATE PENSION PLANS

Mr. SPARKMAN submitted the following resolution (S. Res. 69); which was referred to the Committee on Finance:

S. RES. 69

Resolved, That the Committee on Finance or any duly authorized subcommittee thereof, is authorized under sections 134(a) and 136 of the Legislative Reorganization Act of 1946, as amended, and in accordance with its jurisdiction specified by rule XXV of the Standing Rules of the Senate, to make a full and complete study of private pension plans with a view to determining the feasibility of the attainment of complete portability of rights of employees covered under such plans by facilitating and encouraging, through appropriate amendments to the so-

cial security and internal revenue laws, the establishment of a central fund into which all contributions under such plans will be made and from which all benefits under such plans will be paid.

SEC. 2. The committee shall report its findings upon the study and investigation authorized by this resolution, together with such recommendations as it deems advisable, to the Senate at the earliest practicable date, but not later than July 31, 1967.

SEC. 3. For the purposes of this resolution the committee, through July 31, 1967, is authorized (1) to make such expenditures as it deems advisable; (2) to employ upon a temporary basis, technical, clerical, and other assistants and consultants; and (3) with the prior consent of the heads of the departments or agencies concerned, and the Committee on Rules and Administration, to utilize the reimbursable services, information, facilities, and personnel of any of the departments or agencies of the Government.

SEC. 4. Expenses of the committee, under this resolution, which shall not exceed $——, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

TO PRINT THE REPORT ON THE HIGHWAY BEAUTIFICATION PROGRAM AS A SENATE DOCUMENT

Mr. RANDOLPH submitted a resolution (S. Res. 70) authorizing the printing of the report on the highway beautification program as a Senate document, which was referred to the Committee on Rules and Administration.

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

ADDITIONAL FUNDS FOR COMMITTEE ON ARMED SERVICES

Mr. STENNIS, from the Committee on Armed Services, reported an original resolution (S. Res. 71) to provide additional funds for the Committee on Armed Services for making certain studies, which was referred to the Committee on Rules and Administration.

(See the above resolution printed in full when reported by Mr. STENNIS, which appears under the heading "Reports of Committees.")

ASSISTANCE TO THE NURSING PROFESSION

Mr. COTTON. Mr. President, I introduce, for appropriate reference, a bill to provide much needed assistance to the nursing profession, at a time when the Nation suffers from an acute shortage of nurses and, as a direct result, the ill and the aged are being deprived of the care to which they are entitled.

In brief, this bill would make provision for participation by the Federal Government in the salaries of nurses, in both public and private nonprofit facilities, on a graduated basis to a maximum of 30 percent of their earnings. Federal funds would be made available to such facilities, under regulations established by the Secretary of Health, Education, and Welfare, with the provision that such funds are passed on to the nurses in the form of increased wages.

I was troubled, following the recent viewing of a documentary educational film on a national television broadcast depicting a New York hospital with so great a shortage of nursing personnel that it required the assignment of more patients to the staff nurse than she was capable of professionally handling, resulting in inadequate care for which the patients were paying and rightfully entitled. So impossible was the situation in this hospital and so frustrated were the nurses regarding their inability to meet their own professional standards of minimal care that many were forced to resign which caused further aggravation of an already acute and serious problem.

Obviously, this was not an easy decision for any nurse to make. It probably came after weeks of emotional upheaval and soul-searching following detailed examination of principles as well as conscience.

So concerned was I for the patients, as well as the nurses, that I availed myself of a detailed review of medical facilities throughout this Nation and learned that the New York hospital experience is not unusual or unique, but that all hospitals are similarly handicapped by nursing shortages in varying degress.

Due to our neglect of the nursing profession over the past two decades, we now have so few nurses responsible for so many patients that they are just unable to provide professional nursing care, and the situation is steadily deteriorating.

If there are those who do not think the situation is serious, take a look at some of the facts. We have a total of 621,000 professional registered nurses to accommodate a nation of 192 million inhabitants.

Twenty-one percent of the full-time registered nurse positions in hospitals are now vacant. Twenty percent of the registered nurse positions in psychiatric hospitals are unfilled. Additional shortages exist in public health agencies, licensed nursing homes, and school nurse programs.

The proportion of high school graduates enrolled in basic nursing programs has declined since 1950 and is only 5 percent of the potential with the probability that it will fall even lower. While salaries are not wholly responsible for this situation, it is interesting to note that in most communities nurses are paid less than other workers whose jobs require equal or less training.

This great Nation of ours is embarking upon an expanding program of medical services for its citizens with emphasis upon increased quality of medical care, but this will never be accomplished without the availability of qualified nurses to carry it out. My bill, with emphasis upon more adequate salaries, would serve to encourage many of the 283,000 inactive nurses to return to active service. The Surgeon General, Dr. William Stewart, shares this view when he says:

> If it comes to the point that the salary of a nurse makes it worthwhile for her to turn from family life back to nursing, we will attract many who have left the field. Then, too, higher salaries make nursing much more attractive as a career.

The value of the nurse must be seen from the point of view of the patient. Too few stop to consider that during diagnosis and following diagnosis necessary therapy is carried out by the nurse.

While I have stressed the hospital problem, my bill recognizes the need for nurses in the community. With our expanding elderly population, there is increased demand for nurses in caring for the sick at home, in nursing homes, and other settings which do not warrant hospitalization. There are increased demands upon nurses with increased functions. She has to assume additional activity requiring greater skill and assume responsibility for more people. With additional functions requiring greater skill, it is only proper to recognize increased salary.

My reference to hospitals is in no way intended as a reflection on hospital administration. Salaries account for approximately 70 percent of hospital expenditures, and most hospitals do not have sufficient revenue to adjust wages when all costs of such facilities have been spiraling. However, we must bear in mind that all money for hospitals comes from the public one way or another, and my plan will permit a salary adjustment for nurses without a corresponding increase in patient rates.

In conclusion, proper care of patients and recognition of nursing services are synonymous. Economic security for nurses will be translated into increased public service.

It is my earnest hope that this proposal will receive expeditious and sympathetic consideration in order that we may see it enacted into law during the first session of the 90th Congress.

Mr. President, I foresee that this proposal may prove to be a very important measure. The support or care that we are undertaking under medicare in most hospitals—and nearly all private hospitals, as a matter of fact—is supported by the public in one form or another, but we are going to need more rather than fewer nurses.

Mr. President, unless we do something to make the nursing profession as attractive as other professions, or at least on a par with other professions open to young women, and unless we do something to bring back the nurses who have left the profession because of inadequate salaries and have gone into other endeavors, the whole structure of our care of young and old, and particularly of the aged, may fall to the ground.

Mr. President, I ask unanimous consent that the bill may lie at the table for 1 week in order that Senators who feel that this is an important proposal may have the opportunity to add their names as cosponsors.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). The bill will be received and appropriately referred; and, without objection, the bill will be held at the desk as requested by the Senator from New Hampshire.

The bill (S. 679) to encourage individuals to pursue the career of nursing by financially assisting public and nonprofit hospitals and certain other health facilities in meeting the costs of paying a fair and reasonable wage to nursing personnel employed by them, introduced by Mr. COTTON, was received, read twice

by its title, and referred to the Committee on Labor and Public Welfare.

NEEDED: NEW MERCHANT AND FISHING FLEETS

Mr. BARTLETT. Mr. President, on behalf of myself and Senators GRUENING, SCOTT, YOUNG of Ohio, BREWSTER, and BYRD of West Virginia, I introduce, for appropriate reference, a bill to promote the replacement and expansion of the U.S. nonsubsidized merchant and fishing fleets.

This Nation has men fighting in Vietnam and is hard pressed to supply these men using U.S. vessels.

This Nation is currently negotiating fishing agreements with the Soviet Union, and it is not negotiating from a position of strength.

The only parallel I wish to draw is that in both cases our small, outdated fleet, be it merchant or fishing, is making our task more difficult.

To meet the demands of Vietnam, we have had to use ships long ready for the scrap heap. The inefficiency of such ships is reflected in higher costs and delays which would be eliminated if we had a modern fleet.

In the negotiations with the Russians we are handicapped because the Soviet Union has a large, modern fleet capable of harvesting fish off our shores while the vast majority of our fishing vessels cannot venture out on the high seas.

To do a great injustice to a great poet, but to do it in the interest of righting a major shortcoming, I will say, "Let me count the ways" a modern fleet is in the national interest.

First. In times of conflict, sublimited, limited or major, we must have the capability of carrying in our own ships our own supplies to our own men.

Second. In times of peace, we must have the capability for independent action in economic competition. That means we must be able to carry a major portion of our own goods to oversea markets.

Third. In time of peace or war, world hunger continues its relentless war of attrition. No means must be spared to defeat that threat, and that country which does the most to successfully bring that conflict to a happy end will have a large headstart in influencing the uncommitted nations of the world. At the present time, we are forfeiting a great source of food to other nations which have had the foresight to build a modern fishing fleet.

For these reasons I am reintroducing this bill designed to encourage modernization of our nonsubsidized merchant and fishing fleets.

The bill allows merchant vessel operators to commit themselves by contract with the Secretary of Commerce, and fishing vessel owners with the Secretary of the Interior, for the establishment of a vessel replacement reserve fund. Into this fund must be deposited the proceeds of the sale of any vessel, proceeds of any insurance and indemnities, annual depreciation charges, earnings made on deposits in the fund, and may be deposited moneys from other sources such as operating earnings. Such deposits are treated as tax deferred but only if they are used for this exclusive national interest purpose—the replacement and modernization of merchant or fishing vessels. This is no tax escape proposal.

Further it provides, in the case of merchant vessels, that Government payments in the form of freight rate differentials on Government-sponsored cargoes must, and in degree determined by the Secretary of Commerce, be deposited in the reserve fund dedicated to vessel replacement. It is apparent to me that to a substantial degree the singular inadequacy we can now note in the so-called cargo preference act is that it has not promoted the construction of a modern tramp or bulk-carrying fleet. This must be corrected now. With this correction we can look to the construction of modern vessels—and with them a vast lowering in the cost of differential payments as these programs continue in the future.

Mr. President, I have no delusion that this measure will be a cure-all for our merchant and fishing fleet ills, but it will help. I would prefer that we embark on a major, unified program to update our fleets, on a program which has the strong backing of the administration.

However, in face of apparent apathy on this problem within the administration, in face of a growing crisis, Congress must take what action is open to it. Perhaps if we pass enough bills which will help in small ways we can impress the administration with the depth of concern and of our desire to once again make this Nation the world's leading maritime nation. Who knows, perhaps Congress will have to come up with the needed major, unified program.

Mr. President, on January 7 I spoke at the launching of the SS *Van Buren* in Pascagoula, Miss. My remarks then were pertinent to the problem I have discussed today. I ask unanimous consent that my speech be printed in the RECORD at the conclusion of my remarks.

I ask that the bill lie on the table until February 1 for additional cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the speech will be printed in the RECORD and the bill will lie on the table as requested.

The bill (S. 681) to promote the replacement and expansion of the U.S. nonsubsidized merchant and fishing fleets introduced by Mr. BARTLETT (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Commerce.

The speech of Senator BARTLETT is as follows:

We meet to launch the SS Van Buren, a modern cargoliner designed to serve a modern world.

For the men who designed the ship, for those who built it, and for the men who will operate it, the launching is a testimony to skill and vision, and in these days, to perseverance.

To the nation which the SS Van Buren will serve and to the world whose seas the ship will sail, this launching calls public attention to the fact that we possess the skill, resources and men to build a modern merchant marine if we but recognize the necessity of doing so. In this case, the "we" is we the people of the United States, for nothing less than a national commitment will suffice if we are to regain our place as a great sea power.

There are too many who fail to see that a nation's power in the world is closely equated with its sea power, even in these days of missiles and airplanes that travel faster than sound. The reason for that equation should be clear. Vietnam should have made it clear. Before we became so deeply involved in Vietnam, the statement was made by a responsible official that the United States no longer had need, for defense purposes, of a merchant marine sufficient in size and sufficiently modern to meet emergencies. We know otherwise now.

We have been hard put to ship supplies and men to Vietnam. Ships old by any standard have been broken out of the reserve fleet. Not only has there been a shortage of vessels, but our shortsighted maritime policy has cost money. The cost of operating an outmoded fleet is several times the cost of operating a modern fleet. And what if we were to become involved in conflict in another part of the world? How would we move men and cargoes? The question is easier asked than answered. What we know surely is that the airplane, remarkable though it is in its modern version, has not replaced the ship.

Despite these facts, there remains an alarming degree not only of public apathy about our maritime position but hostility in many quarters, publicly expressed, to the use of the taxpayers' dollars for the upgrading and modernization of our merchant fleet. We all have read many such criticisms in recent months. Curiously enough, their authors seem completely unaware of the fact that the program of federal assistance for a certain segment of our merchant marine has been remarkably successful and has given us a liner fleet, restricted though it may be in size, equal—and perhaps superior—to that of any other nation in speed and cargo-handling efficiency.

There is no need to quote here the alarming statistics which show that while our merchant marine ages, Russia has embarked on a building program which could make the Soviet Union the world's dominant merchant sea power. While our Moscow adversary may have rejected all-out war as foreign policy, it is clear that the Kremlin seeks to expand its influence through economic competition. Just as clearly, the nation which can deliver its goods to foreign ports is the nation which shall win this competition. For a nation to enter this contest depending on ships of other nations is like a football coach asking his opponent's linemen to block for his ace passer. I wouldn't want to be the quarterback or the coach, but I would not mind being one of the opposing linemen.

Unfortunately, the public has not been alerted to all the ramifications of the decline of this nation's merchant marine. For that matter, almost all facets of a sensible sea policy, including harvest of the resources of the sea to feed a hungry world and exploration of the sea, have suffered from lack of public interest. Let's be realistic. In the scramble for federal funds, projects with public appeal have a built-in advantage.

I suspect part of the trouble has to do with photography. Underwater cameras have a maximum range of 50 feet. In outer space, cameras snap spectacular shots of our planet. Also, our TV and newspaper editors apparently have a great liking for what they describe as "spectacular" pictures of the moon. The result is public acceptance of the space age. More concretely, the result is billions for space exploration, but only a fraction of that amount for oceanography. We are ready to commit huge amounts of federal money for a supersonic airplane. We groan when any federal money goes to the merchant marine.

It would appear that political programs as well as politicians must be photogenic to succeed these days.

At any rate, the facts of life are that despite the efforts of many of us, adequate gov-

ernment assistance to modernize our fleet will not be forthcoming, at least in the foreseeable future.

With that thought in mind, let us take a quick look at what must be done for just one aspect of sea power. It seems to me that an "adequate" merchant marine fleet should be large enough to carry a substantial portion of U.S. foreign commerce. Therefore, we need a quick and major infusion of new ships into our merchant marine fleet to reach the necessary figure and then a program of replacement and additions so that the fleet will continue to grow and modernize as our foreign commerce grows.

Obviously, we will need an adequate number of shipyards to service if not build all these ships. Otherwise, our fleet will be as dependent on foreign "friends" as our exporters are today. We must have the shipyards to employ our ship builders. We must not lose these men, a precious natural resource, to other industries.

In the past we have managed to crank up a major shipbuilding industry in times of emergency. There is no guarantee—let that be emphasized—of successful repetition.

We await the formulation and presentation of a national maritime transportation policy by the executive department of the federal government. It has been long promised. It has been long in coming. We know it has not yet arrived. It is easier, perhaps, to rail against the delay than it would be for any one of us, or any group of us, to come up with a plan which would be acceptable to all, or even to a bare majority. The divergent forces are strong—and vocal. One individual, or group, says it should be done this way; another demands a directly contrary policy. Change is not easy to effect. There are built-in barriers to change. Yet it is clear as clear can be—or ought to be—that changes are essential if our merchant marine is not going to continue to deteriorate and disintegrate.

Some have said that since the administration has not acted, the Congress should be advancing a bold, forward-looking new program to revitalize our merchant fleet. Again, this is easier said than accomplished, for under our system of government these days a merchant marine policy which had its genesis in Congress without support, active support, from the executive department would be almost foredoomed to failure. For some years past I have served on the Merchant Marine and Fisheries Subcommittee of the Senate Commerce Committee. It has not been pleasing to me, and I am sure not to the others involved, that in the main we have been performing, legislatively speaking, only housekeeping functions, tidying-up legislation while the big job, the pressing job, the imperative job, remains untouched. For myself, I had a feeling of outright frustration while visiting a few weeks ago a shipyard in Japan which by itself produces each year more tonnage than all the shipyards in the United States combined. Comparison with Japan, or with the Soviet Union, or with any other nation are not necessarily to the point, but what is to the point is that American flag vessels carry less and less of our cargo each year. That is very much to the point.

It is in keeping with the spirit of the public importance of this ceremony that we pledge to put first things first, for a shipping policy which does not serve the best interests of the nation will not serve the best interests of the industry.

American President Lines has a long and honored history on the seas. The company and its predecessors have served the nation well. In undertaking a program to build five cargoliners such as the SS *Van Buren*, the American President Lines proves again that there is a place and a need for modern merchant vessels in a modern world.

This nation became great in part because it has traditionally had men who would go down to the sea in ships, who would carry our commerce to distant shores and make the American presence known.

This nation can remain great, but not, I fear, if we ignore the lessons of history and let a noble tradition drift away. The traditional breaking of a bottle on the bow of the SS *Van Buren* is a symbol that there are still some people in this nation who are not content to let that happen.

Let there be many more christenings. Let there be many more launchings. Let American ships slide from the ways into the water in increasing numbers. Let the American flag fly on ships on all the seas and in all the ports. So it was in the days of old. So it will be in the days to come if we set our minds and hearts to the task.

Mr. GRUENING. Mr. President, it is with satisfaction that I join my distinguished colleague, Senator BARTLETT, the chairman of the Subcommittee on Merchant Marine and Fisheries of the Senate Committee on Commerce, in the introduction of a bill which will, we believe, greatly improve the quality and increase the number of our domestic merchant and fishing fleets. The State of Alaska, being almost completely dependent on ocean shipping for supply of commodities necessary to life and being a State where fishing is one of our most important industries, we are particularly aware of the absolute necessity for reversing the decline in the domestic shipping industry which has appeared to be inexorable over the past years.

The bill my colleague has introduced is a constructive plan for insuring construction of a fleet of merchant and fishing vessels that will support the needs of the Nation in years to come. It is directed at one of the most serious deficiencies in operation of existing fleets which is the failure to replace obsolete equipment. As has been pointed out, the domestic fleet of nonsubsidized merchant and fishing vessels has not only decreased in size over the last years but has become a fleet largely composed of ancient, outmoded vessels. This bill would provide an incentive to operators of nonsubsidized merchant and fishing fleets to replace obsolete vessels in cooperation with the Government.

I hope this measure will receive speedy consideration by the Senate Commerce Committee and the Senate of the United States.

Mr. BARTLETT. I should say at this time, in addition, Mr. President, that this bill seeks to grant to the nonsubsidized segments of our fleet the same privileges which now operate to the benefit of the subsidized fleet, which has been a notably successful segment of our merchant marine operation. The entire merchant marine throughout the country declines year by year, as the Senator from Maryland [Mr. BREWSTER] so well knows; and last year only about 8 percent of American cargo was carried in American-flag ships.

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

Mr. BARTLETT. I am glad to yield to the Senator from Maryland, who likewise is a member of the Committee on Commerce, and who will have much to do with the proposed legislation.

Mr. BREWSTER. Mr. President, I congratulate the two Senators from Alaska for the introduction of this wise measure. I ask unanimous consent to have my name added as a cosponsor of the proposal.

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

RIVER AND STREAM EROSION CONTROL ACT

Mr. NELSON. Mr. President, for myself and the Senator from Minnesota [Mr. MONDALE], I introduce, for appropriate reference, the River and Stream Erosion Control Act, a bill which would give the Secretary of Agriculture authority to assist public and private organizations in abating and controlling bank erosion on our smaller rivers and streams. I ask that this bill lie on the table for 1 week so that other Senators who may wish to do so may join us in sponsoring it.

Wisconsin is second to no State in the beauty of its rural landscape. That beauty, in part, is the result of careful land and water conservation practices.

But I am deeply concerned that we have not kept pace in the protection of our waterways so that they will continue to serve the growing needs of the State and Nation. And, in this concern, I speak not only for Wisconsin but for America as a whole because every State shares this problem.

In Wisconsin alone, of 66,000 miles of stream banks that are producing or have the potential for producing sediment, 24,000 miles have a critical erosion problem. As much as 30 percent of the total sediment that pollute streams, lakes, reservoirs, and harbors in Wisconsin comes from stream bank erosion.

The failure to manage properly the rainwater and snowmelt on the lands near streams results in heavy waterflow that cuts away the streambanks and carries tons of soil—500 million tons nationwide every year—from both field and streambank into the waterways. This sediment represents more than lost soil. It represents lost productivity, a blow to the agricultural economy, and ugliness on the rural landscape. The deepening sediment that clogs the waterways interferes with navigation, pollutes the water, and reduces the capacity of stream channels resulting in damaging floods.

It is high time that we did something concrete to stop the tremendous loss arising from streambank erosion. That was the intent of a bill I introduced in the last Congress. That is the intent of the River and Stream Erosion Control Act I propose now. This bill can be a hallmark of the 90th Congress as the Federal Government proceeds to work cooperatively with State and local agencies to protect our streams and assure their contribution to the future prosperity and welfare of the American people.

Streambank erosion along 300,000 miles of the Nation's waterways destroys land adjacent to the stream channels valued at about $11 million a year. The annual cost of removing soil deposited in stream channels, harbors, and reservoirs is estimated at $250 million. This sediment increases water treatment costs, makes the water unsuitable for fish, and destroys the natural beauty of the stream and the area near it.

Streambank erosion is a form of vandalism of the American land that can—and must—be prevented. We can do it with the tools we already have and with the added authority that the proposed legislation would give to the Secretary of Agriculture.

A successful program of bank erosion control requires community cooperation along the course of a waterway. The River and Stream Erosion Control Act would make it possible to undertake bank erosion control for the entire course of a river or stream, or for extensive parts of waterways, by giving the Secretary of Agriculture authority to: "Assist State and local governments and other local nonprofit public and private agencies in the preparation of plans for controlling bank erosion; and

"Provide through cooperative agreements Federal technical assistance and financial aid up to 75 percent of the total cost for carrying out the bank erosion control plan."

This authority is needed to make present programs more effective by extending Federal assistance to organized groups with taxing authority for this purpose, and increasing the Federal rate of cost sharing required.

The proposed program of erosion control would be flexible so that only those portions of a particular watershed, or along a particular stream, that require protective measures would be brought into a particular streambank protection plan. The bill assumes that plans formulated or carried out under it would be consistent with other resource conservation and development programs receiving Federal assistance.

A notable effort has been made to control streambank erosion by riprapping or lining channel banks, by channel realinement, by building jetties, dams, and debris basins, by bank sloping and seeding, and by planting shrubs, trees and grass. The need cannot be adequately met under existing authorities.

The small watershed program of the Soil Conservation Service provides assistance to local units of Government for community bank erosion control projects, and much has been accomplished within the limitations of this program. Under the Agricultural Conservation Program of the Agricultural Stabilization and Conservation Service individual landowners are assisted in controlling bank erosion on agricultural land. While these landowners may work together voluntarily under a pooling agreement, organized groups are excluded from this assistance. Both programs, moreover, have suffered from a shortage of funds.

Streambank erosion problems usually cover large areas along a watercourse and affect many landowners and communities. Joint, cooperative action, supported with adequate financial assistance, is needed over the entire area where the problem exists to do the job right.

Primary benefits derived from controlling streambank erosion accrue to the public in general. They are not limited, nor are they necessarily of direct concern, to any particular landowner. Because of this broad public interest, streambank erosion control deserves and requires determined governmental support.

The Soil Conservation Service has the knowledge, experience, and the needed technical and administrative resources to administer the proposed bank erosion control program within the Department of Agriculture.

By making those modifications to present authority as are contained in the bill, we will make it possible to expand and accelerate the vital work of streambank protection, as a cooperative effort to meet a compelling national need, in the best tradition of our Federal system.

Mr. President, I ask unanimous consent that the text of the River and Stream Erosion Control Act be printed in the RECORD at this point in my remarks.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk, as requested by the Senator from Minnesota.

The bill (S. 682) to provide for the control and prevention of erosion and sediment damage on rivers and streams, and for other purposes, introduced by Mr. NELSON (for himself and Mr. MONDALE), was received, read twice by its title, referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

S. 682

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress recognizes that the rivers and streams of the United States form an important part of the national water distribution and drainage system and contribute significantly to the use and preservation of land and water resources, and that the erosion caused by rivers and streams and the deposit of eroded material damage and destroy valuable land; alters and fills channels, estuaries, lakes, reservoirs, and harbors; undermines highways; destroys fish and wildlife; mars natural beauty; and pollutes the waters generally, and, therefore, declares it to be the policy of the Congress to provide Federal assistance to abate, prevent, and control the erosion by rivers and streams and the deposit of eroded material in order to promote conservation management of natural resources, preserve agricultural and other lands, protect channels and basins, protect fish and wildlife, foster recreation, abate pollution, and enhance natural beauty.

SEC. 2. In order to carry out the policy stated in section 1 of this Act, the Secretary of Agriculture, hereinafter referred to as the "Secretary", is authorized—

(1) to assist States, counties, local public agencies, including soil and water conservation districts, and private nonprofit agencies in formulating plans for the prevention and control of erosion caused by rivers and streams and the sediment damage resulting therefrom, and

(2) to assist in carrying out any such plan that has been agreed upon by the Secretary and any such State, county, or public or private agency, by cooperating, and entering into agreements for periods not exceeding ten years, with any such State, county, or public or private agency, and by furnishing financial, technical, or other assistance to any such State, county, or public or private agency in the carrying out of any such plan.

SEC. 3. The Secretary shall require as a condition to providing assistance for the installation of works or measures pursuant to the authority of this Act that any State, county, or public or private agency which is provided such assistance shall—

(1) bear not less than twenty-five per centum of the costs (excluding engineering costs) of installing any works or measures involving Federal assistance;

(2) acquire, or provide assurances satisfactory to the Secretary that it will acquire, without cost to the Federal Government from funds appropriated for the purposes of this Act, such land, easements, or rights-of-way as will be needed in connection with any such works or measures; and

(3) make arrangements satisfactory to the Secretary for defraying the costs of operating and maintaining any such works or measures.

SEC. 4. The Secretary is authorized to prescribe such rules and regulations as he deems necessary or desirable to carry out the provisions of this Act or to facilitate the practical administration of the program provided for herein.

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act, such sums to remain available until expended.

INTERCONNECTION AND POOLING AGREEMENTS BETWEEN ELECTRIC POWER UTILITIES

Mr. MAGNUSON. Mr. President, I introduce, for appropriate referral, a measure dealing with interconnections and pooling agreements between electric power utilities.

I introduced an identical bill last year. I wish to repeat some of the things that I said then.

The Pacific Northwest generating utilities have indicated that their continuing voluntary efforts to secure practical pooling agreements are inhibited by the possibility of prosecution or litigation under a strict application of the antitrust laws. Pooling agreements are usually long-term arrangements on which power supply will depend. Such agreements often involve large commitments of capital. The possibility of an antitrust action arising after the conclusion of a pooling agreement is one threat to the type of pools envisaged in the National Power Survey and demanded in order to reduce the likelihood of another failure.

These utilities admit, however, that to date no antitrust actions have arisen, but as pools become prevalent and larger, the threat becomes more ominous. The Legal Advisory Committee of the National Power Survey, composed of lawyers representing the investor-owned, local public agency, cooperative, and Federal segments of the industry, said:

> Existing laws or the lack thereof do constitute legal impediments to the full realization of the benefits of pooling and coordination and may affect the form which a particular pooling transaction will take.

The utilities in the Northwest have requested that I introduce legislation so that this problem can be debated openly. I have studied their suggestion and I believe that it represents a highly satisfactory way to open the debate.

Accordingly, I offer for congressional consideration, a bill to authorize the Federal Power Commission to be the sole agency to approve or reject pooling agreements and police the competitive practices of utilities signing pooling and interconnection arrangements. It would

enable the Commission to decide whether or not contracts filed with it unduly restrain competition. This can be accomplished without affecting the substantive rules of competition that should apply without extending the regulatory jurisdiction of the Federal Power Commission. FPC action, of course, would be subject to judicial review.

The bill empowers the FPC to review, in a hearing, the terms of the contract. It is intended to provide a mechanism whereby an expert agency of the Government can maintain surveillance in the public interest over the industry in this specialized field. It will provide a method by which utilities intending to make long-term power and management commitments through pooling arrangements can receive assurances in appropriate cases that such commitments will be free from subsequent antitrust attack. Relief from the danger of the possibility of antitrust litigation will improve implementation of the congressional directive to the Federal Power Commission to encourage voluntary interconnection and coordination.

Section 202(a) of the Federal Power Act states:

> It shall be the duty of the Commission to promote and encourage . . . interconnection and coordination . . . ."

The bill would amend that section. The bill is intended to make the implementation of such arrangements legally more secure.

Hearings may be demanded by anyone interested in the contract or in its effects including its competitive effects. The Department of Justice could request such a review, for example. The hearing provides a forum where all views can be expressed and considered.

The bill would allow parties to seek approval of new contracts, contracts already in existence; or existing contracts that are amended. Such an amendment might have an impact on competition. A pooling contract solely between nonjurisdictional organizations—like public agencies or utilities not in interstate commerce, would not come under the bill. No extension of FPC jurisdiction is intended or involved.

The bill would exempt from the antitrust laws all persons and organizations participating in the contract, whether or not they are within the jurisdiction of the FPC for other purposes. The Commission could require conditions, which the parties could accept, before approving the contracts. If these conditions were not accepted, the Commission could prevent performance of disapproved contracts, thereby giving the FPC some powers to enforce the antitrust policy of the United States.

This is not a merger bill. Its intent is to facilitate and encourage independent entities to secure the best and most economical service for all consumers no matter whether the organization which serves them is large, small, public, private or Federal. Pooling agreements can benefit small companies since they can share the advantages of large generation units and high voltage transmission lines.

On July 12 and 13, 1966, the Committee on Commerce held hearings on the bill. Those hearings brought forth a variety of opinions. Unanimity was not possible at that time; hence no final action was taken on the bill.

During those hearings, some opposition was heard. A considerable portion of the opposition, however, was directed at particular language and not directed at the concept embodied in the bill.

For this reason, it is appropriate that the bill be reintroduced. This will give supporters a chance to clarify misunderstandings that may have arisen and it will give others the opportunity to reach a consensus and offer appropriate amendments.

The proponents of the bill asked that it be reintroduced. The proponents are an impressive group of generating utilities, both public and private. I ask unanimous consent that their letter be made a part of the RECORD so as to identify these important companies.

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

The bill (S. 683) to facilitate the provision of adequate, economical, and dependable electric service for the present and future needs of the public and the proper and timely installation and use of the products of advancing technology in the generation or transmission of electric energy, introduced by Mr. MAGNUSON, by request, was received, read twice by its title, and referred to the Committee on Commerce.

The letter presented by Mr. MAGNUSON is as follows:

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
Old Senate Office Building,
Washington, D.C.

MY DEAR MR. CHAIRMAN: On March 25, 1966, at the request of a group of Pacific Northwest generating utilities you introduced a bill (S.3136—89th Congress) relating to pooling and other cooperative arrangements among utilities. A committee hearing was had on the bill, but no further action was possible before adjournment of the 89th Congress.

The same group of utilities will appreciate it very much if you will reintroduce the same bill in this Congress; so that it may, if deemed to be in the public interest, be enacted at the earliest possible time.

This letter has been approved by representatives of the following utilities:

Eugene (Oregon) Water & Electric Board
City of Seattle, Washington, Department of Lighting
City of Tacoma, Washington, Department of Public Utilities
Public Utility District No. 1 of Chelan County, Washington
Public Utility District No. 1 of Cowlitz County, Washington
Public Utility District No. 1 of Douglas County, Washington
Public Utility District No. 2 of Grant County, Washington
Public Utility District No. 1 of Pend Oreille County, Washington
Pacific Power & Light Company
Portland General Electric Company
Puget Sound Power & Light Company
The Montana Power Company
The Washington Water Power Company

Very truly yours,
CORPORATE SERVICES,
By GORDON C. CULP,
Attorney.

IN SUPPORT OF PRESIDENT JOHNSON'S PROPOSAL TO LIBERALIZE OUR SOCIAL SECURITY SYSTEM

Mr. YOUNG of Ohio. Mr. President, I wholeheartedly support the President's requests for liberalization and expansion of the social security law including provisions whereby each of the 23 million American men, women, and children receiving monthly payments would receive an increase of at least 15 percent; the minimum payment would be increased from $44 to $70 per month for an individual and $105 for a married couple; and a minimum benefit of $100 per month for single persons and $150 for married couples be provided for those with 25 years of coverage.

I am hopeful that this humanitarian legislation will be among the first proposals considered by Congress this year and that it will be enacted into law so that recipients can begin receiving additional benefits by July 1, 1967, at the latest.

It is a happy personal recollection that 32 years ago, when I was Representative at Large from Ohio, I gave my vote in favor of the original social security law. I also recall with pride the fact that while a member of the Ways and Means Committee of the House of Representatives from 1949 to 1951, I personally helped write many of the liberalized amendments in the present law, which has meant so much to so many.

Where would the American people have been without that law? Think of the distressful situation of our country during those three recession periods of the Eisenhower administration. What would have been the pitiful plight of millions of our fellow Americans except for social security and the payments that came in every month to the beneficiaries of the social security system? Those recessions would have become great, deep, and sorrowful depressions. No one today seriously questions the need for our social security system or its importance in promoting economic and social stability. Anyone with a sense of history realizes that the social security system is a permanent feature in our way of life.

Last year, in Ohio alone, 1,100,000 men, women and children received more than $1,060 million in social security payments.

In 1936 Republican leaders condemned social security as state socialism. The Republican platform of that year pledged repeal of the social security law. The Republican candidate for President, an outstanding American, Gov. Alf Landon, of Kansas, carried only two States. Mr. President, were that man and the Grand Old Party, of which I am not a member, in its platform of 1968 to pledge repeal of the social security law it would not carry even one State. Our social security system, which is an actuarially sound insurance system, is so much a part of our fundamental law that no political party would even consider repealing or even weakening it.

As a matter of fact social security has been so successful that Republican leaders not only no longer talk of repealing it, but now are among its most fervent supporters.

We are proud of the fact that the social security system, which is one of the great imprints left by Franklin D. Roosevelt on the pages of American history, is an actuarially sound insurance system and President Johnson's latest proposals would keep it that way. We must now further expand and liberalize our system of safeguarding Americans against the hazards and cruelty of a poverty-ridden old age. Unless we do so, the Great Society will never leave the launching pad for millions of our elderly citizens. Today, 5,300,000 elderly Americans have yearly incomes below the poverty level, and nearly 40 percent of our single older citizens have total assets of less than $1,000. Social security benefits must be raised to a level which will meet the needs of our citizens.

The adoption of President Johnson's proposals for an expanded social security program will mean a stronger, more vibrant America, a nation with expanded opportunity for all, where no one is forgotten, where the young have faith, where the aged have hope, and where the dignity of the individual is still looked upon as the highest goal of civilized society.

Mr. President, in his recommendations to the Congress the President also called for raising the limits retired workers can earn without losing social security income. In previous Congresses I have introduced and urged the adoption of legislation to create a realistic earnings limitation for social security beneficiaries. This reform is long overdue.

Today, social security recipients may not earn more than $1,500 per year without suffering deduction from their social security benefits. The President has recommended raising this to $1,680 a year. I frankly believe that even this recommended increase is not realistic and will not meet the problem. Elderly Americans should be permitted to earn at least $3,000 a year without suffering any deduction whatever from their social security benefits. It cannot be claimed in today's economy that this will be taking jobs away from younger Americans. It will make life easier and more productive and fulfilling for millions of elderly Americans.

The present limitation imposes a cruel financial burden on people still able to work after 65 and denies them a right which they have earned by their own contributions into the social security fund. It is reasonable to look forward to dramatic new breakthroughs in the search for cures for cancer and heart disease that will push higher and higher the life expectancy of Americans. Men and women of 65 and 70 and 75 will—and many now do—have the ability to participate in gainful employment after retirement. To maintain a decent standard of living, many require this income in addition to their social security benefits.

It is unfair to bar these men and women from receiving social security retirement payments for which they have paid premiums during their more active years. This can be remedied at no cost whatsoever to taxpayers by increasing the earning limitations.

Therefore, Mr. President, I introduce, for appropriate reference, a bill which would amend the Social Security Act, increasing the earning limitations to $3,000 a year.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 684) to amend title II of the Social Security Act to increase the annual amount individuals are permitted to earn without suffering deductions from the insurance benefits payable to them under such title, introduced by Mr. YOUNG of Ohio, was received, read twice by its title, and referred to the Committee on Finance.

FEDERAL-STATE TAX SHARING ACT OF 1967

Mr. SCOTT. Mr. President, American federalism is a system of shared governmental functions and noncentralized political power. Our federal system is an intimate and intricate partnership of the National Government, the States and their political subdivisions. Balance is its hallmark and the key to its survival.

The federal idea has served this Nation well for nearly 2 centuries. It gives government sufficient power to carry out its functions while dispersing that power to protect our cherished liberties. As Prof. Daniel J. Elazar of Temple University points out:

> The central role of federalism . . . (is) to maintain the liberties of the people from vitiation through the consolidation of power into hands far removed from popular control or domination of minorities by an unrestrained majority, while at the same time providing a government with sufficient energy to meet the demands placed upon it.

But we cannot afford to take for granted the successful operation of our federal system. Periodic review and reassessment of its functioning are necessary to insure that its central role is being performed. Now is the time for such a review.

The States are indispensable components of our federal system. Indeed, in Professor Elazar's words, they are "the keystones of the American governmental arch," situated as they are "between the powerful Federal Government and the burgeoning local governments in a metropolitanizing nation."

The burden of performing the civil functions of government falls upon the States and their political subdivisions. They are the agencies which have the primary responsibility of meeting public needs.

Today, the independence of the States and their capacity to meet the needs of their citizens are being undermined.

The balance between the States and the National Government has tipped in favor of the latter as the result of two factors: the fiscal mismatch between the two levels of government, and the consequent tendency of Washington to perform functions traditionally and best performed by the States and their political subdivisions.

Regarding the first factor, the States are finding it harder to pay for programs designed to meet the basic needs of their citizens. A rapidly growing and urbanizing population rightly demands such services as schools, care for the mentally ill and the aged, parks and other recreational facilities, urban redevelopment, local transportation, sanitation, clean air and water, and so forth.

State and local governments have made heroic efforts to meet this growing demand. Revenues from all sources including Federal grants-in-aid rose by 244 percent between 1950 and 1965 to $88.1 billion. Expenditures rose by 212 percent in the same period to about $87 billion. By 1970, it is estimated that the States and their political subdivisions will be spending over $110 billion.

One could easily conclude from these statistics that the States are meeting their expenditure needs. They are doing it painfully, however, by increasing their bonded indebtedness.

Total debt outstanding for State and local governments has increased 125 percent over the past decade while the Federal debt has risen by only 14 percent. The future calls for more of the same. According to a study recently issued by the Joint Economic Committee of Congress, State and local government debt, which totaled about $100 billion in 1965, will reach $145 billion in 1970, and almost $200 billion in 1975. Interest costs associated with the debt now total over $3 billion and may reach $8 billion in 1975.

One might argue that the States could ease their financial strain by increasing their own taxes. They have been doing this in recent years, but there is a limit: no Governor worth his salt wants to lose established industries or to pass up opportunities to bring new industry into his State by asking his legislature to increase taxes to income-defeating limits.

From another standpoint, one might point out that additional Federal grants-in-aid could ease the States fiscal plight. Federal grants are projected to increase substantially from their 1965 level of $15 billion. A study underway at the George Washington University estimates they will double their 1965 level by 1970, while the Tax Foundation figures they will almost triple their 1965 level by 1975.

I do not quarrel with the necessity and utility of Federal grants-in-aid in principle. Indeed, may I point out, parenthetically, that the bill which I am about to introduce is not a substitute for them. Federal grants-in-aid have often served the Nation well. But, in recent years, their number and variety have proliferated to such a degree as to hamstring the ability of States and localities to provide public services. This is the second factor that is sapping the strength and creativity of our federal system.

At present, there are more than 170 Federal grants-in-aid to State and local governments. More than 20 Federal departments and agencies administer these programs. A vastly enhanced role for Washington has been the consequence of the States fiscal plight and of the growth in the number, variety, and complexity of Federal grants-in-aid.

Listen to Gov. Daniel J. Evans of Washington, one of the Nation's ablest young chief executives, describe the problem as seen from the States:

> The net effect of the disparity between state and federal revenue capacities to meet state and local problems—and the corre-

sponding effect of the grant-in-aid program—has been an increasing federal leverage on the solution of essentially state and local problems.

This leverage has resulted in four inequities which the individual states find an increasingly difficult burden to bear:

First, federal control must of necessity be imposed on the basis of the lowest common denominator, without sufficient regard for the wide variance between states as to both the degree of the problems involved and the degree of the solutions required. The existence of federal "minimum standards" applied to the administration of programs has detracted from state efforts to individually seek greater quality and higher standards.

Second, the excessive mandate exercised by departments of the federal government through grants-in-aid has caused a proliferation of bureaucratic controls, thus thwarting the abilities of states to apply individual state-administered solutions and, consequently, making irreversibly rigid those programs which should be operationally flexible.

Third, the grant-in-aid program, principally through the matching funds device, has had the effect of distorting priorities of need in many states. Funds which may be urgently required to resolve a particular state problem are diverted in the interest of obtaining grant-in-aid funds in an area of lesser priority.

Fourth, the flow of grant-in-aid funds to a variety of levels of local and intermediate governments has resulted in a "perpetual splintering" process, establishing competition between various related governments and, in consequence, undercutting the necessary elements of coordination and continuity. A subsidiary effect has been an increasing use of grant-in-aid funds by smaller units of government without regard for common area or region problems. This particular circumstance arises at a time when the states, above all, should be providing the maximum direction possible to cities and metropolitan areas, in an effort to achieve an orderly and efficient application of dollars to a common plan of growth for common local areas.

Though admirable in purpose, the system of narrow, categorical grants-in-aid has outlived its usefulness. Those on the firing line who must provide the public services assisted by these grants are rightly demanding a rationalization of Federal aids. Pity the poor mayor of a community who, when seeking help for constructing a sewage treatment plant, must shop around among several different Federal agencies which administer the five grant-in-aid programs designed for this purpose, only to discover a backlog of applications from several hundred other communities and a shortage of Federal funds to meet them.

Something must be done to remedy this situation.

The States and their political subdivisions are much better situated than Washington to serve their citizens. They need ample administrative discretion and financial resources to respond adequately to the needs of people.

I intend this year to offer several pieces of legislation designed to strengthen the independence of the States and their capacity to serve their citizens, and thereby to insure the maintenance of balanced federalism. Creative federalism presupposes a balance of strength among the component units of our federal system. Centralization of power in Washington stifles creativity where it is desperately needed—at the levels of government closest to the people.

On behalf of myself and Senators BAKER, BENNETT, JAVITS, and PEARSON, I introduce for appropriate reference the Federal-State Tax Sharing Act of 1967.

My bill would establish in the Treasury a tax-sharing fund to be distributed among the States on the basis of their population. The Secretary of the Treasury would deposit into the fund an amount equal to 1 percent of the Federal individual income tax base. That would be $3 billion if my legislation were enacted today.

My bill attaches a minimum of strings to the States use of tax-sharing funds. States are free to spend them on any functions or services they choose except highways, debt service, payments in lieu of property taxes, and administrative expenses. They must abide by certain Federal laws, including title VI of the Civil Rights Act of 1964. They must institute appropriate fiscal control and accounting procedures to insure proper disbursement of the funds. They must submit a detailed annual plan showing how and for what purposes the tax-sharing funds will be spent.

My bill requires suspension of allotments to those States or local governments, after reasonable notice and opportunity for hearings, if they fail to meet the foregoing conditions.

Mr. President, I ask unanimous consent that there be printed at the end of my remarks, first, the text of my bill, second, a summary of its provisions, and, third, a table showing how the tax-sharing fund created by my bill would be distributed among the States.

Mr. President, in recent years we have been hearing a great deal about the movement to revitalize the States. It is time for the Congress of the United States to join that movement. Enactment of a tax-sharing plan is an important step toward strengthening the States and restoring balance to our federal system.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill, summary, and table will be printed in the RECORD.

The bill (S. 694) to establish a Federal-State tax-sharing system, introduced by Mr. SCOTT (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 694

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 "Federal-State Tax-Sharing Act of 1967".

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "taxable income" shall have the same meaning as specified in section 63 of the Internal Revenue Code of 1954.

(2) The term "individual income tax returns" means returns of the tax on the income of individuals imposed by chapter 1 of the Internal Revenue Code of 1954.

(3) The term "State" means any of the various States and the District of Columbia.

(4) The term "local government" means any city, township, village, municipality, county, parish, or similar territorial subdivision of a State, but shall not include any department, agency, commission, or independent instrumentality of a State.

TAX-SHARING FUND

SEC. 3. (a) There is hereby established in the Treasury of the United States a fund to be known as the "Federal-State Tax-Sharing Fund", hereinafter referred to as the tax-sharing fund. The tax-sharing fund shall consist of such amounts as may be appropriated to such fund as provided in this section.

(b) There is hereby appropriated to the tax-sharing fund, out of any money in the Treasury not otherwise appropriated, for the fiscal year beginning July 1, 1968, and for each fiscal year thereafter, an amount, as determined by the Secretary of the Treasury, equal to (1) one per centum of the aggregate taxable income reported on individual income tax returns during the preceding calendar year or (2) the amount appropriated to the tax-sharing fund for the preceding fiscal year, whichever is the greater.

(c) The Secretary of the Treasury (hereinafter referred to as the "Secretary") shall, from time to time, but not less often than quarterly, transfer from the general fund of the Treasury to the tax-sharing fund the amounts appropriated by subsection (b). Such transfers may, to the extent necessary, be made on the basis of estimates by the Secretary of the amounts referred to in subsection (b). Proper adjustments shall be made in the amounts subsequently transferred to the extent that prior estimates were in excess of or less than the amounts required to be transferred.

ALLOTMENTS TO THE STATES

SEC. 4. (a) Subject to the provisions of section 6 (b), the Secretary shall, during the fiscal year beginning July 1, 1968, and during each fiscal year thereafter, pay to each State, from amounts appropriated to the tax-sharing fund for the fiscal year in which payments are to be made, a total amount equal to the allotment of such State in such fiscal year under this section. Such payments shall be made in installments periodically during any fiscal year, but not less often than quarterly.

(b) From the total amount appropriated to the tax-sharing fund pursuant to section 3 for any fiscal year, the Secretary shall allot to each State in such fiscal year an amount which bears the same ratio to the total amount so appropriated as the population of such State bears to the total population of all of the States.

(c) For purposes of this section, the population of a State and of all the States shall be determined by the Secretary on the basis of the most recent data available from the Department of Commerce.

USE OF ALLOTMENTS

SEC. 5. Each State may use payments from any allotment or reallotment to it in any fiscal year under this Act for such activities, programs, projects, and services as it determines to be appropriate; except that no funds received by a State under this Act shall be expended for highway programs, State payments in lieu of property taxes, debt service, or administrative expenses for State or local governments.

STATE PLAN

SEC. 6. (a) (1) Any State desiring to receive its allotment or reallotment in any fiscal year under this Act shall, on behalf of itself and any local government which may receive any apportionment thereof, submit an application for such allotment or reallotment prior to the first day of such fiscal year and accompany such application with a detailed plan which the Secretary finds—

(A) was prepared by the Governor of such State (or by such State body generally responsible to the Governor of such State as he may designate) or, in the case of the District of Columbia, by the Board of Commissioners of the District of Columbia, in

close consultation with officials of local governments of such State and representatives of citizens' organizations and other interested public service groups within such State;

(B) was prepared with due consideration for the needs of local governments in carrying out activities, programs, projects, and services for which they are responsible;

(C) contains a detailed statement of intent as to how and for what purpose the funds allotted or reallotted to such State shall be spent; and

(D) provides that such State and any local government which may receive any apportionment of any allotment or reallotment of such State will—

(i) use such fiscal control and fund accounting procedures as may be necessary to assure proper disbursement of and accounting for any allotment or reallotment paid to such State, and any apportionment made by such State to local governments, under this Act;

(ii) make such reports to the Secretary, the Congress, and the Comptroller General, in such form and containing such information as the Secretary may reasonably require to carry out his function under this Act, except that any State may make such reports on behalf of any local government thereof; and

(iii) adhere to all applicable Federal laws in connection with any activity, program, or service provided solely or in part from such allotment.

(2) For purposes of this subsection, the provisions of title VI of the Civil Rights Act of 1964 shall be deemed to be applicable to any activity, program, or service provided solely or in part from any allotment received by a State under this Act.

(3) Upon receipt of any State plan submitted in any fiscal year pursuant to paragraph (1), the Secretary shall transmit copies thereof to the Appropriations Committee and the Finance Committee of the Senate and the Appropriations Committee and the Ways and Means Committee of the House of Representatives, respectively.

(b) Whenever in any fiscal year the Secretary, after giving reasonable notice and opportunity for hearing to a State, finds that such State, or any local government thereof, is not in substantial compliance with the purposes of subsection (a), or has used any funds received under this Act for purposes not within the scope of section 5, or has not obligated any funds received under this Act within five calendar years after the calendar year in which such funds were received, the Secretary immediately shall—

(1) in the case of the failure of compliance of any State, cancel any subsequent payments to such State under this Act in such fiscal year and reallot any remainder of such State's allotment or reallotment in such fiscal year to other States in proportion to the original allotment to such States under subsection (b) of section 4 for such fiscal year, or

(2) in the case of the failure of compliance of any local government, require satisfactory assurance that such State will cancel any subsequent payments to such local government under this Act in such fiscal year and reapportion any remainder of such local government's apportionment to other local governments of such State in proportion to the original apportionments made by such State pursuant to its State plan submitted for such fiscal year.

REPORT BY SECRETARY

SEC. 7. The Secretary shall report to the Congress not later than the first day of March of each year on the operation of the tax-sharing fund during the preceding fiscal year and on its expected operation during the current fiscal year. Each such report shall include a statement of the appropriations to, and the disbursements made from, the tax-sharing fund during the preceding fiscal year; an estimate of the expected appropriation to, and disbursements to be made from, the tax-sharing fund during the current fiscal year; and any changes recommended by the Secretary concerning the operation of the tax-sharing fund.

CONGRESSIONAL STUDY

SEC. 8. The Appropriations Committee and the Finance Committee of the Senate and the Appropriations Committee and the Ways and Means Committee of the House of Representatives, respectively, shall conduct a full and complete study at least once during each Congress with respect to the operation of the tax-sharing fund and the activities, programs, projects, and services provided by the States from allotments received pursuant to the Act, and report its findings upon such study to each House, respectively, together with its recommendations for such legislation as it deems advisable at the earliest practicable date. This section is enacted by the Congress as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, with full recognition of the constitutional right of either House to change such rules (so far as relating to the procedure in such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.

The summary and table presented by Mr. SCOTT, are as follows:

SUMMARY OF SCOTT TAX-SHARING BILL

1. Establishes a trust fund into which the Secretary of the Treasury would deposit 1% of the Federal individual income tax base for each fiscal year beginning with FY 1969. Since the net taxable income of Americans is approximately $300 billion today, the trust fund after July 1, 1968, would consist of at least $3 billion and would certainly increase as the tax base grows. My bill precludes reduction of the trust fund by requiring that in a given year it be at least as large as it was in the preceding year.

2. The Secretary would make payments from the trust fund to the States at least quarterly. Payments would be distributed among the States on the basis of their population.

3. States may use funds from these payments for any programs or services they choose *except* highway programs, debt service, administrative expenses, or State payments in lieu of real property taxes.

4. To qualify for its annual payment, a State must file with the Secretary of the Treasury a detailed plan showing how it intends to spend the funds. The plan must contain assurances that (1) the State will comply with all applicable laws including Title VI of the Civil Rights Act of 1964, and (2) the State will establish adequate fiscal control and accounting procedures to ensure proper expenditure and accounting of its payment.

5. While my bill does not specify how much of a State's payment should be allocated to local governments, it requires the State, in formulating its annual plan, to consult local officials and interested citizens to give due consideration to local government needs.

6. A State's payment can be cancelled and the balance for the fiscal year can be redistributed among the other States if the State fails to comply with the assurances given in its annual plan or if it spends any portion of its payment on proscribed programs and services. The same applies to local governments.

7. The Secretary of the Treasury must submit to Congress a detailed annual audit report on the operations of the tax-sharing fund.

8. The Appropriations and Ways and Means Committees of the House of Representatives and the Appropriations and Finance Committees of the Senate must conduct a thorough examination of the operations of the tax-sharing fund at least once each Congress and make such legislative recommendations as appropriate.

State allotments under Scott tax-sharing bill

State	(1) Percent of national population (July 1966 estimate)	(2) Total allotment, col. 1×$3,000,000,000
		Millions
Alabama	1.80	$53.9
Alaska	.14	4.3
Arizona	.83	24.8
Arkansas	1.00	29.9
California	9.66	289.8
Colorado	1.01	30.3
Connecticut	1.47	44.0
Delaware	.26	7.8
Florida	3.03	91.0
Georgia	2.28	68.3
Hawaii	.37	11.0
Idaho	.35	10.6
Illinois	5.47	164.2
Indiana	2.51	75.3
Iowa	1.40	42.1
Kansas	1.15	34.5
Kentucky	1.63	48.8
Louisiana	1.84	55.2
Maine	.50	15.1
Maryland	1.84	55.3
Massachusetts	2.75	82.5
Michigan	4.28	128.3
Minnesota	1.83	54.8
Mississippi	1.19	35.6
Missouri	2.30	69.1
Montana	.36	10.8
Nebraska	.74	22.3
Nevada	.23	7.0
New Hampshire	.35	10.4
New Jersey	3.52	105.7
New Mexico	.52	15.7
New York	9.32	279.7
North Carolina	2.55	76.6
North Dakota	.33	10.0
Ohio	5.26	157.8
Oklahoma	1.25	37.6
Oregon	1.00	29.9
Pennsylvania	5.91	177.4
Rhode Island	.46	13.8
South Carolina	1.32	39.6
South Dakota	.35	10.4
Tennessee	1.98	$59.5
Texas	5.49	164.7
Utah	.51	15.4
Vermont	.21	6.2
Virginia	2.30	69.0
Washington	1.52	45.6
West Virginia	.92	27.5
Wisconsin	2.12	63.7
Wyoming	.17	5.0
District of Columbia	.41	12.4
Total	100.0	3,000.0

A BILL TO PROTECT ESTUARIES AND ESTUARINE AREAS

Mr. KENNEDY of Massachusetts. Mr. President, I introduce today and send to the desk for appropriate reference a bill concerned with the conservation of this country's estuaries and estuarine areas. I am pleased that the distinguished chairman of the Senate Committee on Commerce, Senator WARREN MAGNUSON, has joined with me in sponsoring this important bill. His interest in its provisions is well known and of long standing, and I look forward to working closely with him in securing its passage.

An estuary can most easily be defined as the point at which rivers and streams, carrying the fresh water drainage from the land, meet the waters of the sea.

The salt marshes, coastal and intertidal areas, bays and sounds, lagoons, inshore waters and channels immediately surrounding estuaries are estuarine areas. Because the mouths of rivers and streams are constantly changing location and contour under the forces of the wind, the waves and the tides of the ocean, these estuarine areas must be

treated as one, for the purposes of conservation, with the estuaries themselves.

The pressures of population growth are threatening to destroy these tidal wetlands. Along the North Atlantic coast from Maine to Delaware, for example, about 45,000 acres of wetlands were destroyed in the last 10 years. The figures for the South Atlantic, gulf, and Pacific coasts show the same alarming rates of spoliation.

The patterns of this destruction are familiar. Bays and harbors are dredged and the spoil used to fill salt marshes for development. Rivers are poisoned with raw sewage and industrial and chemical wastes. Waters are clouded with silt because erosion control is disregarded. Slowly but inexorably, our estuaries and estuarine areas are disappearing.

There are three main and compelling reasons why we must act, and act now, to slow this destruction.

First, the very viability of our commercial fishing industry depends upon these tidal waters and lands. At least three-quarters of the total catch of commercial seafood, on all three coasts, depends upon the existence of estuaries and estuarine areas for one of its life cycles. This estuary-dependent catch in 1963 amounted to 3.5 billion pounds of seafood and brought fishermen $275 million. If these estuarine areas disappear under the pressures of shore development, then commercial seafood dependent upon them will disappear too, and with it, the industry.

Second, the recreational opportunities of estuaries and estuarine areas are vast. In 1965, over 4 million people fished in estuaries, spending $600 million in the process. Also in 1965, over three-quarters of a million hunters pursued their sport in estuarine areas, spending $41 million in doing so. Americans spent $2.75 billion on boating in 1965, and although exact figures are impossible to obtain, a very large proportion of this activity took place in the protected waters of estuarine areas. The value of swimming and sunbathing is not readily susceptible to the determinants of economics; the value of human well-being, on the other hand, is beyond measure. The destruction of estuaries and estuarine areas by bulkheading, dredging, and filling can put beyond recapture this irreplaceable recreational resource.

Third, and often overlooked, is the scientific value of estuarine areas. Wildfowl, fish, and shellfish abound in the nutrient-rich waters of these areas. Migratory wildfowl and fish use these areas as transient stopping places. Often the particular part of the life cycle of an individual species spent in the tidal wetlands is the only one which can be closely observed, as the others are spent far at sea or at other inaccessible places. If we are to learn more about these birds, fish, and shellfish, and thus to keep them from extinction from overfishing or overhunting, then we must be careful to preserve some of our estuaries and estuarine areas in an undeveloped state.

Testimony in hearings last year before subcommittees of the Senate Committee on Commerce and the House Committee on Merchant Marine and Fisheries give ample and graphic support for these three reasons justifying the need for the bill I introduce today. I am sure that if hearings are held this year, they will present an even stronger case for the urgency of its consideration and passage.

The bill will not—and should not—strike down all shore development in estuarine areas. Instead, what it will do is seek a balance between the pressure to develop and the need to conserve. This balance must, if it is to succeed in its objective, reflect a system of priorities which is responsive not only to private interests, but also to the public interest.

The bill's provisions are fitted to realizing this system of priorities.

First, it authorizes the Secretary of the Interior to conduct a 5-year, nationwide study of estuaries and estuarine areas. The Secretary must report to the Congress annually on his findings in the study and on his legislative recommendations to authorize specific estuarine areas for acquisition by the Secretary. The maximum cost of the study is $4.5 million.

Second, it authorizes the Secretary to designate estuarine areas to be acquired by him as a national estuarine area. These areas must not already be owned by a State or political subdivision thereof, and in any case the designation is not effective until the acquisition is approved by an act of Congress.

Third, it authorizes the Secretary to enter into agreements with a State or political subdivision thereof for the management, development, and administration by the Secretary of an estuarine area owned by the State or political subdivision thereof. Such an area would then be designated as a national estuarine area by the Secretary without further action by the Congress. The Secretary would pay the bulk of the costs incurred under this arrangement. This cooperative agreement is designed to protect areas which might otherwise be lost because of fiscal or legal limitations on any one level of government.

Fourth, it prohibits anyone from dredging, filling, or excavating any estuary of the United States or the Great Lakes without a permit from the Secretary. It also gives the Secretary authority to regulate dumping of dredgings, earth, garbage or other refuse matter other than oil—presently regulated by the Oil Pollution Act of 1924—in any estuary or estuarine area.

Fifth, it does not affect the authority of the States to permit and regulate shellfishing, or the Secretary's authority to regulate migratory birds in estuarine areas.

Sixth, it gives the Secretary power to seek injunctive relief in cases where violations of its provisions present imminent danger to persons, fish and wildlife, or to scenic and recreational areas.

The sum total of these, and of other technical provisions, is a comprehensive program for the conservation and protection of our estuarine areas. These areas are every bit as much a part of our natural heritage as are our mountains and great rivers, every bit as irreplaceable, and every bit as deserving of national attention and treatment.

The Commonwealth of Massachusetts, in 1965, recognized the clear and present dangers to its estuaries and estuarine areas and the need for their protection. Under legislation passed that year, nearly 45,000 acres of salt marshes will be spared from destruction which would have otherwise occurred in the near future. The provisions of the bill I introduce today can lend much-needed support to the efforts of Massachusetts—and to other States as well—to balance the pressures of development against the needs for conservation.

The late Rachel Carson knew the estuaries as a scientist and wrote of them in poetic prose. In describing one such estuary, she had this to say:

> (The island) lay across a quiet sound from which the banks shouldered away the South Atlantic rollers. To the north the island was separated from the mainland by a deep gutter where the ebbing tides raced strongly; On the south side the beach sloped gently, so that at slack water the fishermen could wade out half a mile before the water came above their armpits as they raked scallops or hauled their long seines. In these shallows young fishes swarmed, feeding on the small game of the waters, and shrimp swam with backward flipping of their tails. The rich life of the shallows brought the skimmers nightly from their nesting grounds on the banks, to take their food from the water as they moved with winnowing flight above it.
>
> About sunset the tide had been out. Now it was rising, covering the afternoon resting places of the skimmers, moving through the inlet, and flowing up into the marshes. Through most of the night the skimmers would feed, gliding on slender wings above the water in search of the small fishes that had moved in with the tide to the shelter of grassy shallows.

The bill I have introduced today can go far toward saving the tidal wetlands of this Nation from the destruction which would otherwise befall them.

We can save these estuaries, and I believe we should.

The PRESIDING OFFICER. The bill will be received and appropriately referred.

The bill (S. 695) to authorize the Secretary of the Interior in cooperation with the States to preserve, protect, develop, restore, and make accessible estuarine areas of the Nation which are valuable for sport and commercial fishing, wildlife conservation, recreation, and scenic beauty, and for other purposes, introduced by Mr. KENNEDY of Massachusetts (for himself and Mr. MAGNUSON), was received, read twice by its title, and referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I commend the senior Senator from Massachusetts [Mr. KENNEDY] for his leadership in the conservation of our Nation's estuarine areas. He has eloquently stated the growing concern over the destruction of our valuable coastal estuaries. I am pleased to join with him in sponsoring a bill to preserve and protect the estuarine areas which are so much a part of our natural heritage.

Mr. President, estuaries, the places where salt water meets fresh water, are the environment for many natural resources. They serve as habitat, spawning, and nursery areas for many species of commercially important finfish and shellfish. They are important recreational resources, providing swimming, boating, bird watching, and hiking opportunities. Ducks, geese, rails, and snipe depend upon estuarine areas for

winter feed and nearly a million hunters enjoy their recreation in estuarine zones.

However, as the Senator from Massachusetts has pointed out, disaster is imminent for our estuarine areas. Residential and industrial development has dramatically reduced the total area of estuarine environment. Pollution, both industrial and municipal waste has destroyed many of our existing estuarine areas. There has been additional damage through the unnecessary dumping of spoil from navigation channels.

As population pressure increases, the accompanying demand for housing space and industrial developments accelerates the destruction of estuarine areas. Nearly every past action of man along the coastline has damaged to some degree, the physical existence of biological quality of the estuarine areas.

This bill will authorize the Secretary of Interior in cooperation with the States to embark on a program to preserve, protect, develop, restore, and make accessible estuarine areas of the Nation. This program would include a nationwide study of estuarine areas for the purpose of identifying areas that are relatively unspoiled or only partially spoiled. The Secretary would then determine which of these designated areas should be preserved and protected. Preservation and protection could be carried out in a number of ways: First, through acquisition or administration by the Secretary of Interior when an estuary is of national significance; second, through acquisition or administration by a State or local subdivision of a State; or third, through the application of local zoning laws. However, acquisition by the Secretary of Interior, would require congressional action.

Mr. President, we have the opportunity through this bill to reverse a destructive trend in our Nation. This bill is of national importance, and I would like to point out to the Senators that, as chairman of the Committee on Commerce, I intend to schedule early hearings on estuarine areas.

I congratulate the Senator from Massachusetts [Mr. KENNEDY] for his leadership in this field.

REA SUPPLEMENTAL FINANCING BILL

Mr. COOPER. Mr. President, I introduce on behalf of myself and the junior Senator from Minnesota [Mr. MONDALE] a bill to provide supplemental financing for the rural electrification and rural telephone programs, and ask that it be appropriately referred to the Committee on Agriculture and Forestry.

I am very happy that the Senator from Minnesota [Mr. MONDALE] has joined me as the chief cosponsor of this proposal. He is an able and effective member of the Committee on Agriculture, on which we have served together, knows the importance of the rural electric program to his State, as I do to the State of Kentucky, and to the growth and progress of the Nation. He is a true friend of the farmer.

We are glad also that the President, in his budget message to the Congress on Tuesday, recommended such legislation to establish revolving funds and authorize the creation of two cooperative banks to help finance REA electric and telephone loan programs.

The purpose of this bill is to maintain the service of the rural electric and telephone systems, and to provide a means of financing the growing needs of their consumers. It would do so by establishing a public policy which will permit and encourage the rural electric and telephone systems to take steps toward independence and self-sufficiency, and to move away from complete dependence on the annual Federal appropriations of 2-percent REA loan funds.

The bill we introduce today is identical to S. 3720, which I introduced last August 12 with Senator Bass and 22 other Members of the Senate. The only change has been to correct several typographical errors. The committee held 5 days of hearings on that bill August 15 to 19. It received the support both of the Rural Electrification Administration, and of the National Rural Electric Cooperative Association.

Of course there have been proposals for changes in the bill, a number of amendments have been suggested, and we know that changes will undoubtedly be made during its consideration by the Committee on Agriculture. But because this is the bill to which testimony was directed by the administration, proponents and opponents, we thought it would provide a good point from which to continue the consideration of this proposal—and that it would enable the committee and all interested in this matter to more easily refer to the facts elicited by the testimony which has already been directed to specific provisions of the bill.

Although neither the House nor the Senate acted on the REA supplemental financing proposal last year, we are very hopeful they will do so during this session of the Congress.

I am confident that a supplemental REA financing program will finally be enacted. For rural America is growing and this growth requires the continued development of the electric and telephone service now being provided by the REA-financed systems throughout the country. At present their only source of capital to build the facilities needed to meet this growth is the Rural Electrification Administration. While the REA program has served its purpose in an exemplary way over the last 30 years, it now needs supplementing if the needs of the future are to be met.

The credit systems which the bill would create are patterned after the banks in the farm credit system which have proven so successful. By means of a rural electric bank and a rural telephone bank the cooperatives would be enabled to pool their collective credit. With some initial capital from the Federal Government, they could then secure through private investment in the banks the funds they need for their growth. The Federal capital would eventually be repaid, and the banks would then be under the ownership and control of their borrowers.

I believe this to be a practical plan, as shown by the experience of the Federal land banks, the Federal intermediate credit banks, the bank for cooperatives, and the production credit associations—all of which are either self-sufficient today, or well along the road toward that goal. It is our intent in this legislation to use the same method to enable the rural electric and rural telephone systems to achieve similar success.

I want to emphasize, and make very clear, that this legislation is not designed to replace the present REA program, but to supplement it. We all know that many of the rural systems, because of their low density of consumers per mile of line and other handicaps, will continue to need 2-percent REA loan funds in order to survive. At the same time, there are others which have achieved a degree of maturity such that they are able and willing to pay a higher rate of interest to obtain capital funds. This bill would both preserve the present REA loan program for those systems which need it, and provide new sources of capital to augment the only source now available.

It has been my privilege to support the REA program since I first came to the Senate in 1946. I have observed the great change that has come over agriculture and rural life in my own State of Kentucky, as well as elsewhere in the Nation, which the REA program has helped bring about. No one denies the tremendous benefits it has brought to the people and the country. And, just as I have been concerned with the success of the program in the past, and supported it in every way I could, I am now equally concerned about its future. It seems to me that unless supplemental financing legislation is passed by the Congress, the rural electric and telephone could wither and fail to meet the growing power needs of their consumers. The Congress will not, I am sure, allow this to happen.

Mr. President, I know that many Senators are interested in this bill, and will want to associate themselves with it as cosponsors. Therefore, I ask that the bill be received and appropriately referred, and that the bill lie at the desk through the close of business on February 3, for additional cosponsors.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be held at the desk, as requested by the Senator from Kentucky.

The bill (S. 696) to amend the Rural Electrification Act of 1936, as amended, to provide additional sources of financing for the rural electrification and rural telephone programs, and for other purposes, introduced by Mr. COOPER (for himself, Mr. MONDALE, Mr. GRUENING, and Mr. YARBOROUGH), was received, read twice by its title, and referred to the Committee on Agriculture and Forestry.

Mr. COOPER. Mr. President, I ask unanimous consent that an excerpt from my statement before the Committee on Agriculture last year, describing the purposes of S. 3720, which was the same as the bill we have introduced today, be included at this point in the RECORD.

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

EXCERPT FROM STATEMENT OF SENATOR COOPER, HEARINGS, SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION, AUGUST 15, 1966

Since the Rural Electrification Act of 1936, over $5 billion advanced in loan funds to nearly 1,000 cooperatives and other borrowers has brought modern service to 5½ million consumers in 46 States. In my own State of Kentucky, in contrast to that small band of 8,000 farmers who enjoyed electricity in 1936, 26 cooperatives now distribute power over 57,000 miles of line to 313,142 rural consumers. No Kentucky borrower is in default; they have paid nearly $100 million in principal and interest on their loans. It is this record of successful operation and financial integrity which now makes feasible the carefully developed plan for supplemental financing contained in S. 3720.

A.

The central fact on which this supplemental REA financing proposal rests—which has brought the cooperatives to seek authority beyond the 2% government loans, and which brings the issue of new REA legislation before this Committee for the first time in many years—is the growing use of power in our country.

Rural consumers are no different from their urban neighbors. They constantly require more power—for household appliances, TV, air conditioning, home freezers, modern heating, and the rest. At the same time, electricity has enabled farmers, in the face of the diminishing supply of farm labor, to install machinery and operate efficiently so as to continue to supply the American people with ample food at fair prices.

To give an idea of the problem, in 1935, only 40 kilowatt hours per month were required for the average farm. Today the average load for farm and residential nonfarm consumers is 478 kw hours per month—and this will grow. The root of the need of the rural electric cooperatives for assured capital is this growing demand for electricity, and the consequent necessity of maintaining the orderly development of rural electric systems. These power demands must be financed, and are entitled to be financed, just as the growth of private utilities must be financed.

For example, I understand that the country's private utilities plan to spend over $100 billion to expand their own facilities in the next 15 years—more than doubling their present capital investment of $70 billion—just as studies by NRECA and REA estimate that $8 billion, in addition to the $5 billion invested to date, will be needed in the next 15 years to meet power demands within the rural electric systems.

I emphasize this point because I think it should be clear from the outset that the issue is *not* who shall serve new areas, or whether "public power" shall replace "private power".

It is well-known, and it will be often stated during these hearings, that rural areas, as urban areas were before them, are now almost wholly reached by power lines. The areas served by cooperative systems and the areas served by the private systems are both, on the whole, already defined; so it is a diversion to state as if it were pertinent to this financing proposal that 97 or 98 or 99 percent of farms now receive central station power.

Rather, the fact is that within the areas already defined and served, whether by cooperative or private systems, both rural and urban power consumption is doubling every 8 or 10 years. The REA program must take into account this fact of our national life, just as the utilities do. It must do so, in fact, just as do thousands of businesses and banks in rural communities, and the great corporations of the nation as well, when they count on sales of electrical appliances to the rural market of $1 billion a year and look forward to the steady growth of that market.

B.

As heavier lines are extended to consumers, as the change is made from single phase to three phase service, as the total power requirements of a system increase—which is the experience of all systems, rural and urban—its management must arrange to finance this investment in progress. With respect to the REA systems, I see two possibilities:

First, the REA program could continue to depend on annual appropriations from the treasury of the 2 percent loan funds, as now provided by law. This raises, of course, the prospect of steadily increasing the annual appropriation to a level which should soon be double that of recent years. Yet, it is not clear that the Administration is willing to recommend nor the Congress approve such increases.

We had an example this year, when the President's budget recommended only $220 million for REA loans, plus $50 million carried over—or less than one-half the amount of the loan applications of some $675 million then expected to be on hand at the beginning of the fiscal year. The Appropriations Committees of the House and Senate know the value of the REA program, and it has strong support in the Congress. While the budget figure was increased to $365 million by the House and $375 million by the Senate, that amount is nevertheless smaller than the $402 million originally authorized last year for the fiscal 1966 REA loan program. So we have this example before us.

Even without crises such as the war in Vietnam, we know that the established programs have entered a new area of competition for federal funds. It is evidently the intention of this Administration, and I believe inescapably will be the concern of future administrations, to give a high priority to programs to reach the enormous problems of the cities—housing, slum clearance and urban renewal, transportation systems, water, delinquency, and education. We could all give examples, as I have done elsewhere.

It is this competition for funds which leads me to draw the parallel, although it is not exact, with the TVA Self-Financing Act of 1959—which grew out of the demand for growth within the TVA system and finally the recognition that Congress had not provided and would not provide the increasing funds which TVA needed. The Act has worked well, with savings to the government and taxpayers of $345 million, and last month was extended by the Congress to provide an additional $1 billion of self-financing authority.

Similarly, I believe it is the heart of the findings of the National Association of Rural Electric Cooperatives, and I assume of the Rural Electrification Administration itself, that even if there were no war, or competition from new programs, and even with generous financing by the federal government, the REA cooperatives cannot be certain that their capital needs will be met by federal appropriations.

Yet, if the annual REA appropriations are not sharply increased, and if nothing else is done, the rural electric systems could become obsolescent—their fine record of service could falter, and the national policy and the intent of Congress to provide comparable electric service in the rural areas could fail.

It will not fail, because the Congress and the country will not abandon millions of farm families, thousands of rural communities, and the REA program. But I do mention this prospect because those who have opposed REA from the beginning—and who now oppose this bill even though it is a step in the direction they have urged for years, away from complete dependence on government financing—recognize that any growing system will either be supplied or starve.

The second possibility, then, is to find a means that will provide the funds needed by the rural electric systems to supplement appropriations by the Congress.

Cooperatives have no stock to sell, for they belong to their user-members. It would be difficult or impractical for a single cooperative to attempt to sell its own securities to private investors. It is for this reason that the Congress has acted with respect to the Production Credit Association cooperatives, financed through the Intermediate Credit Bank, and with respect to the Bank for Cooperatives, also within the Farm Credit Administration. In these Banks, the Congress has established financial institutions which provide the necessary link between private investors and the cooperative systems in which the investment ultimately rests.

The Rural Electric Bank to be established by this bill would—through its paid-in capital, through its record of sound fiscal operation in issuing its own securities, and through its extension of sound loans timely repaid—gives assurance to private investors. It would pool the risk of individual loans to cooperatives, offering investors confidence in the Bank itself rather than dozens of particular situations. Those who wish to invest in the great development of rural America could do so through their purchases of the securities of the Rural Electric Bank.

For the rural electric systems, the Bank would offer a single source of funds—a source having known policies applicable to all eligible borrowers and coordinated with the policies of the Rural Electrification Administration.

I emphasize this basic function: that the Bank would serve as a conduit through which to channel private investment to the rural electric systems. It would give the rural electric systems which can afford to do so the opportunity to utilize private investments, and the responsibility of bearing its realistic cost.

The bank would receive an initial federal investment—and it is substantial. But I think it puts this matter in perspective to say that the entire federal investment would represent only a portion of the proceeds of loans and interest being repaid to the federal government by the REA systems.

The money is out on loan now. When returned to the federal government, it would simply be used to purchase stock in the Rural Electric Bank. And this federal investment, to provide initial strength to the bank, will generate several times that amount of private investment.

The federal investment would gradually be replaced by investment of the borrower cooperatives themselves in their bank. Meanwhile, the federal government could share in any dividends paid on Bank stock, and under S. 3720, the Appropriations Committees could at any time limit the amount of the annual federal investment.

C.

The purpose of the Rural Electric Bank would be to provide capital to those cooperatives which have matured to the point that they need not be wholly dependent on 2% government loans—and we know there are many strong and efficient co-ops. This additional source of capital would supplement the appropriated 2% loan funds, which will continue to be required for those cooperatives having high costs in reaching sparsely populated areas and to meet the purpose of the Rural Electrification Act in bringing electricity to areas which cannot be reached through the usual financing.

The Rural Electric Bank, as I have said, would receive its initial capital through investment by the government in its capital stock. Repayment by REA co-ops of principal and interest on their existing outstanding loans would be used for this purpose. Up to $50 million annually could be invested for 15 years—a total Federal investment of up to $750 million.

Additional capital would be provided to the Bank through the requirement that cooperatives obtaining a loan from the Bank invest 5% of their loan in bank stock—just as farmers invest in their PCA when they get a loan. Eligible co-op borrowers, and individual REA consumers themselves, could also invest in the Bank.

With this invested capital as security for its operations, the Rural Electric Bank would then issue debentures to be sold to private investors, up to a limit of 8 times the amount of the paid-in capital—although at first, of course, the ratio would be lower, about 3 or 4 times.

The funds provided to the Rural Electric Bank, from the government investment of REA loan repayments, and chiefly from the sale of its securities to private investors, would then be loaned by the Bank to rural electric cooperatives.

The plan calls for two levels of interest on the loans made by the Bank. The first would be an intermediate rate—3%, or perhaps 4% as recommended by the Administration. The second rate of interest, for cooperatives in a strong position, would reflect the cost of money.

The Rural Electric Bank would be managed by a board of directors which would include officials of the Department of Agriculture and representatives of the rural electric cooperatives. The REA Administrator would serve as the chief executive officer or Governor of the Bank. As the Federal investment was retired over a period of years, control would eventually pass into the hands of the cooperatives themselves.

In this way, the plan would maintain the present 2% loan program for those systems that have not yet attained financial strength to reach their objectives without this source of funds. It would provide through the Rural Electric Bank 50-year loans at a higher rate, sufficient to attract private capital. In short, by treating the sound economic growth of the REC's as a resource which could attract private investment to rural electric systems through the Rural Electric Bank, it would provide the capital to finance the growing use of electricity.

While I have tried to present the need for supplemental financing and the operation of this plan in understandable terms, the proposal is major legislation and it is not simple. Details of this bill which may not attract public attention could be critical to the successful operation of this proposal. It presents issues which will be hard fought—for they represent not only an opportunity for the cooperatives to move toward independence and stand on their own feet, but also the chance for others to misread their intentions, deny their accomplishments, and attack their future.

We know the committee will receive testimony directed to every provision of these bills, and that it will require work to enact the supplemental REA financing system. But the work has begun. I hope very much that with patience a practical, constructive and genuinely helpful plan can be adopted.

It can be a plan which will not only help assure the future of rural America as an organic part of a growing and developing nation, and one which will be a credit to our system, but also a plan which will help sustain the economic life of thousands of other communities and private businesses, including the private utilities, whose prosperity also rests on the undiminished vitality of the nation as a whole.

Mr. COOPER. Mr. President, I ask unanimous consent that the names of the senior Senator from Texas [Mr. YARBOROUGH], and the Senator from Alaska [Mr. GRUENING] be added as cosponsors.

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

REA SUPPLEMENTAL FINANCING LEGISLATION

Mr. MONDALE. Mr. President, I am most pleased to have the honor and privilege of introducing this legislation to provide for the capital needs of rural electric and telephone cooperatives with the distinguished Senator from Kentucky [Mr. COOPER]. At the outset, I would like to say that I know Senator COOPER will continue to be a most effective and persuasive advocate for rural electric and telephone cooperatives—despite the fact that his colleagues have recognized his skill, experience, and ability in the field of foreign affairs by assigning him to the Senate Foreign Relations Committee. Despite the fact that he will no longer be a member of the Senate Agriculture Committee, his influence will most clearly and necessarily be felt in our efforts there to move ahead on this most important legislation. And so I do want to thank Senator COOPER for inviting me to join with him as a coauthor of this legislation.

It is impossible to overstate the tremendous revolution in American farm family life caused by the onset of central station electricity under the Rural Electrification Act of 1935. One of the great American success stories over the past 30 years has been the extension of electric and telephone service to 20 million rural people. Electric lights, radio, television, and farm machinery, have brought a higher standard of living to rural areas, lessened the drudgery of farmwork, and boosted farm productivity and income. Today, the farmer's telephone, like the electric motor, has become an essential and familiar part of this life.

Today's more efficient farmer uses electric-powered corn and grain drying machinery, irrigation pumps, and machinery for refrigerating milk and livestock and even grain products.

I was born and raised in rural Minnesota, and I know the tremendous job done by our rural electric and telephone cooperatives. Almost every farm in the Nation has electricity, and four out of five have telephones, mostly dial phones. Minnesota cooperatives have never defaulted on a single penny borrowed from the Rural Electrification Administration.

This achievement has been won against overwhelming odds. For one thing, low consumer density makes such service very expensive. Almost 20 miles of electric lines had to be built to serve the same number of consumers that are served by 1 mile of powerlines in the city. REA-financed cooperatives in Minnesota receive an average annual revenue of only $480 per mile of powerline, as compared to $8,559 for private power companies.

This is also true for REA-financed rural telephone companies. They serve about four or five subscribers per mile of line, compared to 40 people on each mile of line in the Bell system companies.

Some people say the REA's job is done, and the REA programs should be terminated. But as each one of you knows, the needs and demands of farmers and rural people for electricity and telephones are growing along with the rest of our society.

REA electric systems will need twice as much capital in the next 15 years as was required in the entire 30-year life of the REA. The fact that most farms have electricity does not mean they have nearly enough for all their needs. Much of the machinery that makes American agriculture the most advanced in the world is powered by electricity. This is especially true of our dairy farms. The powerlines built years ago have to be beefed up to handle the ever-increasing amounts of power needed for the modern farmer.

But even beyond the growing electrical needs of farm technology, there is a deeper problem. This is our failure to close the gap between the level of rural and city life. Not only does the gap still exist, but more and more of our young people are moving to the large urban centers, draining the strength and vitality from many of our farm communities.

The future health and vitality of rural America goes hand in hand with the continued expansion of our rural electric and telephone service. For in addition to providing necessary service, we must also attract small industries and businesses into the country, in order to improve job and income opportunities.

The legislation we are introducing today will provide additional, supplemental funds, for those systems strong enough financially to pay higher interest rates. It recognizes that Congress will be unwilling to appropriate sufficient funds to meet all of the future capital needs of REA borrowers. Over the past 7 years, the Congress has appropriated a yearly average of $35 million dollars for the electrification loan program, and $105.2 million dollars for the telephone loan program, both of which are insufficient to meet the estimated projected needs of these systems. This will not, of course, replace the need for the present 2-percent loan fund appropriations, for there will always be rural electric and telephone systems in sparsely settled uneconomic areas which will not be financially capable of providing central services without Federal assistance.

Despite the fact that many rural electric cooperatives will continue to need and use the present 2-percent funds, the establishment of new sources of funds will benefit all such systems. Use of the supplemental loan funds by those cooperatives able to do so will make more of the 2-percent REA loan funds available for those who cannot.

As a member of the Senate Agriculture Committee, I will work hard for constructive legislation to insure a hopeful future for the rural electric cooperatives of the Nation. Minnesota is a great cooperative State, and I know well that the cooperative approach is a good way for people to get a necessary job done—whether it be rural electrification, the marketing of farm products, or securing

reasonably priced consumer or farm supplies.

At the present time in Minnesota, representatives from both investor-owned utilities and electric cooperatives are discussing this legislation and other proposals in an effort to arrive at a proposal which both can support as meeting future needs. I look forward with a great hope to the possibility that these discussions will help us to move responsibly and wisely in passing supplemental financing legislation. Minnesota and the upper Midwest is unique, I believe, in its unprecedented degree of cooperation and willingness to meet and discuss issues of interest between both private power and electric cooperatives.

SOUTHWEST IDAHO WATER DEVELOPMENT PROJECT

Mr. CHURCH. Mr. President, I introduce, for appropriate reference, on behalf of myself and my colleague from Idaho [Mr. JORDAN], a bill to construct the southwest Idaho water development project.

This bill is similar, Mr. President, to S. 3128, which I introduced in the last session of the 89th Congress, and upon which field hearings were conducted in Idaho last September. I am hopeful that we can conduct Washington hearings early this year, for this is one of the most important and urgent projects for Idaho, the Pacific Northwest and the Nation. It will provide great new opportunities for the development of arid lands in southwestern Idaho, and produce wildlife, provide flood control, power, and recreational benefits.

The southwest Idaho water development project, upon completion, will open for cultivation nearly a half-million acres of vacant desert land and furnish supplemental water to more than 60,000 acres of cultivated farmland without an adequate supply. Growing cities and towns within the area will be assured industrial and domestic water supplies. New reservoirs of sparkling, clean water will afford extensive recreation playgrounds for fishing, boating, water skiing, and swimming. Nearly 500,000 kilowatts of power would be generated by the project.

Mr. President, our country's population and our agricultural crop requirements grow apace, and we must plan now to meet these needs or—as our best forecasters tell us—confront a possible food shortage by the end of this century. At that time, unless such projects as this can become a reality, we will have a "land deficit" of productive acres. Not only are there not enough acres available today to meet our projected requirements, but without further reclamation work nearly 25 million acres now under cultivation will have been lost to urbanization as the Nation's growing cities spread ever wider upon the face of the land. Wise planning means that we can get on with comprehensive development projects of this kind, not just for the benefit of Idaho, but for the welfare of the entire Nation.

Deeply cognizant of these factors, we urge the authorization of the southwest Idaho water development project and we emphasize that is one of the finest potential reclamation projects remaining in the West.

It embraces under a single concept, several well-developed and already studied plans for utilizing the unappropriated waters of the Snake River and its tributaries in 11 southwestern Idaho counties.

A series of dams, some already built and others to be constructed, will provide needed storage, while diversion tunnels at three sites will funnel the waters to the reservoirs in the system. Balanced usage and integrated development are the bywords of the proposal. Through a system of diversion works, water will be channeled from surplus mountain torrents in the Garden Valley division, to irrigated lands in the Boise Valley, and to yet-unopened desert lands along the Snake River in the Mountain Home and Bruneau divisions of the project. The principal power source for the project will be in the Garden Valley division where the brimming waters of the Payette River, which have spilled and flooded over downstream farmlands and communities in past years, will be harnessed to generate 368,500 kilowatts of electricity at two powerplants. At the Guffey Dam in the Mountain Home division, another 85,000 kilowatts of power will be produced, which will turn mighty pumps to suck the waters up from the canyon of the Snake River and turn them out upon the thirsty desert.

Providing effective flood control to prevent needless destruction of already developed farmlands and damage to the downstream communities in the drainage basins, is another goal of the project.

Opening new lands to farming means the development of wildlife cover and habitat for game birds and animals. Water quality control and creation of manmade lakes will greatly enhance fishing resources.

As the agricultural base broadens, the cities and towns in the project area will expand to supply the services and, in turn, will require new and assured water supplies for municipal use. The southwest Idaho water development project will furnish that assurance and the city of Mountain Home has already committed itself to purchase a share of the water when available.

Specifically, the bill asks immediate authorization of the Mountain Home division, including the Guffey Dam and Reservoir and the Long Tom diversion tunnel and Hillcrest unit. It also seeks authorization of that portion of the Garden Valley division which includes the Garden Valley Dam, Reservoir, and related power facilities. It calls for accelerated studies on the remainder of the project, including the Weiser and Bruneau divisions.

Let me make it absolutely clear, Mr. President, that in every division of this project, all existing water rights are completely protected and that, in any exchange of use that may be contemplated, no basic water rights will be altered or impaired.

It is seldom that a proposal has received as much general support as has the southwest Idaho water development project. The proposed project has already received the endorsement of the Idaho State Legislature and the State's principal water policy agency, the Idaho Water Resource Board. House Joint Memorial 7, enacted by the second extraordinary session of the 38th session of the Idaho State Legislature, on March 7, 1966, says in part:

> We, the Legislature of the State of Idaho, do wholeheartedly endorse the concept of the southwest Idaho water development project as supported by the entire congressional delegation from the State of Idaho.

Additionally, the project has received equally enthusiastic support from public and private organizations and individuals throughout the State. Farmers, ranchers, conservationists, and leaders of business and industry, all recognize the need for balanced and integrated development of our wealth of natural resources.

The costs of construction will be repaid from numerous sources. While irrigators will pay a portion of the overall costs, part will be charged to recreational benefits, to municipal and industrial users, and to fish and wildlife benefits. A substantial share of the costs would be covered by a project basin account against Federal power-producing sources. Idaho water provides a sizeable share of the flow energizing the Columbia River Federal power system. The Snake River enters Idaho with an annual flow of 4 million acre-feet at our eastern border. When the Snake leaves Idaho and crosses into Oregon and Washington to join with the Columbia River, it is carrying an annual flow of 38 million acre-feet—more than a ninefold increase in its passage through Idaho. Accordingly, it is both just and necessary that a substantial share of the overall project costs be repaid through surplus power revenues of the Bonneville Power Administration.

I feel, Mr. President, that I am asking the Senate to consider one of the most comprehensive and well-developed plans that has ever been presented for the multipurposed utilization of a great natural resource.

I ask unanimous consent, Mr. President, that the bill, together with the house joint memorial of the Idaho Legislature in support of it, be printed at this point in the RECORD.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill and house joint memorial of the Idaho Legislature will be printed in the RECORD.

The bill (S. 697) to authorize the Secretary of the Interior to construct, operate, and maintain the southwest Idaho water development project, and for other purposes, introduced by Mr. CHURCH (for himself and Mr. JORDAN of Idaho), was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 697

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in order to provide for the comprehensive development of the Snake River and its tributaries in southwestern Idaho for the

purposes, among others, of furnishing water for irrigation and for municipal and industrial purposes, controlling floods, controlling water quality, producing and transmitting hydroelectric power, conserving and developing fish and wildlife resources, enhancing outdoor recreation opportunities, and for other purposes, the Secretary of the Interior is hereby authorized—

Garden Valley Division

(a) To construct, operate, and maintain the Garden Valley division of the project, providing a supply of irrigation water to approximately one hundred and sixty-five thousand acres of land. The principal features of the division shall consist of the Garden Valley Dam and Reservoir on the South Fork of the Payette, and other dams, reservoirs, powerplants, transmission facilities, and appurtenant facilities: *Provided,* That construction of the Garden Valley division, excepting the Garden Valley Dam and Reservoir and related power facilities, shall not be undertaken until the Secretary has submitted his report and finding of feasibility on this division to the President and to the Congress; and

Mountain Home Division

(b) To construct, operate, and maintain the Mountain Home division of the project, consisting of the Guffey, Long Tom, and Hillcrest units, and providing a supply of irrigation water to approximately one hundred and thirty-one thousand acres of land. The principal features of the division shall consist of the Guffey Dam, Reservoir, and powerplant, the Long Tom diversion dam, and the upper and lower Canyon Creek division dams, together with reservoirs, transmission facilities, and appurtenant facilities; and

Weiser River Division

(c) To construct, operate, and maintain the Weiser River division of the project, providing a supply of irrigation water to approximately sixteen thousand five hundred acres of land. The principal features of the Division shall consist of a diversion dam on the West Fork of the Weiser River, enlargement of the existing Lost Valley Reservoir, other diversion dams, reservoirs, canals, and pumping plants and appurtenant facilities: *Provided,* That construction of the Weiser River division shall not be undertaken until the Secretary has submitted his report and finding of feasibility on this division, including a reevaluation of the proposed Goodrich Dam, to the President and to the Congress; and

Bruneau Division

(d) To construct, operate, and maintain the Bruneau division, including the Wickahoney unit, of the project, providing a supply of irrigation water to approximately two hundred and forty thousand acres of land. The principal features of the division shall consist of Grindstone Butte Dam and Reservoir on Deadman Creek, Clear Lakes Dam and Reservoir on the Snake River, other diversion dams, reservoirs, canals, and pumping plants and appurtenant facilities: *Provided,* That construction of the Bruneau division shall not be undertaken until the Secretary has submitted his report and finding of feasibility on this division to the President and to the Congress.

SEC. 2. The authority contained in section 1(d) of this Act shall constitute the authority required under Public Law 89–72 to initiate the feasibility studies of the Bruneau division of the southwest Idaho water development project in the Snake River Basin in Twin Falls, Elmore, and Owyhee Counties, Idaho, including the Wickahoney unit.

SEC. 3. In carrying out investigations under the authority of this Act, the Secretary shall expedite completion of feasibility reports on the Garden Valley, Weiser River, and Bruneau divisions of the southwest Idaho water development project, and shall submit the feasibility report of the Garden Valley division to the Congress by January 1, 1969. The exchange of water in connection with the operation of the project authorized by this Act shall in no way jeopardize, diminish, or otherwise alter contractual rights and obligations now in existence, and shall not exceed 600,000 acre-feet annually from the Payette River Basin.

SEC. 4. The period provided in subsection (d) of section 9 of the Reclamation Project Act of 1939, as amended, for repayment of construction costs properly allocable to any block of lands and assigned to be repaid by the irrigators may be extended to fifty years, exclusive of a development period, from the time water is first delivered to that block, or as near that number of years as is consistent with the adoption and operation of a repayment formula as therein provided. Power and energy for operation of project pumping and other electrical facilities shall be supplied from the project power facilities and from the Federal Columbia River power system at charges to the water users as established by the Secretary. Costs allocated to irrigation in excess of the amount determined by the Secretary to be within the ability of the irrigators to repay within a fifty-year period shall be returned to the reclamation fund from revenues derived by the Secretary from the disposition of power marketed through the Bonneville Power Administration.

SEC. 5. The Secretary is authorized, as part of the project, to construct, operate, and maintain or otherwise provide for public outdoor recreation and fish and wildlife enhancement facilities, to acquire or otherwise make available such adjacent lands or interests therein as are necessary for public outdoor recreation or fish and wildlife use, and to provide for public use and enjoyment of project lands, facilities, and water areas in a manner coordinated with the other project purposes.

SEC. 6. No lands may be acquired for any of the purposes herein authorized without the consent of the owner thereof except lands that are within three hundred feet of the maximum flowage line of project waters measured horizontally therefrom.

SEC. 7. In order to maintain the local tax base, the Secretary of the Interior and the Secretary of Agriculture shall make available and shall sell to individuals or organizations described in the Small Tracts Act, as amended (52 Stat. 609; found in 43 U.S.C. 682 a et seq.), reserved lands of the United States within the project area which are chiefly valuable for residence, recreation, business, or community activity purposes. The values of the lands made available under this section shall equal the values of the lands taken. Determination of the values of the lands taken and the lands made available in lieu thereof shall be based upon values as of the date of the taking. Private owners whose lands have been taken for project purposes shall have a right of first preference to purchase such tracts. Each such tract shall not exceed five acres, and no person or organization shall be permitted to purchase more than one such tract except upon a showing of good faith and for reasons satisfactory to the Secretary of the Interior or the Secretary of Agriculture. Lands available for the purpose of this section shall be not less than three hundred feet above project waters measured horizontally from the maximum flowage line of such waters. Sales of such tracts shall be made in accordance with the provisions of the Small Tracts Act, as amended, except as herein modified.

SEC. 8. The interest rate used for purposes of computing interest during construction and interest on the unpaid balance of the capital costs allocated to interest-bearing features of the project shall be determined by the Secretary of the Treasury, as of the beginning of the fiscal year in which construction is initiated, on the basis of the computed average interest rate payable by the Treasury upon its outstanding marketable public obligations, which are neither due nor callable for redemption for fifteen years from date of issue.

SEC. 9. For a period of ten years from the date of enactment of this Act, no water from the project authorized by this Act shall be delivered to any water users for the production on newly irrigated lands of any basic agricultural commodity, as defined in the Agricultural Act of 1949, or any amendment thereof, if the total supply of such commodity for the marketing year in which the bulk of the crop would normally be marketed is in excess of the normal supply as defined in section 301(b)(1) of the Agricultural Adjustment Act of 1938, as amended, unless the Secretary of Agriculture calls for an increase in production of such commodity in the interest of national security.

SEC. 10. The Secretary shall construct, operate, and maintain the southwest Idaho water development project in accordance with the Federal reclamation laws (Act of June 17, 1902 (32 Stat. 388), and Acts amendatory and supplementary thereto), and nothing in this Act shall be construed as affecting or intended to affect or to in any way interfere with the laws of the State of Idaho relating to the control, appropriation, use, or distribution of water made available by the project, or any vested right acquired thereunder, and the Secretary, in carrying out the provisions of this Act, shall proceed in conformity with such laws, and nothing in this Act shall in any way affect any right of the State or of the Federal Government or of any landowner, appropriator, or user of water in, to, or from the project.

SEC. 11. There is hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

SEC. 12. This Act shall be cited as the Southwest Idaho Water Development Project Act of 1967.

The house joint memorial of the Idaho Legislature, presented by Mr. CHURCH, is as follows:

HOUSE JOINT MEMORIAL 7

Joint memorial to the Honorable Senators FRANK CHURCH and LEN B. JORDAN and the Honorable Representatives COMPTON I. WHITE and GEORGE HANSEN

We, your memorialists, the Legislature of the State of Idaho, respectfully represent that:

Whereas in order to provide for the comprehensive development of the Snake River in Idaho for the purposes, among other, of regulating the flow of the Snake River and its tributaries, furnishing water for irrigation and for municipal and industrial purposes, controlling floods, controlling water quality, producing and distributing hydroelectric power, conserving and developing fish and wildlife resources, enhancing outdoor recreation opportunities, and for other purposes, the southwest Idaho water development project is being proposed to promote the development, whether by private effort or by reclamation projects, of the Mountain Home division, the Garden Valley division, the Weiser River division, and the Wickahoney and Bruneau division, as outlined in the Bureau of Reclamation proposal, and other projects, such as supplemental water for the Salmon Falls tracts, that might fall within the area; and

Whereas our congressional delegation has advised us that united support from the State of Idaho is necessary to their efforts in our National Capitol; and

Whereas time is perhaps short for the State of Idaho to start using her waters: Now, therefore, be it

Resolved by the 2d extraordinary session of the 38th session of the Legislature of the State of Idaho, now in session, That we, the Legislature of the State of Idaho, do wholeheartedly endorse the concept of the south-

west Idaho water development project as supported by the entire congressional delegation from the State of Idaho; and be it further

Resolved, That the secretary of state of the State of Idaho be, and he hereby is authorized and directed to forward certified copies of this memorial to Senators FRANK CHURCH and LEN B. JORDAN, and Representatives COMPTON I. WHITE and GEORGE HANSEN, congressional delegates for the State of Idaho.

Passed the house on the 28th day of February 1966.

PETE T. CENARRUSA,
Speaker of the House of Representatives.

Passed the senate on the 2d day of March 1966.

W. E. DREVLOW,
President of the Senate.

Attest:

DRYDEN M. HILER,
Chief Clerk of the House of Representatives.

Mr. JORDAN of Idaho. Mr. President, I am happy to join with my distinguished colleague, Senator CHURCH, in introducing legislation to authorize the southwest Idaho water development project.

This multipurpose plan envisions development affecting a 15,500 square mile area in which some 650,000 acres are now successfully irrigated and about 1,400,000 additional acres have characteristics suitable for irrigation. The project will bring about one-half million acres into productive use and furnish supplemental water to some 50,000 acres.

There are now more than 200,000 people living in the project area. This number should double when the project is fully developed. But, this project is by no means just for Idaho. The new production from the lands involved will make a significant positive contribution to our total economy.

The development of land and water resources should not be a partisan political matter. I am very pleased that all the Members of the Idaho congressional delegation are joined in sponsoring this project. It represents a concrete formulation of a vision of the extraordinary potential of developing the arid acres of southwest Idaho which has been held by many men over many long years.

Both Houses of the Idaho Legislature have memorialized the Congress in favor of this development. The Idaho Water Resources Board, the Southwestern Idaho Development Association, the Idaho Reclamation Association, and numerous other organizations in our State have endorsed it. Last fall the House Interior Committee held hearings in Idaho which elicited further expressions of support for it. In fact, it has the nearly unanimous approval of the citizens of Idaho.

Wise stewardship in the management and development of our great land and water resources is a responsibility to the future in which we must not fail. We are all aware that the world's needs for food are rapidly outstripping the ability of present production to fulfill. We do not need to look far ahead to see that in order to avert a crisis of staggering proportions, agricultural output must increase.

The United States in recent times has been in the peculiar position of having to deal with problems of surplus. The measure we introduce here today contains safeguards for the short run against production from this project contributing to commodity surpluses in this country. But, I firmly believe that the days of such problems are numbered.

I believe now is the time to move to combat the growing problem of want from which ultimately even our Nation may not be exempt.

The southwest Idaho water development project is the kind of broad-scale proposal for unlocking the potential productivity of new arable lands which the times require. It is designed to fit into our total comprehensive plans for development in the Snake River Basin. It will be integrated with older projects such as the Boise project as well as with other new development plans such as the southeast Idaho development project formulated by Congressman GEORGE HANSEN and myself. Our goal is the full development of the Snake River Basin. And I feel that I should point out that in order to achieve this goal, we will need to put to beneficial use the total water resource of the Snake above the Weiser gage. The Geological Survey has estimated that under full possible reclamation development the Snake River Basin will be a region of water shortage rather than one of surplus.

The southwest Idaho water development project represents the best kind of multipurpose planning. Irrigation is a major consideration. But the project will also provide hydropower generation, recreation, municipal and industrial water supply, flood control, water quality control, and conservation and development of fish and wildlife resources.

The southwest Idaho water development project is an investment which will be more than repaid. Irrigation costs are reimbursable. The feasibility of a reasonable repayment schedule has been considerably enhanced by the enactment of a Columbia Basin accounting system which permits the application of revenues marketed through the Bonneville Power Administration to all Federal projects in the Columbia River system in the United States. Further, of course, there is the consideration of the sizable long-term returns to the economy which the new production resulting from this project will bring.

The needs for water resource development are such that I feel we must move at all possible speed on the broadest possible front to achieve our comprehensive planning objectives. The southwest Idaho water development project is a major step. But while we pursue Federal development, I believe we must also allow private development to proceed—and to proceed rapidly. Private efforts have already brought under cultivation fully one-half of the 3 million acres now being irrigated in southern Idaho. Where people are willing to expend their own time and money in land and water development we should encourage such initiative.

Presently over 1,000 applications filed by individuals for entry on desert lands in Idaho are pending in the Department of the Interior. The Secretary of the Interior recently rendered a decision and set new criteria for applications which I am hopeful will have the effect of unclogging the administrative logjam which has delayed the processing of these applications for far too long.

In the proposed area of the Bruneau division of the southwest Idaho water development project there is considerable overlap with lands under application for private entry. I believe that no conflict need exist here. I believe we can permit private enterprise to go ahead now in this area.

The bill we are placing before you contains authority for the initiation of feasibility studies on the Bruneau division. I am convinced that these studies can be made, taking into account the factor of private development going forward in the area concerned. I have set forth my views in this regard in a letter to the Secretary of the Interior which I ask unanimous consent be included in the RECORD at this point.

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

DECEMBER 20, 1966.

Hon. STEWART L. UDALL,
Secretary of the Interior,
U.S. Department of the Interior,
Washington, D.C.

DEAR MR. SECRETARY: In my letter of December 5, I stated that desert entries in Idaho should be allowed based on their merits. I believe this should apply regardless of whether the lands applied for lie within a proposed reclamation unit.

Persons who have made applications have indicated they are ready, willing and able to develop these lands with private capital in the near future. They will utilize water that is presently unappropriated. The best way to protect water needed in Idaho is to put it to beneficial use. I can see no reason why putting this land under cultivation should be held back where almost immediate development is possible.

To cite the situation in one area, there are apparent conflicts between some 250 desert entry applications and the proposed Bruneau Division of the Southwest Idaho Water Development Project. In my opinion these entries should be allowed, where they classify as eligible, without delay. Lands in the vicinity of the Bruneau Division have already proven their productivity. They will grow foods that are in increasingly great demand.

The allowance of qualified entries will permit each entryman to farm 320 acres or double that now permitted under the Reclamation Act. This is a more feasible unit under present day conditions.

Approval of entries, no matter where they are located, need not jeopardize the feasibility studies of any proposed division. What is wanted and needed is progress in development on a broad front. Feasibility studies can still go forward on projected units taking into account the development already accomplished. If, at a later date, it appears that the use of lands for private development has reduced the feasibility of broad-scale federal reclamation in a region, it may be possible to bring in additional lands under the Small Reclamation Projects Act which is specifically designed to assist owners of land in small units.

I hope you will move forward promptly in processing all pending desert land entry applications, each according to its individual merits.

Sincerely,

LEN B. JORDAN,
U.S. Senator.

Mr. JORDAN of Idaho. Mr. President, in conclusion, let me reemphasize my reasons for asking this body to give

approval for the southwest Idaho water development project.

The project offers an opportunity to increase the irrigated land in a proven locality with unappropriated water. Its costs are largely reimbursable.

The nonreimbursable costs will represent only a small fraction of the dividends from new productivity which the project will create, not only for the people of the area but in tax receipts to the Federal Treasury as well.

The undertaking encompasses multipurpose planning providing a variety of benefits in addition to irrigation. The people of Idaho are united and enthusiastic in support of the project.

By the time construction of this project can be completed, a world faced with a deepening food crisis will welcome the new production the project will provide.

These facts should demonstrate the wisdom of approving the legislation we have placed before you. We are ready to move ahead in this development. I believe we must do so now.

INTERGOVERNMENTAL COOPERATION ACT OF 1967—JANUARY 26, 1967

Mr. MUSKIE. Mr. President, on behalf of myself and Senators JACKSON, BOGGS, MUNDT, and MOSS, I submit, for appropriate reference, a bill entitled the Intergovernmental Cooperation Act of 1967, to achieve the fullest cooperation and coordination of activities among the levels of government in order to improve the operation of our Federal system in an increasingly complex society to improve the administration of grants-in-aid; to provide technical services to State and local governments; to establish a coordinated intergovernmental policy and administration of grants and loans for urban development; to authorize the President to submit to the Congress for its consideration plans for the consolidation of individual categorical grants within broad functional areas; to provide for conformity in Federal acquisition, use, and development of urban land with local government programs; to provide for uniform relocation assistance to persons and businesses affected by federally assisted real property acquisition; and to provide for a uniform land acquisition policy in Federal and federally assisted programs.

I ask unanimous consent that the bill remain at the desk for 10 days to permit other Senators to add their names as cosponsors.

Mr. President, developments in the past year have demonstrated a growing concern for the administration of Federal grant-in-aid programs. These programs, which have been described—and correctly, I think—as the most important vehicle of intergovernmental relations, now number around 220. They are concerned with, and critical to, the development of the resources of this Nation. Their growth over the past two decades is a testament to their acceptance by a vast majority of the American people. Their effects on the development of our human resources, our natural resources, and our community environment are inestimable. They are critical to the development of our Great Society.

However, the administration of this multitude of programs has severely taxed the resources of all levels of government. And the proliferation of Federal grants has put the spotlight on the federal system—that durable, but delicate balance of jurisdictions and powers that has evolved throughout our history.

Since its inception, the Subcommittee on Intergovernmental Relations has carried on a continuing study of the problems of the relationships which operate within our Federal system. In the 89th Congress, the subcommittee considered a number of proposals designed to resolve the problems associated with its findings. Several of these proposals focused on the grant-in-aid device. Others involved the problems of the inequities of property acquisition for public development programs, and the relocation of persons and businesses affected.

The Senate approved legislation in both of these areas during the 89th Congress.

INTERGOVERNMENTAL COOPERATION

First, the Intergovernmental Cooperation Act was passed by the Senate on August 5, 1965. This proposal was designed to achieve the fullest cooperation and coordination of activities between the levels of Government in order to improve the operation of our federal system. As passed by the Senate, the measure would—

First. Authorize full information for the Governors on grants made to their States and would provide for more uniform administration of Federal grant funds to the States. It would also improve the scheduling of fund transfers to the States and permit the States to budget Federal grant funds in much the same manner as they budget other revenues;

Second. Provide for congressional review of future grant programs to insure that such programs are reexamined in a systematic fashion and reconsidered in the light of changing conditions;

Third. Authorize the Federal departments and agencies to render technical assistance and training services to State and local governments on a reimbursable basis;

Fourth. Establish a coordinated intergovernmental urban assistance policy, by requiring local government review of certain applications for Federal aid in urban programs. This provision would serve to strengthen metropolitan planning machinery and encourage more orderly metropolitan growth; and

Fifth. Prescribe a uniform policy of procedure for urban land transactions and use undertaken by the General Services Administration, by requiring consistency of that agency's policies with local zoning regulations and development objectives.

As I mentioned, the Senate unanimously adopted a bill which contained these five provisions. That bill had been introduced with 42 cosponsors, and had drawn broad support from many sources, including national organizations and public officials at all levels of government. Unfortunately, the House of Representatives did not take final action on this measure.

Therefore, the bill I am introducing today contains, in titles I through V and title VII, the measure which received the unanimous consent of the Senate in the last Congress. This is a proposal of utmost importance in the improved functioning of the federal system, particularly as grant-in-aid programs affect that system. It contains all the provisions of H.R. 17955 of the 89th Congress, which the House Subcommittee on Executive and Legislative Reorganization reported to its parent committee in the last week of the 89th Congress. It also includes title V—the Senate-approved provision for periodic review of grant-in-aid programs by the Congress, which the House measure omitted. I believe this provision is a sound management technique which is badly needed and of critical importance to the overall grant system.

CONSOLIDATION OF CATEGORICAL GRANT PROGRAMS

Title VI of the bill I am introducing today contains a new proposal designed to improve the management of grant-in-aid programs. Briefly, it would authorize the President to submit to the Congress plans for the consolidation of individual categorical grants within broad functional areas and to effect the interagency transfer of administrative responsibility for grant programs, subject to the type of congressional veto proviso that governs executive reorganization plans. This proposal would involve the submission to Congress of categorical grant consolidation plans, including such modifications in apportionment formulas and allocation requirements as the President deems necessary. The Congress would accept the plans or disapprove them in a manner similar to that provided in the Reorganization Act of 1949.

Mr. President, Federal grants-in-aid are unquestionably essential and effective methods of financing and administering essential programs to achieve national objectives. But, because their number and variety have increased so rapidly in recent years, the need for coordination in their administration is persistently acute. It was pointed out, in recent hearings before the Subcommittee on Intergovernmental Relations, that over 220 Federal grants-in-aid to assist State and local governments are now administered by 16 of the 21 departments and agencies of the Federal Government. We have 50 different programs to aid general education; 57 programs for vocational and job training; 35 programs involved in housing; more than 20 programs involving transportation; 27 for utilities and services; 62 for community facilities; 32 for land use; 28 for recreational and cultural facilities.

One relatively simple example of the problems which a number of similar categorical grants produce may be found in Federal grant programs for community water supply, sewers and sewage treatment facilities. Five agencies of the Federal Government are presently involved in administering such grants:

First. The Farmers Home Administration in the Department of Agriculture;

Second. The Department of the Interior's Federal Water Pollution Control Administration;

Third. The Economic Development Administration of the Department of Commerce;

Fourth. The Appalachian Regional Commission (for communities within that Commission's jurisdiction); and

Fifth. The Land and Facilities Development Administration of the Department of Housing and Urban Development.

In this particular group of aids, the agencies concerned have worked out arrangements which are designed to minimize administrative confusion. But during our recent subcommittee hearings, it became evident that confusion continues to characterize the administration of these programs. The simple form 101, by which local officials attempt to present their case for Federal aid, cannot be filled out until the local official has carefully read—and understood—four pages of closely typed instructions. Judging from a number of examples of cases of grant applications from which local officials have had no response—for sometimes as long as 2 years—I think it can safely be said that improvements in their administration are imperative. This may require action beyond voluntary cooperation among the agencies involved.

Title VI of my proposed bill would give the President the authority he needs to consolidate these programs—subject to congressional review—if he determines such action would improve their administration.

Mr. President, this proposed title has been suggested by the Advisory Commission on Intergovernmental Relations. It has been studied carefully by the Commission's experts, and I believe it merits the Senate's serious consideration. I believe the Congress itself provided a precedent for such a consolidation of programs when it enacted the Comprehensive Health Planning and Public Health Service Amendments of 1966. I hope this proposal will be seriously considered as a means to more effective management of these important grant programs.

UNIFORM RELOCATION

Mr. President, the bill I am introducing today contains two other important titles. The first of these—title VIII—is concerned with a program of uniform relocation assistance for those forced to relocate as a result of the acquisition of real property for Federal and federally aided public improvement programs.

Title VIII is not a new measure in this body. I introduced it as S. 1681 in the 89th Congress. It was passed unanimously by the Senate in July 1966 and subsequently was referred to the House Committee on Public Works, where no action was taken.

Very briefly, this title would provide a policy of uniform treatment for the thousands of individuals who are affected every year by such Government projects as urban renewal and highways.

Mr. President, relocation is a serious and growing problem in the United States. Federal and federally aided programs are displacing approximately 111,000 families and individuals, 18,000 businesses and nonprofit organizations, and 4,000 farm operators each year. The pace of Federal programs indicates this trend will continue. Federally assisted programs alone—mostly urban renewal and highway programs—displace about 96 percent of the families and individuals, 96 percent of the businesses, and 34 percent of the farms affected by land acquisition.

The uniform relocation bill passed by the Senate in the last Congress was the result of an intensive study conducted by the House Select Subcommittee on Real Property Acquisition of the Public Works Committee and by the Advisory Commission on Intergovernmental Relations in cooperation with the U.S. Conference of Mayors, as well as by our own Subcommittee on Intergovernmental Relations.

These studies revealed serious inconsistencies among Federal and federally assisted programs with respect to the amount and scope of relocation payments and advisory assistance. For instance, a homeowner whose property is taken for a federally aided urban renewal project is entitled to moving costs up to $200. His neighbor, whose property is taken for a federally aided highway program, is also entitled to $200 but only if the State has authorized participation in the Federal relocation program. Inconsistency in payments for business moving expenses is even greater. Here, the Federal-Aid Highway Act allows such expenses only up to $3,000, whereas displacement by a federally aided urban renewal project entitles the businessman up to $25,000 for moving costs. Finally, urban renewal provides fairly comprehensive advice and counseling to business and individuals; the Federal highway program provides no such service.

Among other findings in the studies to which I referred is the fact that the single greatest problem in relocating families and individuals is the shortage of standard housing for low-income groups. Small businesses—particularly those owned and operated by the elderly, such as "Mom and Pop" grocery stores—are major casualties. They have less capital, find it more difficult to secure outside financing, and need assistance to supplement their energy or spirit to resume business in a new location.

Advisory assistance is of growing importance in the relocation process. The poor, the nonwhite, the elderly, and the small business people all need intensive counseling to prepare them for, and to help them carry out, their move.

With the continued growth of Government property acquisition, there has been more, and more concern that relocation programs be made more uniform, and more equitable. Both Presidents Kennedy and Johnson have expressed concern over the human costs and the lack of uniformity in relocation of both families and business.

Title VIII of the bill I am introducing would establish uniform relocation payments, and advisory assistance programs for those displaced by Federal and federally assisted programs. Compliance with these relocation requirements would be a condition in Federal grants to State and local governments. The bill would impose on all federally assisted programs the present urban renewal requirement that no property acquisition project may proceed until there is assurance of available standard housing for those displaced.

It would provide full Federal reimbursement of relocation payments up to a maximum of $25,000; and above that, Federal sharing according to the project's cost-sharing formula. Urban renewal and public housing now pay up to $25,000, fully reimbursed by the Federal Government, for business moving expenses. The Federal highway program now allows only up to $3,000 for businesses reimbursed by the Federal Government on a 90–10 basis for interstate, and 50–50 for primary-secondary highways. Today's measure would thus make Federal reimbursement 100 percent up to $25,000, and would assure that relocation payments will be made by those States where highway displacees are not now entitled to such payments.

Mr. President, I believe the features of this relocation assistance title of the bill I am introducing today, which were passed unanimously by this body last summer, are of utmost importance to the welfare of those who are adversely affected by Federal and federally assisted programs.

URBAN LAND ACQUISITION POLICY

The final title of this legislation—title IX—provides for the establishment of a uniform policy for the acquisition of real property by Federal Government agencies and by State agencies using Federal funds for public improvement programs.

Mr. President, this title follows the legislative recommendation introduced by Senator SPARKMAN in the last Congress as S. 1201. His original proposal combined both a relocation assistance program and one dealing with a uniform acquisition policy for real estate in Federal and federally assisted programs. It is the latter of these two proposals by Senator SPARKMAN that is incorporated in title IX. Hearings were held on this proposal before the Subcommittee on Intergovernmental Relations in late June and early July of 1965. Title IX was drafted to include most of the recommendations made to the subcommittee by the Departments of Defense, Commerce, and Justice, and the Bureau of the Budget.

As I mentioned in my discussion of the need for uniform relocation assistance policy in Federal and federally assisted programs, growing activity in development programs aided by Federal funds will continue to affect large numbers of property owners each year.

Studies, particularly the one conducted by the Select Subcommittee on Real Property Acquisition, reveal that widespread and serious inequities are found in the acquisition of real property in public development programs. The select subcommittee's study revealed that, in many cases, Federal agencies acquired land at less than the agency-approved appraisals. This is true of some acquisitions by States and localities using Federal funds.

In some jurisdictions, it was found that property owners are, in effect, penalized for lowered market values which result from preliminary announcement of a proposed project; in other instances, the public is compelled to pay higher prices

for properties whose values are increased by announcements of a proposed project.

Mr. President, title IX of this bill would institute a uniform policy to guide Federal and federally aided land acquisitions. This is a matter of equity which ought to be an overriding consideration in such acquisitions.

I should say that this title, so far, has not yet been formally endorsed by the Senate as have most of the other titles in the bill. But I believe it is of utmost importance in restoring a measure of assurance to property owners faced with acquisition of their property by the Government. They should be able to expect equitable treatment.

Mr. President, I realize that the bill I am introducing is long and, at first glance, complicated. But as I have said, most of its provisions have already been accepted—unanimously—by this body. Only titles VI and IX are new, and I hope they will be thoroughly studied by all Members.

Mr. President, I ask unanimous consent that the text of the bill be reprinted in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and held at the desk, as requested by the Senator from Maine.

The bill (S. 698) to achieve the fullest cooperation and coordination of activities among the levels of government in order to improve the operation of our federal system in an increasingly complex society, to improve the administration of grants-in-aid to the States, to provide for periodic Congressional review of Federal grants-in-aid, to permit provision of reimbursable technical services to State and local government, to establish coordinated intergovernmental policy and administration of grants and loans for urban development, to authorize the administration of grants and loans for urban development, to authorize the consolidation of certain grant-in-aid programs, to provide for the acquisition, use, and disposition of land within urban areas by Federal agencies in conformity with local government programs, to establish a uniform relocation assistance policy, to establish a uniform land acquisition policy for Federal and federally aided programs, and for other purposes, introduced by Mr. MUSKIE (for himself, Mr. BOGGS, Mr. JACKSON, Mr. MUNDT, and Mr. MOSS), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 698

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act be cited as the "Intergovernmental Cooperation Act of 1967."

TITLE I—DEFINITIONS

When used in this Act—

FEDERAL AGENCY

SEC. 101. The term "Federal agency" means any department, agency, or instrumentality in the executive branch of the Government and any wholly owned Government corporation; and for the purposes of title VIII, the Architect of the Capitol.

STATE

SEC. 102. The term "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the governments of the political subdivisions of the State. For the purposes of title VIII and title IX the term "State" does include such political subdivisions.

POLITICAL SUBDIVISION OR LOCAL GOVERNMENT

SEC. 103. The term "political subdivision" or "local government" means a local unit of government, including specifically a county, municipality, city, town, township, or a school or other special district created by or pursuant to State law.

UNIT OF GENERAL LOCAL GOVERNMENT

SEC. 104. "Unit of general local government" means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

SPECIAL-PURPOSE UNIT OF LOCAL GOVERNMENT

SEC. 105. "Special-purpose unit of local government" means any special district, public-purpose corporation, or other strictly limited-purpose political subdivision of a State, but shall not include a school district.

GRANT OR GRANT-IN-AID

SEC. 106. The term "grant" or "grant-in-aid" means money, or property provided in lieu of money, paid or furnished by the United States under a fixed annual or aggregate authorization—

(A) to a State; or

(B) to a political subdivision of a State; or

(C) to a beneficiary under a State-administered plan or program which is subject to approval by a Federal agency;

if such authorization either (i) requires the States or political subdivisions to expend non-Federal funds as a condition for the receipt of money or property from the United States; or (ii) specifies directly, or establishes by means of a formula, the amounts which may be paid or furnished to States or political subdivisions, or the amounts to be allotted for use in each of the States by the States, political subdivisions, or other beneficiaries. The term does not include (1) shared revenues; (2) payments of taxes; (3) payments in lieu of taxes; (4) loans or repayable advances; (5) surplus property or surplus agricultural commodities furnished as such; (6) payments under research and development contracts or grants which are awarded directly and on similar terms to all qualifying organizations, whether public or private; or (7) payments to States or political subdivisions as full reimbursement for the costs incurred in paying benefits or furnishing services to persons entitled thereto under Federal laws.

FEDERAL FINANCIAL ASSISTANCE

SEC. 107. The term "Federal financial assistance" does not include any annual payment by the United States to the District of Columbia authorized by article VI of the District of Columbia Revenue Act of 1947 (D.C. Code, secs. 47–2501a and 47–2501b).

SPECIALIZED OR TECHNICAL SERVICES

SEC. 108. "Specialized or technical services" means special statistical and other studies and compilations, development projects, technical tests and evaluation, technical information, training activities, surveys, reports, documents, and any other similar service functions which the Secretary of any department or the administrative head of any agency of the executive branch of the Federal Government is authorized by law to perform.

COMPREHENSIVE PLANNING

SEC. 109. "Comprehensive planning," except in title VI, 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.

URBAN DEVELOPMENT

SEC. 110. "Urban 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.

STATE AGENCY

SEC. 111. For the purposes of titles VIII and IX, the term "State agency" means any agency or instrumentality created by a State, or by a political subdivision of a State or by agreement between two or more States or by two or more political subdivisions of a State or States.

HEAD OF AGENCY

SEC. 112. The term "head of a Federal agency" or "head of a State agency" includes a duly designated delegate of such agency head.

DISPLACED PERSON

SEC. 113. The term "displaced person" means—

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

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

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

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

(5) any individual, not described in paragraph (1), (2), (3), or (4) of this section, who moves his personal property from real property on or after the effective date of this Act as a result of the acquisition or reasonable expectation of acquisition of such real property, in whole or in part, by a Federal or State agency: *Provided,* That this shall

not include the owner of property on the premises of another under a lease or licensing arrangement where such owner is required pursuant to such lease or license to move such property at his own expense.

BUSINESS

SEC. 114. The term "business" means any lawful activity conducted primarily (1) for the purchase and resale of products, commodities, or any other personal property; (2) for the manufacture, processing, or marketing of any such property; (3) for the sale of services to the public; or (4) by a nonprofit organization. Such term does not include the activity of an investor in acquiring or holding real property for resale for gain.

FARM OPERATION

SEC 115. The term "farm operation" means any activity conducted solely or primarily for the production of one or more agricultural products or commodities for sale and home use, and customarily producing such products or commodities in sufficient quantity to be capable of contributing materially to the operator's support.

FARM OPERATOR

SEC. 116. The term "farm operator" means any owner, part owner, tenant, or sharecropper who operates a farm.

FAMILY

SEC. 117. The term "family" means two or more individuals living together in the same dwelling unit who are related to each other by blood, marriage, or adoption.

ELDERLY INDIVIDUAL

SEC. 118. The term "elderly individual" means a person, not a member of a family, who is sixty-two years of age or over.

HANDICAPPED INDIVIDUAL

SEC. 119. The term "handicapped individual" means a person, not a member of a family, who is handicapped within the meaning of section 202 of the Housing Act of 1959.

DISPLACED

SEC. 120. The term "displaced", when used in relation to any person, means any person moved or to be moved from real property on or after the effective date of this Act as a result of the acquisition or reasonable expectation of acquisition of such property for a public improvement constructed or developed by or with funds provided in whole or in part by the Federal Government.

OWNER AND PERSON

SEC. 121. The terms "owner" and "person" mean any individual, and any partnership, corporation, or association.

TITLE II—IMPROVED ADMINISTRATION OF GRANTS-IN-AID TO THE STATES

FULL INFORMATION OF FUNDS RECEIVED

SEC. 201. Any department or agency of the United States Government which administers a program of grants-in-aid to any of the State governments of the United States shall, upon request, notify in writing the Governor or other official designated by him, or the State legislature, of the purpose and amounts of actual grants-in-aid to the State.

DEPOSIT OF GRANTS-IN-AID

SEC. 202. No grant-in-aid to a State shall be required by Federal law to be deposited in a separate bank account apart from other funds administered by the State. All Federal grant-in-aid funds made available to the States shall be properly accounted for as Federal funds in the accounts of the State. In each case the State agency concerned shall render regular authenticated reports to the appropriate Federal agency covering the status and the application of the funds, the liabilities and obligations on hand, and such other facts as may be required by said Federal agency.

SCHEDULING OF FEDERAL TRANSFERS TO THE STATES

SEC. 203. Heads of Federal departments and agencies responsible for administering grant-in-aid programs shall schedule the transfer of grant-in aid funds consistent with program purposes and applicable Treasury regulations, so as to minimize the time elapsing between the transfer of such funds from the United States Treasury and the disbursement thereof by a State, whether such disbursement occurs prior to or subsequent to such transfer of funds. States shall not be held accountable for interest earned on grant-in-aid funds, pending their disbursement for program purposes.

ELIGIBLE STATE AGENCY

SEC. 204. Notwithstanding any other Federal law which provides that a single State agency or multimember board or commission must be established or designated to administer or supervise the administration of any grant-in-aid program, the head of any Federal department or agency may, upon request of the Governor or other appropriate executive or legislative authority of the State responsible for determining or revising the organizational structure of State government, waive the single State agency or multimember board or commission provision upon adequate showing that such provision prevents the establishment of the most effective and efficient organizational arrangements within the State government and approve other State administrative structure or arrangements: *Provided*, That the head of the Federal department or agency determines that the objectives of the Federal statute authorizing the grant-in-aid program will not be endangered by the use of such other State structure or arrangements.

TITLE III—PERMITTING FEDERAL DEPARTMENTS AND AGENCIES TO PROVIDE SPECIAL OR TECHNICAL SERVICES TO STATE AND LOCAL UNITS OF GOVERNMENT

STATEMENT OF PURPOSE

SEC. 301. It is the purpose of this title to encourage intergovernmental cooperation in the conduct of specialized or technical services and provision of facilities essential to the administration of State or local governmental activities, many of which are nationwide in scope and financed in part by Federal funds; to enable State or local governments to avoid unnecessary duplication of special service functions; and to authorize all departments and agencies of the executive branch of the Federal Government which do not have such authority to provide specialized or technical services to State and local governments.

AUTHORITY TO PROVIDE SERVICE

SEC. 302. The Secretary of any department or the administrative head of any agency of the executive branch of the Federal Government is authorized within his discretion, upon written request from a State or political subdivision thereof, to provide specialized or technical services, upon payment to the department or agency by the unit of government making the request, of salaries and all computable overhead and indirect costs of performing such services: *Provided, however*, That such services shall include only those which the Director of the Bureau of the Budget through rules and regulations, determines may be provided by Federal departments and agencies. Such rules and regulations shall be consistent with and in furtherance of the Government's policy of relying on the private enterprise system to provide those services which are reasonably and expeditiously available through ordinary business channels.

REIMBURSEMENT OF APPROPRIATION

SEC. 303. All moneys received by any department or agency of the executive branch of the Federal Government, or any bureau or other administrative division thereof, in payment for furnishing specialized or technical services as authorized under section 302 shall be deposited to the credit of the principal appropriation from which the cost of providing such services has been paid or is to be charged, or to the appropriation currently available for the cost of similar services.

REPORTS TO CONGRESS

SEC. 304. The Secretary of any department or the administrative head of any agency of the executive branch of the Federal Government shall furnish annually to the respective Committees on Government Operations of the Senate and House of Representatives a summary report on the scope of the services provided under the administration of this title.

RESERVATION OF EXISTING AUTHORITY

SEC. 305. This title is in addition to and does not supersede any existing authority now possessed by any Federal department or agency with respect to furnishing services, whether on a reimbursable or nonreimbursable basis, to State and local units of government.

TITLE IV—COORDINATED INTERGOVERNMENTAL POLICY AND ADMINISTRATION OF GRANTS FOR URBAN DEVELOPMENT

DECLARATION OF URBAN ASSISTANCE POLICY

SEC. 401. (a) The economic and social development of the Nation, its strength in world affairs and the achievement of satisfactory levels of living depend in large degree upon the sound and orderly development of urban communities. In pursuit of this basic objective, the President shall establish rules and regulations for uniform application in the formulation, evaluation, and review of urban development programs and projects for the provision of federally aided urban facilities, and Federal projects having a significant impact on the development of urban and urbanizing communities. Such rules and regulations shall provide for full consideration of the concurrent achievement of the following specific objectives of urban development, and, to the extent authorized by law, reasoned choices shall be made between such objectives when they conflict:

(1) Appropriate land uses for residential, commercial, industrial, governmental, institutional, and other purposes.

(2) Wise development and conseravtion of natural resources, including land, water, minerals, wildlife, and others;

(3) Balanced transportation systems, including highway, air, water, pedestrian, mass transit, and other modes for the movement of people and goods;

(4) Adequate outdoor recreation and open space;

(5) Protection of areas of unique natural beauty, historical and scientific interest;

(6) Properly planned community facilities, including utilities for the supply of power, water, and communications, for the safe disposal of wastes, and for other purposes;

(7) Any other objective through which urban development activities can contribute to the economic, social, and cultural development of the Nation, its strength in world affairs, and the achievement of enhanced levels of living; and

(8) Concern for high standards of design.

(b) All viewpoints—national, regional, State, and local—shall, to the extent possible, be fully considered and taken into account in planning urban development programs and projects. Regional, State, and local government objectives shall be considered and evaluated within a framework of national public objectives, and available projections of future national conditions and needs of regions, States, and localities shall be con-

sidered in plan formulation, evaluation, and review.

(c) To the maximum extent possible, consistent with national objectives, all Federal aid for urban development purposes shall be consistent with and further the objectives of State and local government comprehensive planning for urban development. Consideration shall be given to all developmental aspects of the total urban community, including but not limited to housing, transportation, economic development, natural resources development, community facilities, and the general improvement of living environments.

(d) Each Federal department and agency administering an urban development aid program 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.

(e) Insofar as possible, systematic planning required by individual Federal programs (such as highway contruction, urban renewal, and open space) shall be coordinated with and made part of comprehensive local and areawide urban development planning.

FAVORING UNITS OF GENERAL LOCAL GOVERNMENT

SEC. 402. Where Federal law provides that both special-purpose units of local government and units of general local government are eligible to receive loans or grants-in-aid for urban development, heads of Federal departments and agencies shall, in the absence of substantial reasons to the contrary, make such loans or grants-in-aid for urban development to units of general local government rather than to special-purpose units of local government.

RULES AND REGULATIONS

SEC. 403. 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 title.

TITLE V—CONGRESSIONAL REVIEW OF FEDERAL GRANTS-IN-AID TO STATES AND TO LOCAL UNITS OF GOVERNMENT

STATEMENT OF PURPOSE

SEC. 501. It is the purpose and intent of this title to establish a uniform policy and procedure whereby programs for grant-in-aid assistance from the Federal Government to the States or to their political subdivisions which may be enacted hereafter by the Congress shall be made the subject of sufficient subsequent review by the Congress to insure that (1) the effectiveness of grants-in-aid as instruments of Federal-State-local cooperation is improved and enhanced; (2) grant programs are revised and redirected as necessary to meet new conditions arising subsequent to their original enactment; and (3) grant programs are terminated when they have substantially achieved their purpose. It is further the purpose and intent of this title to provide for continuing review of existing Federal programs for grant-in-aid assistance to the States or their political subdivisions by the Comptroller General with a view to the formulation of recommendations to assist the Congress in making changes in requirements and procedures applicable to such programs in the interest of eliminating areas of conflict and duplication in program operations and achieving more efficient, effective, and economical administration of such programs, and greater uniformity in the operation thereof.

EXPIRATION OF GRANT-IN-AID PROGRAMS

SEC. 502. Where any Act of Congress enacted in the Ninety-first or any subsequent Congress authorizes the making of grants-in-aid to two or more States or to political subdivisions of two or more States and no expiration date for such authority is specified by law, and such grant is not specifically exempted from the provisions of this title, then the authority to make grants-in-aid by reason of such Act to States, political subdivisions, and other beneficiaries from funds not therefore obligated shall expire not later than June 30 of the fifth calendar year which begins after the effective date of such Act.

COMMITTEE STUDIES OF GRANT-IN-AID PROGRAMS

SEC. 503. Where any Act of Congress enacted in the Ninety-first or any subsequent Congress authorizes the making of grants-in-aid over a period of three or more years to two or more States or to political subdivisions of two or more States, then during the period beginning not later than twelve months immediately preceding the date on which such authority is to expire, the committees of the Senate and of the House to which legislation extending such authority would be referred shall, separately or jointly, conduct studies of the program under which such grants-in-aid are made with a view to ascertaining, among other matters of concern to the committees, the following:

(1) The extent to which the purposes for which the grants-in-aid are authorized have been met;

(2) The extent to which such programs can be carried on without further financial assistance from the United States;

(3) Whether or not any changes in purpose, direction, or administration of the original program, or in procedures and requirement applicable thereto, to conform to recommendations by the Comptroller General under section 504, should be made;

(4) Whether or not any changes in purpose, direction, or administration of the original program should be made in the light of reports and recommendations submitted on request by the Advisory Commission on Intergovernmental Relations; and

(5) The extent to which such grant-in-aid programs are adequate to meet the growing and changing needs which they were designed to support.

Each such committee shall report the results of its investigation and study to its respective House not later than one hundred and twenty days before such authority is due to expire.

STUDIES BY COMPTROLLER GENERAL OF FEDERAL GRANT-IN-AID PROGRAMS

SEC. 504. The Comptroller General shall make continuing studies of presently existing and all future programs for grant-in-aid assistance from the Federal Government to the States or their political subdivisions concerning the extent to which programs conflict and duplication can be eliminated and more effective, efficient, economical, and uniform administration of such programs could be achieved by changing certain requirements and procedures applicable thereto.

In reviewing such programs the Comptroller General shall consider, among other relevant matters, the equalization formulas, and the budgetary, accounting, reporting, and administrative procedures applicable to such programs. Reports on such studies, together with recommendations, shall be submitted by the Comptroller General to the Congress. Reports on expiring programs should, to the extent practicable, be submitted in the year prior to the date set for their expiration.

STUDIES BY ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

SEC. 505. Upon request of any committee referred to in section 503, the Advisory Commission on Intergovernmental Relations (established by Public Law 86-380 as amended) shall, during the same period referred to in such section, conduct studies of the intergovernmental relations aspects of programs which are subject to the provisions of such section, including (1) the impact of such programs, if any, on the structural organization of State and local governments and on Federal-State-local fiscal relations, and (2) the coordination of Federal administration of such programs with State and local administration thereof, and shall report its findings and recommendations to such committee.

RECORDS AND AUDIT

SEC. 506. (a) Each State or political subdivision thereof receiving assistance under (1) any Act of Congress enacted after the effective date of this Act which provides for a grant-in-aid from the United States to a State or a political subdivision thereof, or (2) any new grant-in-aid agreement, or extension, modification, or alteration of any existing grant-in-aid agreement pursuant to existing law shall keep such records as the Federal agency administering such grant may prescribe, including records which fully disclose the amount and disposition by such recipient of such grant-in-aid, the total cost of the project or undertaking in connection with which such grant-in-aid is given or used, and the amount of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The head of the Federal agency administering such grant and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of such recipients that are pertinent to the grants received.

TITLE VI—CONSOLIDATION OF GRANT-IN-AID PROGRAMS

STATEMENT OF PURPOSE

SEC. 601. (a) The President shall from time to time examine the various programs of grants-in-aid provided by law and shall determine what consolidations are necessary or desirable—

(1) to promote the better execution and efficient management of individual grant programs within the same functional area;

(2) to provide better coordination among individual grant programs within the same functional area; or

(3) to promote more efficient planning and use by the recipients of grants under programs within the same functional area.

(b) The Congress declares that the public interest demands the carrying out of the purposes of subsection (a) and that the purposes may be accomplished in great measure by proceeding under this title, and can be accomplished more speedily thereby than by the enactment of specific legislation.

PREPARATION AND TRANSMITTAL OF PLAN

SEC. 602. (a) When the Presdent, after investigation, finds that a consolidation of individual grant-in-aid programs within the same functional area is necessary or desirable to accomplish one or more of the purposes set forth in section 601(a), he shall prepare a grant consolidation plan for the making of such consolidation, and shall transmit such plan (bearing an identification number) to the Congress, together with a declaration that with respect to each individual program consolidated under such plan, he has found that the consolidation is necessary or desirable to accomplish one or more of the purposes set forth in section 601(a). Each such consolidation plan so transmitted—

(1) shall place responsibility in a single agency for administration of the consolidated program, and

(2) shall specify in detail the formula or formulas for the making of grants under the consolidated program, and shall set forth the differences between such formula or formulas and the formula for making grants under each of the individual programs consolidated under such plan.

(b) Each grant consolidation plan shall provide for only one consolidation of individual grant programs.

(c) The President shall have a grant consolidation plan delivered to both Houses on the same day and to each House while it is in session.

CONGRESSIONAL CONSIDERATION

SEC. 603. (a) Except as otherwise provided in subsection (c), a grant consolidation plan shall become effective at the end of the first period of ninety calendar days of continuous session of the Congress after the date on which the plan is transmitted to it unless, between the date of transmittal and the end of the ninety-day period, either House passes a resolution stating in substance that the House does not favor the grant consolidation plan.

(b) For purposes of subsection (a)—

(1) continuity of session is broken only by an adjournment of the Congress sine die, and

(2) the days on which either House is not in session because of an adjournment of more than three days to a day certain shall be excluded in the computation of the ninety-day period.

(c) Under provisions contained in a grant consolidation plan, a provision of such plan may become effective at a time later than the date on which such plan becomes effective under subsection (a).

(d) A grant consolidation plan which becomes effective shall be printed (1) in the Statutes at Large in the same volume as the public laws and (2) in the Federal Register.

SEC. 604. (a) This section is enacted by the Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such it is deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of resolutions described in subsection (b); and it supersedes other rules only to the extent that it is inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

(b) The provisions of sections 910 through 913 of title 5 of the United States Code shall apply with respect to a grant consolidation plan and, for such purposes—

(1) all references in such sections to "reorganization plan" shall be treated as referring to "grant consolidation plan", and

(2) all references in such sections to "resolution" shall be treated as referring to a resolution of either House of the Congress, the matter after the resolving clause of which is as follows: "That the _____ does not favor the grant consolidated plan numbered _____ transmitted to the Congress by the President on _____, 19__.", the first blank therein being filled with the name of the resolving House and the other blank spaces therein being appropriately filled.

EXPIRATION DATE

SEC. 605. The authority of the President under section 602 to transmit grant consolidation plans shall expire three years after the date of the enactment of this Act.

TITLE VII—ACQUISITION, USE, AND DISPOSITION OF LAND WITHIN URBAN AREAS BY FEDERAL AGENCIES IN CONFORMITY WITH LAND UTILIZATION PROGRAMS OF AFFECTED LOCAL GOVERNMENT

AMENDMENT OF FEDERAL PROPERTY AND ADMINISTRATIVE SERVICES ACT

SEC. 701. The Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 471 et seq.), is amended by adding at the end thereof a new title as follows:

"TITLE VIII—URBAN LAND UTILIZATION

"SHORT TITLE

"SEC. 801. This title may be cited as the 'Federal Urban Land-Use Act'.

"DECLARATION OF PURPOSE AND POLICY

"SEC. 802. It is the purpose of this title to promote more harmonious intergovernmental relations by prescribing uniform policies and procedures whereby the Administrator shall acquire, use, and dispose of land in urban areas in order that urban land transactions entered into for the General Services Administration or on behalf of other Federal agencies shall be consistent with zoning and land-use practices and shall be made to the greatest extent in accordance with planning and development objectives of the local governments and local planning agencies concerned.

"DISPOSAL OF URBAN LANDS

"SEC. 803. (a) Whenever the Administrator contemplates the disposal for or on behalf of any Federal agency of any real property situated within an urban area, he shall, prior to offering such land for sale, give reasonable notice to the head of the governing body of the unit of general local government having jurisdiction over zoning and land-use regulation in the geographical area within which the land or lands are located in order to afford the government the opportunity of zoning for the use of such land in accordance with local comprehensive planning.

"(b) The Administrator, to the greatest practical extent, shall furnish to all prospective purchasers of such real property, full and complete information concerning—

"(1) current zoning regulations and prospective zoning requirements and objectives for such property when it is unzoned; and

"(2) current availability to such property of streets, sidewalks, sewers, water, street lights, and other service facilities and prospective availability of such services if such property is included in comprehensive planning.

"ACQUISITION OR CHANGE OF USE OF REAL PROPERTY

"SEC. 804. (a) To the extent practicable, prior to a commitment to acquire any real property situated in an urban area, the Administrator shall notify the unit of general local government exercising zoning and land-use jurisdiction over the land proposed to be purchased of his intent to acquire such land and the proposed use of the property. In the event that the Administrator determines that such advance notice would have an adverse impact on the proposed purchase, he shall, upon conclusion of the acquisition, immediately notify such local government of the acquisition and the proposed use of the property.

"(b) In the acquisition or change of use of any real property situated in an urban area as a site for public building, the Administrator shall, to the extent he determines practicable—

"(1) consider all objections made to any such acquisition or change use by such unit of government upon the ground that the proposed acquisition of use conflicts or would conflict with the zoning regulations or planning objectives of such units; and

"(2) comply with and conform to such regulations of the unit of general local government having jurisdiction with respect to the area within which such property is situated and the planning and development objectives of such local government.

"SEC. 805. The procedures prescribed in sections 803 and 804 may be waived during any period of national emergency proclaimed by the President.

"DEFINITIONS

"SEC. 806. As used in this title—

"(a) 'Unit of general local government' means any city, county, town, parish, village, or other general-purpose political subdivision of a State.

"(b) 'Urban area' means—

"(1) any geographical area within the jurisdiction of any incorporated city, town, borough, village, or other unit of general local government, except county or parish, having a population of ten thousand or more inhabitants;

"(2) that portion of the geographical area within the jurisdiction of any county, town, township, or similar governmental entity which contains no incorporated unit of general local government but has a population density equal to or exceeding one thousand five hundred inhabitants per square mile; and

"(3) that portion of any geographical area having a population density equal to or exceeding one thousand five hundred inhabitants per square mile and situated adjacent to the boundary of any incorporated unit of general local government which has a population of ten thousand or more inhabitants.

"(c) 'Comprehensive planning' includes the following, to the extent directly related to the needs of a unit of general local government:

"(1) 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, together with long-range fiscal plans for such development;

"(2) programing of capital improvements based on a determination of relative urgency, together with definitive financing plans for the improvement to be constructed in the earlier years of the program;

"(3) coordination of all related plans of the department or subdivisions of the government concerned;

"(4) intergovernmental coordination of related planning activities among the State and local governmental agencies concerned; and

"(5) preparation of regulatory and administrative measures in support of the foregoing."

TITLE VIII—UNIFORM RELOCATION ASSISTANCE

DECLARATION OF POLICY

SEC. 801. The purpose of this Act is to establish a uniform policy for the fair and equitable treatment of owners, tenants, and other persons displaced by the acquisition of real property in Federal and federally assisted programs. Such a policy shall be as uniform as practicable as to (1) relocation payments, (2) advisory assistance, (3) assurance of availability of standard housing, and (4) Federal reimbursement for relocation payments under federally assisted programs.

PART A.—FEDERAL PROGRAMS

RELOCATION PAYMENTS

SEC. 802. (a) If the head of any Federal agency acquires real property for public use in a State, he shall make fair and reasonable relocation payments to displaced persons in accordance with the regulations established by the President under section 805 of this Act.

(b) If any displaced person who moves or discontinues his business elects to accept the payment authorized by this subsection in lieu of the payment authorized for such business by subsection (a) of this section, the head of such Federal agency shall make a fixed relocation payment to such person in an amount equal to the average annual net earnings of the business, or $5,000, whichever is the lesser. No payment shall be made

under this subsection unless the head of such agency is satisfied that the business (1) cannot be relocated without a substantial loss of its existing patronage, and (2) is not part of a commercial enterprise having at least one other establishment, not being acquired by the United States, which is engaged in the same or similar business. For purposes of this subsection, the term "average annual net earnings" means one-half of any net earnings of the business, before Federal, State, and local income taxes, during the two taxable years immediately preceding the taxable year in which such business moves from the real property acquired by the United States and includes any compensation paid by the business to the owner, his spouse, or his dependent children during such two-year period. Such earnings and compensation shall be established by Federal income tax returns filed by such business and its owner and his spouse and dependent children for such two taxable years.

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

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

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

(3) An additional payment of $300 if the displaced person purchases a dwelling for the purpose of residence within one year from the date of actual displacement except that such displaced person shall only be eligible for payment under this subsection when the dwelling purchased is situated upon real estate in which such person acquires fee title, life estate, ninety-nine-year lease, or other type of long-term lease equivalent to fee ownership; and

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

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

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

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

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

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

RELOCATION ASSISTANCE PROGRAMS

SEC. 803. (a) If the head of any Federal agency acquires real property for public use in a State, he shall provide a relocation assistance program for displaced persons which shall offer the services described in subsection (c) of this section. If the head of such agency determines that other persons, occupying property adjacent to the real property acquired, are caused substantial economic injury because of the public improvement for which such property is acquired, he may offer such persons relocation services under such program.

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

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

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

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

STATES ACTING AS AGENTS FOR FEDERAL PROGRAMS

SEC. 804. Whenever real property is acquired by a State agency for a Federal public improvement project, such acquisition shall, for purposes of this Act, be deemed an acquisition by the Federal agency having authority over such project and such Federal agency shall make relocation payments, provide relocation assistance, and provide assurance of availability of housing as required in the case of acquisitions of real property by a Federal agency.

AUTHORITY OF THE PRESIDENT

SEC. 805. (a) To carry into effect the provisions of this title, the President is authorized to make such rules and regulations as he may determine to be necessary to assure:

(1) That relocation payments authorized by section 802 shall be fair and reasonable and as uniform as practicable;

(2) That a displaced person who makes proper application for a relocation payment authorized for such person by section 802(a) shall be reimbursed for or paid—

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

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

(C) such other expenses authorized by section 802(a) as may be provided for in regulations issued under this section;

(3) That a displaced person who makes proper application for a relocation payment authorized for such person by this title shall be paid promptly after a move or, in certain hardship cases, the President may, by regula-

tion authorize advance payment of certain relocation costs;

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

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

(b) The President may, by regulation, establish a limitation on the amount of a relocation payment authorized by section 802(a) with due consideration for the declaration of policy in this title and the provisions of subsection (a) of this section and section 807(b).

(c) In order to prevent unnecessary expense and duplication of functions, and to promote uniform and effective administration of relocation assistance programs for displaced persons, the President is authorized to require that any Federal agency make relocation payments or provide relocation services, or otherwise carry out its functions under this title, by utilizing the facilities, personnel, and services of any other Federal agency, or by entering into appropriate contracts or agreements with any State agency having an established organization for conducting relocation assistance programs.

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

FUND AVAILABILITY

SEC. 806. Funds appropriated or otherwise available to any Federal agency for the acquisition of real property or any interest therein shall be available also for obligation and expenditure to carry out the provisions of this title.

PART B.—FEDERALLY ASSISTED PROGRAMS

RELOCATION PAYMENTS AND ASSISTANCE; ASSURANCE OF AVAILABILITY OF HOUSING

SEC. 807. (a) Notwithstanding any other provision of law, on and after the effective date of this Act, no grant to, or contract or agreement with a State agency, under which Federal financial assistance will be available to pay the cost in connection with the acquisition of real property or of a public improvement for which real property is to be acquired or as the result of which displacement will otherwise occur, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement with the head of such Federal agency to provide to displaced persons for moves from such real property—

(1) fair and reasonable relocation payments as described in section 802(a) of this title and in accordance with regulations established by the President under section 805 of this title;

(2) fixed relocation payments in the same amounts and under the same terms and conditions as are required to be made by a Federal agency by subsection 802 (b), (c), (d), and (e) of this title;

(3) relocation assistance programs offering the services described in section 803(c) of this title; and

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

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

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

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

(e) If the head of a Federal agency determines that it is necessary for the expeditious completion of a public improvement for which a State agency has entered into an agreement, as described in subsection (a) of this section, to make relocation payments to displaced persons, or to provide the funds necessary to meet the requirements of section 905(b)(1) of this Act, he may advance the Federal share of such relocation payments and an amount necessary to make the required payments under section 905(b)(1) to such State agency. Upon determination by the head of such Federal agency that any part of the funds advanced to a State agency under this subsection are no longer required, the amount which he determines not to be required shall be repaid upon demand. Any sum advanced and not repaid on demand shall be deducted from sums otherwise available to such State agency from Federal sources.

DISPLACEMENT BY CERTAIN PROGRAMS RECEIVING ASSISTANCE UNDER TITLE I OF THE HOUSING ACT OF 1949, AS AMENDED

SEC. 808. A person who moves or discontinues his business, or moves other personal property, or moves from his dwelling on or after the effective date of this Act, as a direct result of any project or program which receives Federal financial assistance under title I of the Housing Act of 1949, as amended, shall, for the purposes of this title, be deemed to be a displaced person.

SEVERABILITY

SEC. 809. If any provision of this title, or the application thereof to any person or circumstance is held invalid, the remainder of this title and the application of the provision to other persons or circumstances shall not be affected thereby.

ACTS REPEALED

SEC. 810. (a) The following laws and parts of laws are hereby repealed:

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

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

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

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

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

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

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

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

(9) Section 404 of the Housing and Urban Development Act of 1965 (42 U.S.C. 3071–3074).

(10) Section 107 of the Demonstration Cities and Metropolitan Development Act of 1966.

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

TITLE IX.—UNIFORM LAND ACQUISITION POLICY

PART A.—FEDERAL PROGRAMS

UNIFORM POLICY ON LAND ACQUISITION PRACTICES

SEC. 901. (a) In order to encourage the acquisition of real property by amicable agreements with owners, to relieve congestion in the courts, to assure consistent treatment for owners in the many Federal programs, and to promote public confidence in Federal land acquisition practices, heads of Federal agencies shall, consistent with program requirements, be guided by the following policies:

(1) The head of a Federal agency should make every reasonable effort to acquire real property by negotiated purchase.

(2) Real property should be appraised before the initiation of negotiations, and the owner or his designated representative should be given an opportunity to accompany the appraiser during his inspection of the property.

(3) Before the initiation of negotiations for property, the head of the Federal agency concerned should establish a price which he believes to be a fair and reasonable consideration therefor and should make a prompt offer to acquire the property for the full amount so established.

(4) No owner should be required to surrender possession of real property before the head of the Federal agency concerned pays the agreed purchase price, or deposits with the court, in accordance with section 1 of the Act of February 26, 1931 (46 Stat. 1421; 40 U.S.C. 258a), for the benefit of the owner an amount not less than the appraised fair value of such property as determined by such agency head, or the amount of the award of compensation in the condemnation proceeding for such property.

(5) The construction or development of public improvements should be so scheduled that no person lawfully occupying real property will be required to move from a dwelling, or to move his business or farm operation without at least ninety days' written notice, if consistent with project requirements, from the head of the Federal agency concerned, of the date by which such move is required.

(6) If the head of the Federal agency concerned does not require a building, structure, or other improvement acquired as a part of the real property, he should offer to permit its owner to remove it. As a condition of removal, an appropriate agreement should be required whereby the fair value of such building, structure, or improvement for removal from the real property, as determined by such agency head, will be deducted from the compensation otherwise to be paid for

the real property, however such compensation may be determined.

(7) If the head of a Federal agency permits an owner or tenant to occupy the real property acquired on a rental basis for a short term or for a period subject to termination by the Government on short notice, the amount of rent required should not exceed the fair rental value of the property to a short-term occupier.

(8) In no event should the head of a Federal agency either advance the time of condemnation, or defer the condemnation and the deposit of funds in court for the use of the owner, in order to compel an agreement on the price to be paid for the property. If an agency head cannot reach an agreement with the owner, after negotiations have continued for a reasonable time, he should promptly institute condemnation proceedings and, at the same time or as soon thereafter as practicable, file a declaration of taking and deposit funds with the court in accordance with the Act of February 26, 1931 (46 Stat. 1421), if possession is required prior to the entry of the judgment in the condemnation proceedings.

(9) If an interest in real property is to be acquired by exercise of the power of eminent domain, the head of the Federal agency concerned should, except as to property to be acquired under section 25 of the Tennessee Valley Authority Act of 1933 (48 Stat. 70, as amended; 16 U.S.C. 831x), request the Attorney General to institute formal condemnation proceedings. No Federal agency head should intentionally make it necessary for an owner to institute legal proceedings to prove the fact of the taking of his property.

(10) If the acquisition of only part of a property would leave its owner with an uneconomic remnant, the head of the Federal agency concerned should acquire the entire property.

(11) In determining the boundaries of a proposed public improvement, the head of the Federal agency concerned should take into account human considerations, including the economic and social effects of such determination on the owners and tenants of real property in the area, in addition to engineering and other factors.

(b) The provisions of this section, being general policies for the guidance of Federal agencies, shall create no rights or liabilities not otherwise existing or available, nor affect the validity of any property acquisitions by purchase or condemnation.

COMPENSATION FOR PROPERTY ACQUIRED

SEC. 902. If the head of any Federal agency acquires real property for public use in any State or the District of Columbia, by purchase or condemnation, the fair market value of such property shall be paid as compensation therefor unless it is the intention of the seller to convey the property for less than fair market value.

BUILDINGS, STRUCTURES, AND IMPROVEMENTS

SEC. 903. (a) Notwithstanding any other provisions of law, if the head of a Federal agency acquires land or any interest in land for public use in a State, he shall acquire a like interest, or greater interest, in all buildings, structures, or other improvements comprising part of the real property so acquired which are required to be removed from the land or which, in the opinion of such agency head, will be adversely affected by such public use, of such improvements are not required to be removed.

(b) As used in this section, the term "real-property" means land, or any interest in land, and (1) any building, structure, or other improvement imbedded in or affixed to land, and any article so affixed or attached to such building, structure, or improvement as to be an essential and integral part thereof; (2) any article affixed or attached to such real property in such manner that it cannot be removed without material injury to itself or the real property; and (3) any article so designed, constructed, or specially adapted to the purpose for which such real property is used that (A) it is an essential accessory or part of such real property (B) it is not capable of use elsewhere, and (C) it would lose substantially all its value if removed from the real property.

(c) For the purpose of determining the extent of the acquisition of real property and the valuation thereof, no building, structure, or other improvement shall be deemed to be other than a part of the real property solely because of the right or obligation of a tenant, as against the owner of any other interest in the real property, to remove such building, structure, or improvement at the expiration of his term, and the head of the Federal agency shall pay to the tenant the fair value of building, structure, or improvement, which fair value shall be determined by such agency head as the greatest of (1) the contributive value of the improvement to the present use of the entirety, (2) the current cost of reproduction less depreciation of the improvement, or (3) the value of the improvement for removal from the property.

EXPENSES INCIDENTAL TO TRANSFER OF TITLE TO UNITED STATES

SEC. 904. (a) The head of a Federal agency, not later than the date of payment of the purchase price or the date of deposit of funds to satisfy the award of compensation in a condemnation proceeding to acquire real property, whichever is the earlier, shall reimburse the owner, to the extent the head of such agency deems fair and reasonable, for expenses necessarily incurred for—

(1) recording fees, transfer taxes, and similar expenses in conveying such real property to the United States;

(2) penalty costs for prepayment of mortgage incident to such real property; and

(3) the pro rata portion of real property taxes allocable to a period subsequent to the date of vesting title or the effective date of a court order of possession, whichever is the earlier.

(b) The determination as to such payments by the head of such agency shall be final and no provision of this section shall be construed to give any person a cause of action in any court, nor may any violation of this section be raised as a defense by such person in any action.

PART B.—FEDERALLY ASSISTED PROGRAMS

REQUIREMENTS FOR APPROVAL OF CONTRACTS OR AGREEMENTS FOR FEDERAL FINANCIAL ASSISTANCE

SEC. 905. (a) Notwithstanding any other provision of law, on and after the date of enactment of this Act no grant to or contract or agreement with a State agency, under which Federal financial assistance will be available to pay in whole or in part the cost of the acquisition of real property or of a public improvement for which real property is to be acquired, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance unless such State agency has entered into an agreement which shall provide—

(1) that every reasonable effort shall be made to acquire the real property by negotiated purchase;

(2) that the construction or development of the public improvement will be so scheduled that, to the greatest extent practicable, no person will be required to move from a home, farm, or business location without at least ninety days' written notice, if consistent with project requirements, from such State agency of the date by which the move is required; and

(3) that it will be the policy of the head of the State agency, before initiating negotiations for real property, to establish a price which he believes to be a fair and reasonable consideration therefor, and to make a prompt offer to acquire the property for the full amount so established.

(b) Notwithstanding any other provision of law, on and after January 1, 1970, no grant to, or contract or agreement with a State agency, under which Federal financial assistance will be available to pay in whole or in part the cost of the acquisition of real property, or of a public improvement for which real property is to be acquired, may be approved by the head of the Federal agency responsible for the administration of such Federal financial assistance, unless such State agency has entered into the agreements described in subsection (a) of this section and has agreed—

(1) that no owner will be required to surrender possession of real property before the head of the State agency (A) pays the agreed purchase price, (B) makes available to the owner, by court deposit or otherwise, an amount not less than seventy-five percent of the appraised fair value of such property, as approved by such State agency head, without prejudice to the right of the owner to contest the amount of compensation due for the property, or (C) deposits or pays the final award of compensation in the condemnation proceeding for such property;

(2) that any decrease in the value of real property prior to the date of valuation caused by the public improvement for which such property is acquired, or by the likelihood that the property would be acquired for the proposed public improvement, other than that due to physical deterioration within the reasonable control of the owner, will be disregarded in determining the compensation for the property; and

(3) that for the purpose of determining the extent of the acquisition of real property and the value thereof, no building, structure, or other improvement will be deemed to be other than a part of the real property solely because of the right or obligation of a tenant, as against the owner of any other interest in the real property, to remove such building, structure, or improvement, and that an amount not less than the value which such building, structure, or improvement contributes to the value of the real property acquired, or the value of such building, structure, or improvement for removal from the real property, whichever is the greater, will be paid to the tenant therefor.

PROVISIONS REPEALED

SEC. 906. Effective on January 1, 1970, sections 401, 402, and 403 of the Housing and Urban Development Act of 1965 are hereby repealed.

THE INTERGOVERNMENTAL PERSONNEL ACT OF 1967

Mr. MUSKIE. Mr. President, on behalf of myself and Senators BREWSTER, CLARK, GRUENING, HART, JACKSON, KENNEDY of New York, MCGEE, METCALF, NELSON, and RANDOLPH, I would like to introduce, for appropriate reference, the Intergovernmental Personnel Act of 1967, to strengthen intergovernmental cooperation and the administration of grant-in-aid programs, to extend State and local merit systems to additional programs financed by Federal funds, to provide grants for improvement of State and local personnel administration, to authorize Federal assistance in training State and local employees, to provide grants to State and local governments for training of their employees, to authorize interstate compacts for personnel and training activities, to facilitate the interchange of Federal, State, and local personnel, and for other purposes.

I ask unanimous consent that the bill remain at the desk for 10 days to per-

mit other Senators to add their names as cosponsors.

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

Mr. MUSKIE. Mr. President, for over 3 years the Subcommittee on Intergovernmental Relations, which I chair, has been studying the problems of American federalism in its effort to meet the public demands of our rapidly increasing population. One serious crisis area that we have found involves government manpower at State and local levels. There are not enough competent and professional people employed at these levels to coordinate and implement effective planning and public development programs. A tight professional and technical labor market and an extraordinary lack of personnel, training, and recruitment systems, which discourage good people from choosing a career in State and local governments, all compound the problem.

I am more than ever convinced that the success of our Great Society programs—and indeed perhaps the future of American federalism—largely depends upon whether we recognize and overcome the crisis in governmental manpower. Thus far, we have acted as though this crisis does not exist.

During the past five sessions of Congress we have developed the most impressive package of Federal legislation since the New Deal to attack poverty, ignorance, uneven economic development, discrimination, and urban blight and sprawl. We have appropriated more money for aid to State and local governments than in all the previous Congresses in our history.

But the success of these programs is only as good as the people who carry them out—in the fastest, most effective way possible. The ultimate burden is on the State and local administrators. They are on the firing line of the Great Society. They must be given every encouragement and assistance to do their work well.

The proposed Intergovernmental Personnel Act of 1967 is designed to provide the first comprehensive Federal aid program for improving and strengthening State and local administration. With some additions, the bill is the same as S. 3408, which I introduced in the last session and on which hearings were held last August. It focuses on four prime problems in the manpower area: merit system requirements; personnel management; in-service training programs; and interchange of Federal, State, and local employees.

TITLE I—MERIT SYSTEMS IN FEDERALLY AIDED PROGRAMS

Title I authorizes the President, as he deems practicable, to require as a condition for receiving funds under Federal grant-in-aid programs that State and local administrative personnel be employed under a merit system meeting Federal standards.

This title also authorizes the President to appoint an "advisory council" composed of representatives of the various levels of government to study and recommend the appropriate personnel standards and to identify those programs to which merit systems should be extended.

The title further requires that the President take such recommendations of the council into consideration in establishing the merit system requirements.

This injection of the role of an advisory council to help the President work out merit system standards came from the hearings, where many knowledgeable witnesses expressed the view that there should be the greatest possible representation of views from the State and local levels in determining merit conditions which must be met.

There is really nothing new or revolutionary in this title. Such requirements have been in effect since 1939, when they were added to such programs as old age assistance, medical assistance for the aged, unemployment compensation, aid and services to needy families with children, and others. In recent years, the requirement has been included in the Older Americans Act of 1965, health insurance for the aged, and medicare. Presently, some 24 programs out of a total of approximately 220 now carry the merit system requirement. The Department of Health, Education, and Welfare administers most of these programs, but grants under the civil defense program are also covered by it. In 1964, the Labor Department's Appropriation Act applied the requirement to the Federal Employment Service.

The Federal Government, nearly all the experts in the field, and 26 States recognize a relationship between attracting and retaining competent public personnel, and the presence of a viable, functioning merit system. Title I is rooted in this relationship, as the following comment of a secretary of internal affairs of a Middle Atlantic State indicates:

> . . . I believe it is generally conceded that in programs where this principle is already applied . . . it has had a salutary effect on State and local administration. I can see no objection to this provision, especially since it is provided that the Federal Government shall exercise no authority over the selection, tenure, or compensation of individuals employed in accordance with such an arrangement. . . .

Existing Federal efforts to encourage merit systems, however, have not been sufficiently adequate, since they are geared largely to the needs of certain grant programs and certain categories of specialized personnel administering them. State and local efforts have been equally piecemeal and shortsighted. The professional needs of the public service at these levels are simply not being met. The record shows that, of a total of 2 million State employees in 1965, less than a million were under a merit system. In 26 States, only 50 percent of full-time employees were covered, and in 12 States, coverage was minimal. This is only a quantitative picture; the qualitative side is much less known.

Estimates for local personnel are even more unimpressive. A reading of various surveys suggests, however, that the majority of municipalities and nearly all of our counties are dominated by old-style patronage politics or an equally old-style civil service system that emphasizes rigid requirements, job security, and the policing function.

The Municipal Manpower Commission, and more recently the Committee for Economic Development, attempted to come to grips with this problem. The Commission recommended, among other things, that—

The chief executive should be given clear-cut responsibility for personnel administration.

The independent civil service commission, where it exists, should be abolished or limited to an advisory function.

The appointment and advancement of public personnel should be based exclusively on merit principles.

Unfortunately, most local jurisdictions have made little progress in blending these merit and modern management themes into a functioning, politically feasible, and effective personnel system.

One of the recommendations advanced by the Committee for Economic Development in its recent and widely publicized report, "Modernizing Local Government," is a case in point. The report reads:

> Personnel practices based on merit and professional competence should replace the personal or partisan "spoils system" found in most counties and many other local units.
>
> Specialized skills are increasingly essential to solution of most governmental problems, whether in highway engineering, public health and sanitation, police and fire protection, education, pollution control, slum clearance, public finance, or in management of such. Skills require training and experience, as well as innate ability. Persons with high skills must be recruited, developed, and utilized effectively. This is unlikely to occur in a climate of petty partisanship, low salaries and confused authority.

The record shows that the impact of the Federal legislation requiring merit standards has been the primary factor in sustaining the career principle in nearly half the States and in many localities. Moreover, the administration of these requirements has been carried out with a minimum of discomfort and political controversy.

For these reasons, I believe that requirements establishing a system of public employment—operating under public rules and based on competitive examinations, tenure contingent upon successful performance, and promotion on evaluated capacity and service—should be extended to more grant-in-aid programs, such as this title provides. There are, admittedly, problems inherent in attempting to apply merit system requirements across the board, but I feel that the language now worked out in title I will give the President sufficient flexibility and an opportunity to be advised by the States and localities as to the best ways of resolving these problems before they are encountered.

TITLE II—GRANTS FOR STATE AND LOCAL PERSONNEL ADMINISTRATION

Title II authorizes matching grants to State and local governments to help strengthen their personnel management systems. In order to upgrade the core management personnel function at State and local levels, we must first strengthen the professional capabilities of those who recruit, examine, and develop position

classification systems and pay scales on an agency-wide basis. Project grants are authorized to cover a wide variety of activities—including the improvement of one or more of the traditional personnel functions, the upgrading of personnel agencies, manpower planning, or the initiation of pilot projects geared to meeting special urban needs.

To be approved, a State program must include designation of a State agency for its administration, provision for a merit system and for State matching funds, and a description of the plan for improving State personnel management. Such a program might include expansion of a State's present merit system; plans to meet the manpower needs in new or expanding State programs; improvement in recruitment, examination, classification, and pay plans; development of auxiliary types of jobs to supplement professional staff in short supply; research and demonstration projects; and interdepartmental and intergovernmental cooperation in personnel administration.

Other sections of this title would extend grant programs for improvement of personnel administration to local governments, both metropolitan and nonmetropolitan. As I said earlier, metropolitan governments are facing new and acute problems with limited resources in personnel administration; and, to a lesser degree, this is true of those local governments experiencing rapid growth as a result of their proximity to already-urbanized areas.

The Secretary of Health, Education, and Welfare is assigned the responsibility for administering this program. This was done in recognition of the long experience and competence of HEW's Division of State Merit Systems in giving assistance to States for the past 20 years under the various grant-in-aid programs which already require merit system personnel administration. That division, moreover, has demonstrated the capacity to reach agreement with the Defense and Labor Departments on standards for personnel administration in grant programs requiring merit coverage. At such time as the preponderance of aid programs requiring merit system shifts from HEW, it may be desirable to transfer this unit to the Civil Service Commission.

Title II has been changed in some respects from that title in S. 3408. The authorization for grants for State personnel administration has been increased to meet the objections of a number of witnesses that the original amounts were inadequate. The minimum State allotment has been increased. The requirement of a State plan providing for a merit system has been made more flexible. And provisions have been inserted to assure that State and local matching funds required to qualify for Federal grants not be obtained by reducing State and local support for existing programs, or that State funds used for matching on other federally assisted merit programs not be used for matching.

TITLE III—AUTHORIZATION FOR TRAINING

Title III of the proposed Act authorizes Federal departments and agencies conducting training programs for their administrative, professional, and technical personnel to open these programs to counterpart State and local personnel. It also authorizes Federal agencies and departments administering Federal aid programs to conduct training programs for such State and local personnel. Federal agencies are permitted to make grants to States and localities, from that portion of grant funds earmarked for administrative costs, to cover the expense of such training. In addition, such agencies are permitted to make grants from these funds for educational leave to allow State and local employees in short supply categories to attend training courses related to the grant programs.

A new section to title III authorizes the Civil Service Commission to review existing training programs, to identify training needs, and to advise the President with respect to its findings. It further authorizes the President to assign the Civil Service Commission the role of "coordinator" under the title.

In general the title seeks to expand the cooperative relationships which already exist between many Federal Government agencies and States and localities with respect to training. The FBI Academy for some years has trained police officers for both State and local governments. The Law Enforcement Act of 1965 provides "assistance in training State and local law enforcement officers." The Internal Revenue Service and the Public Health Service are also authorized to train counterpart State and local officials. A number of other agencies have the training authority, but some have made little use of it; others—and no one has been able to provide us thus far with a reliable listing—lack this authority.

Title III meets both these problems. It will give new life to the training efforts of those agencies that have failed to exercise their statutory powers. And it will remove any restrictions which others have encountered in conducting such training programs.

A new section has been added to title III which would establish an advisory council on training, composed of representatives of State and local officials and other interested groups to advise the Civil Service Commission in establishing policy and programs under this title. Again, as in the case of merit systems, State and local governments are brought into Federal decisionmaking and encouraged to develop a closer partnership.

Changes in public policy, advancing technology, and the application of new Federal programs require State and local governments to train or retrain employees to meet the needs of the job and the times, and to compete in the manpower market. But the voters do not really understand the difficulties confronting these central personnel offices. Ponder this assessment by a New England educational foundation of the problem as it affects this six-State area:

> The central personnel agencies in New England are preoccupied with immediate operating problems and are hemmed in by limited financial resources. For these reasons they have been unable to undertake research and planning projects necessary to anticipate manpower development. The central personnel agencies are, moreover, experiencing difficulty in the performance of daily operations. Several State line agencies consider their central personnel agency to be seriously understaffed and say that this has hampered departmental recruitment, classification, examination, and training. As a result, recruitment and training functions are increasingly being performed by line agencies themselves . . . Central personnel agencies need both additional manpower and financial resources . . .

Speaking for the Department of Housing and Urban Development, Assistant Secretary Taylor supported this New England statement:

> There is a great need for programs of in-service training to upgrade the skills of present State and local public employees. Many of these men and women have been serving well as public employees for many years, but the demands of today's urban development techniques are often outside the scope of their training and experience. These public servants have great contributions to make to the realization of the goals of the Great Society if only we will recognize their desperate need for short courses, extension courses, workshops, and on-the-job training in current urban development practices.
>
> . . . Public enterprise is a going concern on the local and State level and it must not only attract new talent, but also retrain its present employees.

These findings clearly indicate that most of us have yet to accept, and act on the proposition that a professional public service is as critical to improved intergovernmental relations, and to the meaningful concept of creative federalism as any single issue. At the Federal level, the personnel problem has received almost continuous attention since President Kennedy's appointment of the Randall Commission in 1961. At the State and local levels, however, it is only beginning to be recognized as a topic of broad national concern.

TITLE IV—GRANTS FOR TRAINING STATE AND LOCAL OFFICERS AND EMPLOYEES

Title IV gives the States the basic responsibility for developing plans for training their own employees, and the initial responsibility for joining with local governments to develop such programs for local personnel. Plans would include the continuing assessment of training needs, equitable standards relating to the selection and assignment of personnel for training, and better utilization of personnel receiving such training. A State plan also would include guidelines covering the selection of universities or other nongovernmental facilities when such institutions are to be used for training purposes. However, if after 1 year a State has not presented a plan, the local governments can submit their own plans, designating a single local agency for administration under requirements established by the Civil Service Commission with the concurrence of the Department of Housing and Urban Development. Such an assertion of local control can be challenged by the State at an administrative hearing.

TITLE V—COOPERATION IN RECRUITMENT AND EXAMINATION

Title V authorizes the Civil Service Commission to join on a shared-cost basis with States and units of general local government in cooperative recruitment or examinations under mutually agreeable regulations. Some authorities believe the Commission already possesses this authority, but the same authorities

concede that adequate provision is lacking with respect to financing such joint activity. This title provides a statutory basis for the Commission's authority to enter into such cooperative arrangements, and it settles the financial question by adopting the shared-cost formula.

The Committee for Economic Development's recent study on local governments recommended:

To assist in recruiting competent individuals, the Federal Service Entrance Examination test results should be made available to local governments. Since less than 9 percent of those eligible for Federal GS-5 appointments, for example, ever accept any Federal position, to provide local units with such information should not materially affect the Federal Government's recruitment capability. Instead, it would undoubtedly result in more persons entering government service at levels where their training is critically needed.

Title V implements this recommendation.

TITLE VI—INTERSTATE COMPACTS

Title VI gives prior congressional consent to interstate compacts or other agreements for cooperative efforts and mutual assistance relating to the administration of personnel and training programs for State and local employees. The New England States have already launched a survey of the possibilities of regional collaboration with respect to personnel training programs. It is hoped that this title will stimulate comparable efforts in other regions. Building on the precedent set in the Housing Act of 1961—which gave prior congressional approval to interstate compacts establishing metropolitan agencies in multi-State urban areas—this provision hopefully will encourage expanded efforts to develop training programs on a regional basis.

TITLE VII—REPORTS, RECORDS, AND AUDITS

The reports, records, and audits provisions which were under individual titles in S. 3408 have now been consolidated under one title, in accordance with the recommendation of the General Accounting Office.

TITLE VIII—INTERCHANGE OF FEDERAL, STATE, AND LOCAL EMPLOYEES

Title VIII provides for the opportunity for Federal employees to be interchanged in their positions with State and local employees for a period of assignment not to exceed 2 years. Federal employees would be considered on detail to a regular work assignment, with full salary and benefits or in a status of leave-of-absence-without-salary, but with a continuation of benefits. Employees of State or local governments assigned to a Federal agency would be given appointments in the agency, or be considered on detail to the agency. Supervision of the duties of State and local employees during such assignment would be governed by agreement between the Federal agency and the governments involved.

This is a new title, framed out of the recommendations of many witnesses at the hearings on S. 3408. It follows language suggested by the Advisory Commission on Intergovernmental Relations, and may well become one of the most dynamic features of the bill.

The Council of State Governments' Committee on Suggested State Legislation has developed a model State employee interchange act to equip States to participate in exchange programs. A 1962 Public Personnel Association study showed that three States had specific legislation authorizing employee interchange, while 34 additional States could provide for such interchange either by detailing individuals or by leave of absence and appointment elsewhere. Of particular significance is the fact that by 1965, 2 years after the appearance of the model act, 10 States had provided specific statutory authorization. Recently, the Midwestern Conference of the Council of State Governments took action urging favorable consideration of the model legislation by those States which had not adopted it.

In connection with promulgating the model act, the Committee on Suggested Legislation recommended that Congress enact broad legislation permitting all Federal agencies to participate in employee interchange programs with State and local governments.

Civil Service Commission Chairman John Macy strongly supported this idea of personnel interchange. He testified:

There are interchange programs taking place now in areas such as public health, but I believe there would be profit for all concerned if it were possible for State officials to serve a period of time on loan in the Federal Government, and I think the Federal Government could assist States and localities materially if they would loan out some of their experienced people. Not as Feds who have entered the local fold, but as members of the local staff for a period of time. This kind of service should be encouraged.

THE PROBLEMS OF GROWING GOVERNMENT

Mr. President, State and local governments are big government today. Their growth has been enormous during the past 20 years. This growth has been a necessary response to the burgeoning public demands of our citizens, especially in the urban areas.

Between 1946 and 1965, State revenues rose 467 percent, and local revenues were up 460 percent. Twenty years ago, the States and localities spent a total of $11 billion to meet public needs; this year they will spend nearly $90 billion, and an annual expenditure of over $180 billion is anticipated by 1975. This is more than is expected for the entire Federal budget, including defense, space, and foreign aid commitments.

Big expenditure is not the only measure of size at State and local levels. In 1946, State and local employees numbered 3.3 million; today this has increased 130 percent to 8 million persons, including 2 million in State governments. By 1975, the figure is expected to reach 12 million. This rise in public employment in State and local government is in sharp contrast to 2.6 million Federal civilian employment workers, which figure has remained stable during the past 20 years.

Analysis of the evolving employment pattern for State and local government reveals some striking shifts from that of a generation ago. From 1954 to 1964, special districts, school districts, townships, and States—in that order—enjoyed higher employment rates than the 4.3-percent average annual increase that characterized overall State and local hiring during that decade. In terms of functional categories, State and local employment in police protection increased by 30 percent from 1957 to 1964, and in public health and hospitals, by 41 percent. The number of full-time public employees in education soared by 60 percent, and those in public welfare, by 62 percent. Finally, of the total manpower involved with civil governmental functions, the State and local sector now accounts for over 80 percent. In short, State and local public service has experienced a remarkable transformation during the past 2 decades—in terms of size, hiring units, occupational composition, and added responsibilities.

Most of us know the reasons for this massive growth: the population boom, the demand for expanded services generated by it, the physical and social problems stemming from urbanization and suburbanization, and the desire of American citizens for a higher level and quality of public services than provided a generation ago; the disproportionate growth in the size of those age groups requiring extensive public services—the young and the old—and the stimulating effect of expanded Federal grant-in-aid programs.

The growth in manpower and public programs at State and local levels has not been accompanied by improvement in the quality and professional caliber of administration. The Senate Subcommittee on Intergovernmental Relations has been studying this problem for the past 3 years.

The subcommittee found that the primary need of State and local government is to attract and retain good people. This is frustrated at the outset by the extraordinary shortage in professional manpower at all levels of government and in the private sector. Compared with an 18-percent increase in the total number of workers of all kinds, the U.S. Department of Labor foresees a rise of 40 percent in the number needed for professional and technical jobs. Many well-trained and well-qualified employees of State and local government who were hired during the depression years are now approaching retirement. More than one-third of all municipal executives, for example, fall in this category and are slated for retirement in this decade.

When the long-range implications of prospective State and local manpower needs are considered, this gap yawns even wider. As the President pointed out in his Princeton University speech last May:

By 1970, our State governments must grow by more than 600,000 to keep pace with the times. Employment for State and local government will exceed 10 million persons. Each year over the next decade, our Nation will need 200,000 new public school teachers to keep up with the growing population.

Other chilling statistics can also be cited:

Approximately half the Nation's municipal health directors will be eligible for retirement within the next 10 years.

Two hundred vacancies for traffic engineers will occur annually in the years ahead, but only approximately 50 new graduates will be available each year in this specialized field.

Two vacancies will exist for every graduate of a university course in city or regional planning.

By 1980, local governments alone will have to recruit approximately 300,000 additional administrative and professional employes to maintain their current program objectives.

But aside from the manpower shortage, the subcommittee found that existing State and local personnel and management systems tended to discourage competent people from entering government service at these levels. In many instances, working conditions were unfavorable. Budgets for equipment and office space were limited. Career development systems, including the chance for job mobility, inservice training, and promotions, were minimal except in the larger jurisdictions. Strong merit systems were frequently lacking, thereby resulting in the loading of agencies with incompetent, uninspiring, and often indifferent personnel.

Too often, administrative personnel were given assignments without clear objectives, or were frustrated by complicated intergovernmental structures, and responsible administrators were boxed in by inflexible rules and regulations with respect to hiring, firing, and disciplinary action.

It was found that one of the most serious deterrents to improved manpower at State and local levels was the low salary scales. For instance, annual salaries of professional positions, all requiring college degrees, were typical: public health nurse, $5,200; unemployment claims deputy, $6,000; welfare case worker, $6,500; sanitation official, $6,000; vocational counselor, $7,000; hearings examiner, $8,000. Besides discouraging employees of merit, low pay scales create a host of other problems: turnover is high, and efficiency is greatly reduced. Many workers spend too much time and energy "moonlighting" in order to augment total income. The temptation for accepting gratuities for special favors is heightened. And the ability of supervisors to achieve cooperation and work effort is greatly hindered.

This adds up to a crisis in manpower at those levels of government which hold the future of public development in their hands. The Federal Government has moved ahead in upgrading the caliber of personnel at its level, but the States and localities—largely as a result of misguided economy measures and failure to recognize the existence of a manpower crisis—are so far behind that it will take a massive effort to stir them into action.

Mr. President, I feel that the Intergovernmental Personnel Act of 1967 which I propose today will be a dramatic start in helping State and local governments solve this critical problem of manpower. Much, of course, will have to be done through their own efforts. Greatly increased salaries should be high on their list of improvements. But where the Federal Government is so concerned with the effective implementation of its grant-in-aid programs, it should be equally concerned with providing incentives for the modernization of personnel systems and training for those who administer these joint-action programs. Through a judicious combination of grant funds, technical assistance, and new devices for intergovernmental cooperation in the personnel area, the proposed legislation provides a variety of ways to strengthen the professional standing and prestige of personnel at the State and local levels.

At hearings last August on the original bill, the Advisory Commission on Intergovernmental Relations reported that at its April meeting it had unanimously approved the objectives of the bill. Through its director, Mr. William G. Colman, the Commission made helpful suggestions which were incorporated in the new version.

Civil Service Commission Chairman Macy heartily endorsed "the broad-scale approach" of the bill, and specifically supported each of its titles with the caveat that he would be for "enlargement rather than contraction."

Similar approval came from Undersecretary Wilbur Cohen, of the Department of Health, Education, and Welfare, who said that the bill goes to "the very essence of what is necessary to develop in this country more effective merit systems and personnel to carry out the programs."

Some others supporting S. 3408 were W. Fletcher Lutz, national president of the Federal Government Accountants Association; Ralph R. Widner, executive director of the Appalachian Regional Commission; and H. Ralph Taylor, Assistant Secretary for Intergovernmental Relations, Department of Housing and Urban Development.

Mr. President, I ask unanimous consent that the text of the bill be reprinted in the RECORD at this point.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 699) to strengthen intergovernmental cooperation and the administration of grant-in-aid programs, to extend State and local merit systems to additional programs financed by Federal funds, to provide grants for improvement of State and local personnel administration, to authorize Federal assistance in training State and local employees, to provide grants to State and local governments for training of their employees, to authorize interstate compacts for personnel and training activities, to facilitate the interchange of Federal, State, and local personnel, and for other purposes, introduced by Mr. MUSKIE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 699

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 "Intergovernmental Personnel Act of 1967."

Declaration of policy

SEC. 2. The Congress hereby finds and declares: That effective State and local governmental institutions are essential in the maintenance and development of the Federal system in an increasingly complex and interdependent society;

That, since numerous governmental activities administered by the State and local governments are related to national purpose and are financed in part by Federal funds, a national interest exists in a high caliber of public service in State and local governments;

That intergovernmental cooperation in State personnel administration on a merit basis has contributed to greater efficiency in various federally aided programs and should be extended generally to such programs;

That Federal financial and technical assistance to State and local governments for strengthening their personnel administration will improve the effectiveness of the public service and is in the national interest; and

That the continuing training and development of career employees, particularly in professional, administrative, and technical fields, are critical to the success of joint Federal-State-local programs and that the Federal Government should encourage and assist in such training for State and local employees.

TITLE I—EXPANSION OF MERIT SYSTEM IN FEDERALLY AIDED PROGRAMS

SEC. 101. The purpose of this title is to achieve greater efficiency in the administration of programs financed in whole or in part by Federal funds by extending the application of personnel standards on a merit basis in the administration of such programs.

Advisory Council

SEC. 102. The President is authorized to appoint an advisory council including, among others, representatives of the various levels of government to study the appropriate role of personnel standards in grant-in-aid programs and Federal assistance in the improvement of State and local personnel administration. It shall be the duty of the council to—

(a) review personnel standards including those established by regulations with respect to existing programs of grant-in-aid;

(b) assess the feasibility of extending merit systems to grants of a Federal-local character;

(c) identify additional Federal-State programs to which such systems should be extended;

(d) make recommendations from time to time with respect to the above measures, to achieve greater efficiency in the administration of programs financed in whole or in part by Federal funds; and

(e) make recommendations with respect to criteria for approval of grants under title II of this Act.

Personnel standards

SEC. 103. The President is authorized to require, insofar as he deems practicable, that as a condition for the receipt of Federal grants in any program financed in whole or in part by Federal funds, the personnel engaged in the administration of the program be employed under a State or local merit system meeting Federal standards prescribed by him after taking into consideration the views and recommendations of the advisory council established pursuant to section 102. He is authorized to approve for this purpose standards for a merit system of personnel administration. The Federal Government, however, shall exercise no authority over the selection, tenure, or compensation of individuals employed in accordance with such system. The authority granted by this section shall not be construed to apply to any public or nonprofit educational institution, organization, or agency at any level.

TITLE II—GRANTS FOR STATE AND LOCAL PERSONNEL ADMINISTRATION

Declaration of purpose

SEC. 201. The purpose of this title is to provide Federal grants-in-aid to enable each State to strengthen its system of personnel administration, to provide State personnel services to nonmetropolitan units of local government, and to stimulate projects for the

improvement of personnel administration in metropolitan areas.

Appropriation authorization

SEC. 202. There is hereby authorized to be appropriated for the fiscal year ending June 30, 1968, and each of the four succeeding fiscal years, the following sums: (a) $12,000,000 for payments to States which have plans for State personnel administration approved under section 204; (b) $8,000,000 for payments to States which have plans for provision of State personnel services to nonmetropolitan units of general local government approved under section 206; and (c) $20,000,000 for payments to States or metropolitan units of general local government which have projects for metropolitan personnel administration approved under section 208.

PART A—GRANTS FOR STATE PERSONNEL

Administration

SEC. 203. (a) From the sums appropriated under section 202(a) the Secretary of Health, Education, and Welfare (hereinafter referred to as the Secretary) shall make annually grants to States which have plans for State personnel administration approved by him under section 204.

(b) The sum available annually for grants under this section shall be allotted among the States under a formula approved by the Secretary which shall give weight to the number of employees under the merit system plan and the financial ability of the State as indicated by its relative per capita income, except that the annual allotment of no State shall be less than $50,000.

Requirements of State plans

SEC. 204. A State plan for State personnel administration to be approved by the Secretary must—

(a) designate the appropriate State personnel agency for the administration of the plan;

(b) provide for a merit system covering State agencies generally or a merit system covering only State agencies designated in the State plan, conforming to the standards to be established under title I. Until such standards are issued, State merit systems approved under present Federal standards applicable to agencies receiving Federal grants shall continue to be acceptable under this Act;

(c) set forth a program for the improvement and strengthening of State personnel administration which may include, among other features;

(1) expansion of the coverage of State employees under the State merit system;

(2) assessment of manpower needs in developing programs and methods for meeting them;

(3) improvement in one or more areas of personnel administration such as recruitment, examinations, classification, and compensation plans;

(4) research and demonstration projects for the use of valid personnel methods, including electronic data processing techniques;

(5) development of auxiliary or support types of positions to perform appropriate functions currently performed in occupations in which there are now shortages; and

(6) interdepartmental and intergovernmental cooperation in personnel administration; and

(d) provide for financial participation by the State in the costs of merit system administration at least equal in amount to the Federal grants, and further provide that the operation of the plan will not result in a reduction in State expenditures for such administration or the substitution of Federal for State funds previously available for merit system administration, and further provide that Federal funds made available to States under other programs may not be used by States for matching purposes under this Act, and State funds used for matching in other federally assisted merit programs may not be used for matching under this Act, except that this shall not affect the receipt of the minimum sum authorized under section 203(b).

PART B—GRANTS FOR STATE PERSONNEL SERVICES TO NONMETROPOLITAN UNITS OF LOCAL GOVERNMENT

SEC. 205. (a) From the sums appropriated under section 202(b) the Secretary shall make annually grants to States which have plans approved by him under section 206 for services to nonmetropolitan units of general local government.

(b) The sum available annually for grants under this section shall be allotted under a formula approved by the Secretary which shall give weight to (1) the number of employees and number of local governments served, (2) the scope of State services provided, and (3) the financial ability of the State as indicated by its relative per capita income, except that the annual allotment of no State shall be less than $50,000.

Requirements of State plans

SEC. 206. A plan for State services for personnel administration to non-metropolitan units of general local governments to be approved by the Secretary must—

(a) designate the State agency, which may be the agency designated under section 204, for the administration of the plan;

(b) set forth a program for improvement and strengthening of personnel administration of such local governments by one or more of the following means:

(1) the coverage of local employees under the State merit system;

(2) technical services in one or more areas of personnel administration such as recruitment, examination, classification, and compensation plans;

(3) cooperative research and demonstration projects for the use of valid personnel methods; or

(4) intergovernmental cooperative arrangements between the State and local governments or among local governments, including facilitating interjurisdictional loans, transfers, or promotions of personnel;

(c) provide for financial participation by State or such local governments, or both, in the costs of providing services at least equal in amount to the Federal grants, and provide further that the operation of the plan will not result in a reduction in local expenditures or a substitution of Federal for State or local funds for personnel administration, and further provide that Federal funds made available to States under other programs may not be used by States for matching purposes under this Act, and State funds used for matching on other federally assisted merit programs may not be used for matching under this Act, except that this shall not affect receipt of the minimum sum authorized under section 205(b).

PART C—GRANTS FOR PERSONNEL ADMINISTRATION IN METROPOLITAN AREAS

SEC. 207. (a) From the sums appropriated under section 202(c) the Secretary shall make annually grants to States or metropolitan units of general local government which have projects approved by him under section 208.

(b) The Secretary of Health, Education, and Welfare, with the concurrence of the Secretary of Housing and Urban Development, shall establish such standards for the distribution of grants under this section among the States and among such metropolitan units as will most effectively carry out the purposes of this Act, and shall establish regulations for financial participation by States or such units, or both, in an amount equal to at least one-third of the costs of each project, including the reasonable value of facilities and personnel services made available by the State or such local government for the administration of the project.

Project requirements

SEC. 208. Projects to be approved for grants under section 207 shall conform to criteria established in regulations which shall be issued by the Secretary of Health, Education, and Welfare, with the concurrence of the Secretary of Housing and Urban Development. Grants will be used, in accordance with such regulations, for projects for strengthening personnel administration on a merit basis in order to meet increasingly critical problems of administration in metropolitan units of general local government. Projects may include, but are not limited to—

(1) assessment of manpower needs in developing programs and methods for meeting them;

(2) improvement of classification and compensation plans, and recruitment and examinations, particularly for professional, administrative and technical personnel in shortage categories;

(3) application of psychological and other research in personnel administration directed toward improvement of selection and development of members of disadvantaged groups whose capacities are not being fully used;

(4) plans for establishing auxiliary or support types of positions to perform appropriate functions currently performed in occupations in which there are now shortages;

(5) research and demonstration relating to techniques, such as electronic data processing, for improving the speed and quality of personnel operations; and

(6) cooperative activities in recruitment and examining by governmental jurisdictions operating in metropolitan areas.

Exception—Submittal of local projects

SEC. 209. After the expiration of one year from the date of enactment of this Act, if a State has not submitted any projects under section 208 of this title which have received approval, the metropolitan units of general local government may submit projects for approval, and such projects may be approved if they comply with the requirements of section 208.

Administration

SEC. 210. The provisions of this title shall be administered by the Secretary, who is authorized to furnish such technical assistance to States or units of general local government and to prescribe such regulations as may be necessary to carry out the purposes of this title.

Suspension of grants

SEC. 211. Whenever the Secretary, after giving reasonable notice and opportunity for hearing to the State or local agency administering a plan approved under this title, finds (1) that such plan has been so changed that it no longer complies with the provisions of this title, or (2) that in the administration of the plan there is a failure to comply substantially with any such provision, the Secretary shall notify such agency of his findings and no further payments will be made to the State or other recipient under this title (or in his discretion further payments will be limited to projects under, or portions of, the plan not affected by such failure), until he is satisfied that there will no longer be any failure to comply.

TITLE III—AUTHORIZATION FOR TRAINING

Declaration of purpose

SEC. 301. The purpose of this title is to foster the training of State and local employees and elected officials by permitting their attendance at Federal courses, and by authorizing Federal departments or agencies administering grant-in-aid programs to conduct training and to permit Federal grants

to States and localities to be used for training and educational leave.

Participation in Federal programs

SEC. 302. Any Federal department or agency conducting training programs for professional, administrative, or technical employees in the Federal service is authorized to include in such programs, under conditions imposed by the head of such agency, State and local officers and employees in similar or related functions, on the request of the State or local government. Fees for attendance at any such training program may be received by the Federal agency conducting it and expended in the same manner as fees received for attendance of Federal employees, or the payment of fees may be waived in occupational categories determined by the head of the Federal department or agency to be in short supply.

Training in grant-aided programs

SEC. 303. Any Federal department or agency administering a program of grants or financial assistance to States and localities, but not including project grants, is authorized (a) to conduct training for State and local officers and employees in professional, administrative, and technical fields related to such programs; (b) to allocate sums to States and localities from Federal funds appropriated for State or local administrative expenses of the program, but not in excess of 10 per centum of such funds, and under the usual terms and conditions of such grants, for the conduct of training for State and local officers and employees in such program; and (c) to allocate sums to States and localities from Federal funds appropriated for State or local administrative expenses of the program, but not in excess of 10 per centum of such funds, and under the usual terms and conditions of such grants, for educational leave or comparable arrangements for salaries and training expenses of employees in professional, administrative, and technical fields who have been employed under a merit system of personnel administration in State or local agencies administering the federally aided program, in order for them to attend university or other training courses related to the program. Allocations authorized under sections 303(b) and 303(c) will be made only upon the request of participating State and local governments.

Civil Service Commission study

SEC. 304. To facilitate implementation of this title, the Civil Service Commission shall assume responsibility for—

(a) identification, review, and assessment of existing programs, and making recommendations to individual department heads with respect to problems of overlapping and duplication;

(b) identification of areas of training needs; and

(c) advising the President and department heads of findings with respect to the foregoing.

The President is authorized to assign to the Commission the role of coordinator under this title.

SEC. 305. The authorizations in this title are not a limitation on existing authority under law for Federal departments or agencies to conduct training or to make grants for training or educational leave.

TITLE IV—GRANTS FOR TRAINING OF STATE AND LOCAL OFFICERS AND EMPLOYEES

Declaration of purpose

SEC. 401. The purpose of this title is to promote higher levels of performance of elected officials and employees in the public service, particularly in professional, administrative, and technical fields, and the development of employee potential by providing Federal assistance to State and local governments to institute and carry out programs for the training of their employees in fields where such Federal assistance is not already provided under grant-in-aid or other statutes.

Advisory Council on Training

SEC. 402. The President is authorized to appoint an Advisory Council on Training composed of representatives of State and local governmental officials and agencies having State- and local-related programs, and such interested groups as labor organizations, public and private educational institutions, and business enterprises to advise the Commission in carrying out its function under this title and with respect to matters of general policy in its administration. The Chairman of the Civil Service Commission shall serve as Chairman of the Advisory Council.

Appropriation authorization

SEC. 403. There is hereby authorized to be appropriated the following sums for payments to States and units of general local government which have plans approved under this title for the training of their employees: $10,000,000 for fiscal year 1968, $25,000,000 for fiscal year 1969, and $50,000,000 for each of the fiscal years 1970, 1971, and 1972.

Grants authorized

SEC. 404. (a) From the sums appropriated under section 402 the Commission shall make annually grants to States or units of general local government which have plans approved by it under sections 405 and 406, respectively.

(b) The sums available annually for grants under this section shall be allotted among the States, and between States and units of general local government in a State, under formulas to be approved by the Commission which shall give weight to the number of State and local employees, the number of local governments participating, the scope of training to be provided, and the financial ability of the State as indicated by its relative per capita income, except that the annual allotment of no State will be less than $35,000 for fiscal year 1968 and $70,000 for any fiscal year thereafter.

Requirements of State plans

SEC. 405. A State plan for training of officers and employees to be approved must—

(1) designate the State agency for the administration of the plan;

(2) set forth a program for the training of officers and employees of States and units of general local government, which may include elected officials and legislative employees and which will meet the objectives of this title and provide for training personnel of agencies not receiving assistance under other Federal programs;

(3) provide for continuing assessment of training needs;

(4) set forth equitable standards for the selection and assignment of personnel for training;

(5) provide for the efficient utilization of personnel who have been given such training, and for their continued service for a reasonable period of time;

(6) provide that educational leave or other arrangements for payment of salary and training expenses for periods in excess of three months in any one year shall be allowed only for career personnel employed in accordance with a merit system;

(7) set forth, when training is to be given through university, professional association, or other nongovernmental facilities, the policies with respect to the selection of such facilities and types of agreements to be entered into for the training; and

(8) provide for financial participation by the States, the units of general local government thereof, or from private sources, in an amount equal to one-fourth of the cost of the training, including the reasonable value of facilities and personal services made available for administration of the training, and provide that the operation of the plan will not result in a reduction in State and local expenditures or substitution of Federal for State or local funds for training, and further provide that Federal funds made available to States under other programs may not be used by States for matching purposes under this Act, and State funds used for matching in other federally assisted merit programs may not be used for matching under this Act, except that this shall not affect receipt of the minimum sum authorized under section 404(b) of this Act.

Exception—Submittal of local plans

SEC. 406. If after one year from the effective date of this Act, a State has not submitted and had approved a plan under section 405, including provision for training of local governmental employees involving expenditures at least equivalent to the expenditures for training of State government employees, one or more units of general local government in the State jointly or severally may submit a plan for such training during the following fiscal year, designating a single local agency for administration and otherwise conforming to the requirements of section 405 under regulations which shall be prescribed by the Commission with the concurrence of the Secretary of Housing and Urban Development.

Administration

SEC. 407. The provisions of this title shall be administered by the Commission, which is authorized to furnish such technical assistance to States or units of general local government and to prescribe such regulations as may be necessary to carry out the purposes of this title.

Suspension of grants

SEC. 408. Whenever the Commission, after giving reasonable notice and opportunity for hearing to the State or other agency administering any plan approved under this title, finds (a) that a State or other plan has been so changed that it no longer complies with the provisions of this title, or (b) that in the administration of the plan there is a failure to comply substantially with any such provision, the Commission shall notify such agency of its findings and no further payments will be made to the State or other recipient under this title (or in its discretion further payments will be limited to projects under, or portions of, the plan not affected by such failure) until it is satisfied that there will no longer be any failure to comply.

TITLE V—COOPERATION IN PERSONNEL RECRUITMENT AND EXAMINATION

SEC. 501. The Commission is authorized to join, on a shared-cost basis, with States or units of general local government or both, in cooperative recruitment or examinations under such regulations as may be jointly agreed upon.

SEC. 502. The Commission is authorized, upon written request from the State, a unit of general local government thereof, or both, and under such regulations as may be jointly agreed upon, to certify to such State or unit, from appropriate registers, a list of eligible personnel who have successfully completed such examinations and satisfied such requirements as the Commission has prescribed, upon payment by such State or unit of salaries and other costs for performing such service.

SEC. 503. The terms of reimbursement for the service authorized under section 502 shall be determined by the Commission. All moneys received by the Commission in payment for furnishing such service authorized shall be deposited to the credit of the appropriation of the Commission currently available for the cost of such service.

TITLE VI—AUTHORITY FOR INTERSTATE COMPACTS

SEC. 601. To promote higher personnel standards and mobility of qualified personnel, particularly professional, administrative,

and technical personnel in shortage categories, the consent of the Congress is hereby given to any two or more States to enter into compacts or other agreements, not in conflict with any law of the United States, for cooperative efforts and mutual assistance (including the establishment of such agencies, joint or otherwise, as they deem desirable) for the administration of personnel and training programs for officers and employees of State and local governments.

TITLE VII—REPORTS, RECORDS, AND AUDITS

SEC. 701. (a) Each recipient of a grant under this Act shall make such reports in such form and containing such information as the head of the Federal department or agency concerned or the Commission may from time to time require, and shall keep such records as the head of the Federal department or agency concerned or the Commission shall prescribe, including records which fully disclose the amount and the disposition by such recipient of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount and nature of that portion of the cost of the project or undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(b) The head of the Federal department or agency concerned or the Commission, and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, papers, and records of the recipient that are pertinent to the grant received.

TITLE VIII—INTERCHANGE OF FEDERAL AND STATE AND LOCAL EMPLOYEES

DECLARATION OF PURPOSE

SEC. 801. The objectives of this title are to aid in the dissemination of useful information, to provide a means whereby the Government of the United States and the several States and local governments may better cooperate in problems arising as a result of the interrelationships of their work and to provide training opportunities for their employees.

Cooperative agreements: Period of assignment

SEC. 802. In carrying out this title, all Federal departments and agencies are authorized through cooperative agreements or otherwise to provide for the interchange of Federal employees and employees of State and local governments. The period of assignment under such an interchange agreement shall not exceed two years.

Departmental employees: Status, salary and leave rights; disability or death arising out of injury

SEC. 803. Federal employees participating in an exchange of personnel as authorized in section 802 of this title may be considered during such participation to be (1) on detail to a regular work assignment of their department or agency, or (2) in a status of leave-of-absence from their positions in the department or agency. Employees who are considered to be detailed shall be entitled to the same salary and benefits to which they would otherwise be entitled and shall remain employees of the department or agency for all other purposes except that the supervision of their duties during the period of detail may be governed by agreement between the department or agency and the State or local government involved. Employees who are in a leave-of-absence status as provided herein shall be carried on leave without pay: *Provided*, That they may be granted annual leave to the extent authorized by law and may be granted authorized sick leave only in circumstances considered by the head of the department or agency to justify approval of such leave. Except as otherwise provided in this title, such employees shall have the same rights, benefits, and obligations as employees generally who are in such leave status but, notwithstanding any other provision by law, such employees shall be entitled to credit the period of such assignment (1) toward periodic and longevity step-increases, and (2) upon payment into the retirement fund of the percentage of their salary which would have been deducted from a like Federal salary for the period of such assignment, as service within the meaning of the Civil Service Retirement Act; and they shall also be entitled to continuation of their benefits under the Federal Employees' Group Life Insurance Act of 1954 and the Federal Employees' Health Benefits Act of 1959, so long as the department or agency continues to collect the employee's contribution from the employee and to transmit for timely deposit into the employee's life insurance fund or the employee's health benefits funds, as the case may be, the amount of the employee's contribution, and the Government's contribution from department or agency appropriations. Any employee who participates in an exchange under the terms of this section and who suffers disability or death as a result of personal injury arising out of and in the course of an exchange, or sustained in the performance of duties in connection therewith shall be treated, for the purposes of the Federal Employees' Compensation Act, as amended, as though he were an employee as defined in such Act, who had sustained such injury in the performance of such duty, but shall not receive benefits under that Act for any period for which he elects to receive similar benefits from a State or local government agency.

Same; travel expenses

SEC. 804. Appropriations of the department or agency shall be available, in accordance with existing regulations, as amended, governing travel and related expenses of classified employees, for the expenses of travel of employees assigned to State or local governments on either a detail or leave basis, expenses of transportation of their immediate families and expenses of transportation of their household goods and personal effects to the location of the posts of assignment and for such expenses for the return of employees to their official duty stations, but shall not be available for expenses of travel of the employees during such period of assignment.

State employees; appointments or detail; compensation; supervision of duties

SEC. 805. Employees of States who are assigned to the department or agency under authority of this title may (1) be given appointments in the department or agency covering the periods of such assignments, or (2) be considered to be on detail to the department or agency. Appointments of persons so assigned may be made without regard to the civil service laws or regulations. Persons given appointment in the department or agency shall be paid at rates of compensation in accordance with the provision of chapter 51 and subchapter III of chapter 53 of title 5, United States Code. State or local employees who are assigned to the department or agency without appointment shall not be considered to be employees of the department or agency, except as provided in section 806 of this title, nor shall they be paid a salary or wage by the department or agency during the period of their detail. The supervision of the duties of such employees during the assignment may be governed by agreement between the department or agency and the State or local governments involved.

Same: Conflict of interest; disability or death arising out of injury

SEC. 806. (a) Any State or local employee who is assigned to a department or agency without appointment shall nevertheless be subject to the provisions of sections 203, 205, 207, 208, 209, 1902, and 1905 of title 18, United States Code.

(b) Any State or local employee who is given an appointment while assigned to the department or agency or who is assigned to the department or agency without appointment and who suffers disability or death as a result of personal injury arising out of and in the course of such assignment, or sustained in the performance of duties in connection therewith shall be treated, for the purpose of the Federal Employees' Compensation Act, as amended, as though he were an employee, as defined in such Act, who had sustained such injury in the performance of such duty, but shall not receive benefits under that Act for any period for which he elects to receive similar benefits as a State or local employee.

Same; travel expenses

SEC. 807. The appropriations of the department or agency shall be available in accordance with existing regulations, as amended, governing travel and related expenses of classified employees, for the payment of expenses of travel of persons assigned to, but not given appointments by, the department or agency under authority of this title during the periods of such assignments on the same basis as if they were employees of the department or agency.

TITLE IX—DEFINITIONS

SEC. 901. When used in this Act—

State

(a) The term "State" means any of the several States of the United States, the District of Columbia, Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include the governments of the political subdivisions of any State;

Merit system

(b) The term "merit system" means generally a planned State or local operation to develop and maintain an efficient career service, under public rules, which among other provisions include appointment through competitive examination, nondiscrimination in race, politics, or religion, an equitable and adequate pay plan, tenure contingent on successful performance, and promotion on evaluated capacity and service;

Metropolitan unit of general local government

(c) The term "metropolitan unit of general local government" means any city or comparable general-purpose political subdivision of a State with a population of one hundred thousand or more, as determined by the most recent Federal census, or any county or parish with such population which includes a city or comparable subdivision with a population of fifty thousand or more, as determined by such census; and

Nonmetropolitan unit of general local government

(d) The term "nonmetropolitan unit of general local government" means any city, county, parish, town, village, or other general-purpose political subdivision of a State, except such units of general local government as are included within the definition contained in subsection (c).

PURCHASE BY U.S. FOREST SERVICE OF 3,000 ACRES OF PRIVATE LANDS FOR ADDITION TO WASATCH NATIONAL FOREST IN UTAH

Mr. MOSS. Mr. President, I send to the desk, for appropriate reference, a bill to authorize the purchase by the U.S. Forest Service of private lands, not to

exceed 3,000 acres, for addition to the Wasatch National Forest in Utah.

The land is located in Mill Creek Canyon above the diversion of the proposed Little Dell Reservoir, and in Little Cottonwood and Big Cottonwood Canyons.

These areas are now being sought for subdivision development, which would create sanitary and stream pollution problems which could seriously threaten the quality of the water in all three creeks and thus threaten the water source of Salt Lake City. Both Big and Little Cottonwood Creeks are already a major source of the present water supply for Salt Lake, and the waters of Mill Creek are contemplated for use as an additional source of supply through construction of the Little Dell Reservoir which has been approved by the Division Office of the Army Corps of Engineers Office in San Francisco, Calif.

I am introducing this bill at the request of Salt Lake City Corporation.

I ask unanimous consent that a letter from Commissioner Conrad P. Harrison covering the details of the proposal, and indicating other sources of support for the project in Salt Lake, be printed in the CONGRESSIONAL RECORD; as well as the resolution passed by the board of city commissioners, and referred to in the letter, that a statement of problems on the land in question prepared at my request by the U.S. Forest Service; and an editorial from the Salt Lake Tribune.

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

SALT LAKE CITY CORPORATION,
DEPARTMENT OF WATER SUPPLY AND WATERWORKS.
Salt Lake City, Utah, January 18, 1967.

Hon. FRANK E. MOSS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MOSS: The increasing number of applications for approval of subdivisions on the watershed along the Wasatch Front for year around residential and commercial use has become a source of great concern to public officials responsible for water supply in the Salt Lake Valley, and also to citizens interested in the conservation of our natural resources.

We are all concerned with the economic progress of this area, but land uses must be compatible with the overall development of our resources if the public is to be assured of the maximum commodities and services the land is capable of producing.

Two large tracts of land, one located in Sections 32 and 33, Township 1 South, Range 3 East, Salt Lake Base & Meridian, containing some 960 acres in Mill Creek Canyon above the diversion of the proposed Little Dell Reservoir, and another located in Section 12, Township 3 South, Range 1 East and Sections 7, 8 and 9, Township 3 South, Range 2 East, Salt Lake Base & Meridian, containing approximately 700 acres in the lower portion of Little Cottonwood Canyon are being vigorously promoted for this purpose.

This turn of events prompted this department to contact the Wasatch National Forest officials to determine whether or not this property could be purchased and included within the National Forest boundary. We were informed that this was feasible, but that under present funding it would not be possible to acquire this land. We then requested the Board of City Commissioners to pass a resolution (a copy of which has been forwarded to you) to seek your assistance in solving this problem by introducing legislation in the Congress to authorize the purchase of these canyon lands by the federal government.

The proper development and management of these lands is not only important for the protection of the quality of the water supply, but also for the preservation of the natural beauty of the area and to reserve the land for recreational use by the public rather than for the benefit of a few individuals. An added benefit would be the protection of a historically valuable area in Little Cottonwood Canyon where the granite for construction of the Salt Lake Temple was quarried.

We are also forwarding maps showing the location of these properties and a copy of a letter to the Salt Lake County Planning Commission written by the City Health Commissioner and the Superintendent of the Department of Water Supply & Waterworks setting forth the city's position in this matter. At the hearing held by the planning commission other letters were submitted by the Utah State Health Department, the League of Women Voters, Midvale City and several other groups supporting this position.

Mr. Tourtillott, Supervisor of the Wasatch National Forest has been compiling a report on this proposal that will be forwarded to your office in the near future.

We appreciate your interest in this problem and sincerely hope that you will be successful in having a bill passed to acquire this property. We are certain that proper control of this land will be of lasting benefit to the citizens of Salt Lake County.

Please call on us for any additional information that you may require.

Sincerely,

CONRAD B. HARRISON,
Commissioner.

RESOLUTION

Whereas, Little Cottonwood Creek constitutes one of the major sources of water supply presently used to supply water to the residents of Salt Lake City and Salt Lake County; and,

Whereas, it is contemplated to use the waters of Millcreek as an additional source of water supply in connection with the construction of which has been approved by the Army Engineers, Division Office in San Francisco, California; and,

Whereas, there are certain portions of the canyons through which said creeks flow which are being sought by real estate interests for subdivision purposes; and,

Whereas, the development of said canyon lands into year round residential subdivisions would create sanitary and stream pollution problems seriously affecting the quality of the water of said creeks; and,

Whereas, the lands comprising said canyons ought to be preserved for their beauty and their utility to the public generally as a place of recreation and relaxation; and,

Whereas, to best preserve these lands for these purposes they should be made a part of the Wasatch National Forest:

Now, therefore, be it resolved by the Board of Commissioners of Salt Lake City, Utah, that it hereby requests the members of the Congress of the United States representing the State of Utah to introduce and sponsor legislation in the Congress to authorize the purchase of said canyon lands by the Federal Government and make the same a part of the Wasatch National Forest. Said lands are situated in Salt Lake County, Utah, and are generally located and described as follows: One tract located in the head of Millcreek Canyon, being Section 32, S ½ of Section 33, T1S, R3E, totaling 970 acres; and a tract located in Little Cottonwood Canyon containing approximately 700 acres, situated in Section 12, T3S, R1E, and Sections 7, 8 and 9, T3S, R2E.

Be it further resolved that a copy of this resolution be forwarded to each member of the Utah Congressional Delegation, Washington, D.C.

Passed by the Board of Commissioners of Salt Lake City, Utah, this 29th day of December, 1966.

J. BRACKEN LEE, *Mayor.*
HERMAN J. HOGENSEN, *City Recorder.*

REPORT ON CERTAIN LANDS WITHIN THE WASATCH NATIONAL FOREST

This is a report on the status, condition, and use of certain lands within the Wasatch National Forest and lying in or adjacent to Mill Creek Canyon, Little Cottonwood Canyon, and Big Cottonwood Canyon. All three canyons are critical watersheds along the Wasatch Front east of Salt Lake City. They also afford fine recreation and other outdoor opportunities for the people of the Salt Lake City area.

The Wasatch Front portion of the Wasatch National Forest is contiguous to and overlooks Metropolitan Salt Lake City and the heavily populated Salt Lake Valley. Because of the physiographic relationship to the population centers, this geographic area requires special consideration in occupancy and land use management planning. The area of particular concern is comprised of the drainages of the three major canyons, Mill Creek, Big Cottonwood Creek and Little Cottonwood Creek.

In a resolution of December 29, 1966, the Salt Lake City Corporation's Board of Commissioners urged that certain privately owned lands in two of the canyons, Mill Creek and Little Cottonwood Creek, be made a part of the Wasatch National Forest. The resolution stressed the need for placing these lands in public ownership to protect the present and future water supplies of Salt Lake City. The lands specified in the resolution cover approximately 1,885 acres. Plans are being made by the owners to develop these lands for residential purposes. Such use poses an immediate threat to the quality and supply of water available to the City and surrounding areas. The two creeks are major sources of water for Salt Lake City. Much of the water now goes or will go into the city's culinary water systems.

The canyons are narrow, steep walled, and glaciated. Bare canyon walls or steep slopes with a highly flammable brush cover are typical. Because of the steep slopes, avalanche paths, and rockfall areas, most of the area is unsuitable for conventional types of construction without considerable land development work. The presently proposed residential development would take place on gentler terrain along the canyon bottoms.

Even though garbage and sewage disposal are planned, there could be pollution from residents working and playing in areas adjacent to their homes. Excrement from family pets, trash, and other pollutants from yards, streets, and gutters would be washed into the streams by surface runoff. Replacing the vegetative cover and covering the absorptive soil of the canyon floor with paved roads and rooftops would produce undesirable watershed effects. Abnormally high stream flows and early runoff would affect stream channels and improvements and late summer water supplies.

The private lands described in the resolution are only those the Commissioners consider as posing an immediate threat to the water and recreation resources of the Salt Lake City area. Although most of the watershed area is National Forest land, many other private tracts are so situated as to be critical components of the three major watersheds. Their future use and management will determine to a large extent water quality and supply for the Salt Lake City area.

Much of this private land lies near the mountain crest in the highest precipitation zones, where good watershed conditions are most important. Because of higher altitudes and lower temperatures, soils are thin and less productive. Vegetative cover is thin and

delicate for the same reasons. This combination of conditions means that watershed values can be very easily destroyed or impaired by use for incompatible purposes. Because of the urban dependence on this area for its water supply, the control of siltation, pollution, and timing of runoff is critical.

The canyons along the Wasatch Front are an important recreation resource also. Residents of Salt Lake City and the heavily populated Salt Lake Valley are dependent upon these lands for reasonably close outdoor recreation. Development of private lands for residential purposes could destroy or impair the value of these areas for hiking, picnicking, hunting, fishing, winter sports, geologic and nature interpretation and other recreational and aesthetic purposes.

There are approximately 15,200 acres of privately owned inholdings within the Wasatch Front area of the Wasatch National Forest in these three canyons. About 80 percent or 12,000 acres have significant winter and summer watershed and public recreation values. Prompt assurance that some 3,000 acres in key privately owned tracts will receive proper use and management so as to protect these water and recreation resources is of vital importance to the people of this area. Plans, and the potential, for development of certain of these lands for residential and other high density or intensive private use have escalated land values in the area to more than $1,000 per acre for certain tracts. The estimated cost of acquiring the 3,000 acres for public purposes is $2,100,000.

[From the Salt Lake Tribune, Jan. 6, 1967]

GUIDELINES FROM PROVO WATER PLAN

A recent ceremony in Provo, marking the launching of a cooperative program to protect and properly manage 10,000 acres of critical watershed, offers a guideline for safeguarding other vital water-producing lands in the Wasatch Front area.

The ceremony featured Clarence C. Thornock, supervisor of the Uinta National Forest, presenting a check from the federal government for $199,976.87 in partial payment for watershed land being acquired from private owners for protection.

The check, representing about half the total cost, pays for land being acquired on the South Fork of the Provo River, vital for Provo's present and future culinary water supply. Provo will bear the remaining expense. Following a previous agreement, about 9,000 acres of the higher mountain land goes to the Uinta National Forest for protection and treatment, and 1,000 acres of the sloping bench land will be administered by Provo City.

The Provo agreement, culminating years of negotiation, is one of several projects to give maximum protection to steep watersheds put in jeopardy by modern developments and overuse. The need for adjusting the boundaries of the national forests to safeguard critical watershed land has been acute for years. That the program could be pushed through Congress in two years is a compliment to the hard work and persuasiveness of Senator Frank E. Moss and other members of the Utah delegation.

Similar efforts in local communities and Washington have resulted in ceding seriously eroding private land to the Wasatch and Cache National forests in recent years. Notable was the purchase by the federal government in 1962 of some 24,000 acres of land at the head of Weber Canyon and placing it under Forest Service administration. This stabilized land adjacent to the trans-mountain diversion tunnel of the Weber River Reclamation Project which conveys water from the Weber in Morgan County to communities on the west side of the mountain in Weber and Davis counties.

The most crucial need for protecting watershed from developments which could cause pollution and serious erosion involves steep canyon land southeast of Salt Lake City. It was brought to public attention recently by announced plans of a real estate firm to subdivide steep mountainous land remaining in private ownership in Little Cottonwood and Mill Creek canyons. The lower Little Cottonwood Canyon subdivision proposal resulted in demands for strong measures to protect the streams and adjacent land from all forms of damage. Local public funds are lacking to buy the land in question (700 acres in Little Cottonwood and 790 acres in upper Mill Creek Canyon) and keep it in its present semi-primitive condition. As a result, the Salt Lake City Commission has asked Utah's congressional delegation to sponsor a bill to buy the land for the Wasatch National Forest, and Senator Moss has announced he will introduce the bill early in the 90th Congress. Under the plan, owners of the private land which exists in a "crazy quilt" pattern with public acreage, would be compensated for their land.

The Provo ceremony should spur Salt Lake City groups to action.

Mr. MOSS subsequently said: Mr. President, I ask unanimous consent that the bill which I introduced earlier today, to acquire certain lands within the boundaries of the Wasatch National Forest, be referred to the Senate Committee on Interior and Insular Affairs, and printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered, and the bill will be printed in the RECORD.

The bill (S. 701) to authorize and direct the acquisition of certain lands within the boundaries of the Wasatch National Forest in the State of Utah by the Secretary of Agriculture, introduced by Mr. Moss, was received, read twice by its title, by unanimous consent, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows.

S. 701

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That to promote in a timely and adequate manner control of floods, the reduction of soil erosion and stream pollution through the maintenance of adequate vegetative cover, and the conservation of their scenic beauty and the natural environment, and to provide for their management, protection and public use as national forest lands under programs of multiple use, the Secretary of Agriculture is authorized and directed to acquire, at not to exceed the market value as determined by him, such of the non-federally owned land, not to exceed 3,000 acres, in the area described in section 2 hereof as he finds suitable to accomplish the purposes of this Act.

SEC. 2. This Act shall be applicable to lands with the boundary of the Wasatch National Forest in the watersheds of Mill Creek, Big Cottonwood Creek, and Little Cottonwood Creek, being portions of townships 1, 2 and 3 south, ranges 1, 2, and 3 east, Salt Lake base and meridian.

SEC. 3. There is hereby authorized to be appropriated for the purposes of this Act not to exceed $——, to remain available until expended.

BEAUTIFICATION PROGRAM IS ADVANCED—REVIEW OF STANDARDS CONTEMPLATED

Mr. RANDOLPH. Mr. President, on January 10, 1967, the Department of Commerce transmitted to Congress the report on the highway beautification program required by the provision of Public Law 89–285.

As the result of that transmittal, I wrote to the Honorable Alan S. Boyd, the Secretary of Transportation, whose Department will have the responsibility for administering the beautification program. The purpose of my letter of January 16, 1967, was to establish more fully the ground rules pursuant to which the Secretary would reach agreements with the several States in controlling outdoor advertising signs located in zoned and unzoned industrial and commercial areas.

Mr. President, I submit a resolution to authorize the printing, as a Senate document, of the January 10 highway beautification report and the accompanying draft standards and criteria together with that correspondence.

The Department's reply to my letter to Secretary Boyd indicates, I believe, that the States will not be required to accept the standards developed by the Bureau of Public Roads as the sole basis for an agreement under penalty of losing 10 percent of their Federal highway funds for failure to do so.

I emphasize that the Committee on Public Works will hold hearings on this subject prior to any extension of the authority of the program. It is my earnest belief that the States must be treated as coequal partners under the Beautification Act and that they shall not be required to take any action which may be inimical to what they believe to be their best interests.

Implementation of this program as suggested by the Department is highly controversial as the Members of the Senate well know. In addition, there are many differences among the parties concerned with the overall program that remain as yet unresolved.

I request that those responsible for administering the program adopt a realistic attitude until the Committee on Public Works has had an opportunity to examine the full impact of what has been proposed. It is obvious that adjustments to this program are necessary if it is to be effective.

I wish to make it clear to Senators that the Public Works Committee is committed to the development of a reasonable approach to this subject and will maintain an open mind to all suggestions for improvement of the basic legislation, which I sponsored, joined by other Senators, and which I am convinced will bring beautification progress to our country.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

The resolution (S. Res. 70) was referred to the Committee on Rules and Administration, as follows:

S. RES. 70

Resolved, That the report of the Department of Commerce entitled "The 1967 Highway Beautification Program", be printed, together with certain additional correspondence, as a Senate document.

SEC. 2. There shall be printed five thousand additional copies of such document for the use of the Committee on Public Works.

LEGISLATIVE REORGANIZATION ACT OF 1967—AMENDMENTS

AMENDMENT NO. 38

Mr. PROUTY submitted an amendment, intended to be proposed by him, to the bill (S. 355) to improve the operation of the legislative branch of the Federal Government, and for other purposes, which was ordered to lie on the table and to be printed.

AMENDMENT NO. 39

Mr. THURMOND submitted amendments, intended to be proposed by him, to Senate bill 355, supra, which were ordered to lie on the table and to be printed.

AMENDMENTS NOS. 40 THROUGH 48

Mr. FULBRIGHT. Mr. President, I send to the desk several amendments designed to eliminate or revise certain sections of S. 355 which I believe are impractical and unnecessary. I ask unanimous consent that they be printed at this point in the RECORD, together with a brief explanation of each one.

The PRESIDING OFFICER. The amendments will be received, printed, and will lie on the table; and, without objection, the amendments and explanations will be printed in the RECORD.

AMENDMENT NO. 40

On page 5, beginning on line 11, strike out all through line 25 on page 9.

The explanation, presented by Mr. FULBRIGHT, is as follows:

This amendment strikes out several provisions of Section 102 of the pending bill relating to Committee Procedure.

Subsection (a) of section 102 states that three members of the Committee may request that the Chairman call a special meeting of the Committee, and if the Chairman refuses or fails to call such a meeting of the Committee after seven days from the date of the request, a written and signed request from the majority of the Committee can force a meeting whether the Chairman is present or not. If the Chairman does not attend such a meeting, the most senior majority member present shall preside.

In my opinion, this provision is unnecessary. According to the report of the Special Committee, this provision would make applicable to the Senate the procedure presently provided by the Rules of the House. Just because the House has decided to follow this procedure is no reason why the Senate should do so. I believe most Chairmen cooperate closely with the members of their Committees and comply with requests to schedule meetings on any matters of general interest to the members. I would hope, therefore, that it would not be necessary to write this stricture into law.

Subsection (b) provides that Committee meetings for the transaction of business "shall be open to the public except when the committee by a majority vote orders an executive session." This section also provides that "results of roll call votes taken in any meeting . . . upon any measure, or any amendment thereto, shall be announced publicly at the conclusion of that meeting . . ."

I do not agree that we should require Committee business meetings to be open to the public unless a majority decides otherwise. Such a rule would have the effect of discouraging candid discussion and I believe whether meetings should be open or closed is a proper matter for Committee discretion. Moreover, I do not believe the results of roll call votes taken in *executive session* should by law be required to be announced. This should also be a matter for Committee discretion. I might add, however, it has been the practice of the Committee on Foreign Relations to make roll call votes public.

Subsection (c) requires that the report upon a measure approved by a Committee "shall be filed within seven calendar days . . . after the day on which there has been filed with the clerk of the committee a written and signed request of a majority of the committee for the reporting of that measure."

I regard this provision as unnecessary. The present law directs the Chairman of each Committee "to report or cause to be reported promptly . . . any measure approved by his committee . . ." The Committee on Foreign Relations has never experienced any serious problems in connection with filing reports and I seriously question the need for enacting the proposed provision.

Subsection (d) states that no vote shall be taken with respect to any measure or any amendment thereto, "unless a majority of the members . . . are actually present." In addition, this section provides that no votes may be cast by proxy and that the Committee report shall include a "tabulation of the votes" cast on each measure and "each amendment offered thereto."

In my view, this provision is impractical. As you know, many members of the Committee on Foreign Relations serve on other major committees in the Senate and it is impossible for them to attend several meetings at the same time. The same argument applies to voting by proxy. Members unable to be present at Committee meetings should not be denied the right to be recorded by proxy on measures in which they are interested.

With regard to the provision requiring the Committee report to include a tabulation of all votes cast, it seems to me that this requirement is unnecessary and burdensome. Here again, if votes taken in executive session are to be made public, I think it is a matter for the Committee to decide.

Subsection (e) provides that if, at the time of approval of a measure by a Committee, any member "gives notice of intention to file supplemental or minority views" the proposed report shall be sent to each Member of the committee who shall have two days in which to file such views. In addition, it provides that the report shall be filed, and the printed hearings made available, at least three calendar days before any vote is taken in the Senate.

The Committee on Foreign Relations has always permitted its members to file supplemental or minority views on all measures which are ordered reported. It is my view, therefore, that this provision in the proposed bill is not necessary. To require the submission of draft reports to each member of a Committee would delay unduly the filing of reports. In the Senate Foreign Relations Committee any interested member may see and make suggestions regarding the report. I have had no complaints on this score.

I do not agree that measures reported to the Senate should be held for three days after the report is filed and hearings are made available. Although this is primarily a matter which should be decided by the leadership of the Senate itself, in my view, the proposed provision infringes on the Senate leadership's present flexibility in scheduling votes and would result in inconvenience to members and delay in carrying out the business of the Senate.

AMENDMENT NO. 41

On page 12, beginning on line 2, strike out all through line 7 on page 14, and insert the following: "Section 103(a) The last sentence of subsection (e) of section 133 of the Legislative Reorganization Act of 1946 is repealed."

The explanation, presented by Mr. FULBRIGHT, is as follows:

This amendment strikes out Section 103 of S. 355 which deals with Committee Hearing Procedure.

Subsection (a) of section 103 requires each Committee to make a public announcement of the date, place and subject matter of hearings *at least two weeks in advance*, unless the Committee determines by a majority vote that there is good cause to begin the hearings at an earlier date.

In my opinion, this provision would be unworkable and cause undue delay in the scheduling of hearings on matters pending before the Committee on Foreign Relations. The experience of the Committee has shown that the public is put on notice by publication in the CONGRESSIONAL RECORD when legislation is introduced or nominations and treaties are received, and at that time interested persons or organizations communicate with the Committee and ask to be heard when hearings are scheduled. I believe strict adherence to the two week advance notice requirement would proliferate the number of witnesses with only peripheral interest.

Subsections (c) and (d) of section 103 provide that each Committee shall require witnesses to file written statements of their proposed testimony at least two days in advance of the hearing, unless the Committee determines by a majority vote that there is good cause for the failure of witnesses to file such statements. Before each day of hearings the Committee staff is required to prepare a digest of the witnesses' statements, and at the conclusion of each day of hearings, the staff is required to prepare for the use of the members a summary of the testimony given on that day. These summaries, after approval by the Chairman and the ranking minority member, shall be printed as a part of the Committee hearings.

In my view, a Committee of the Senate should not have to concern itself, *by a majority vote*, with such minutiae as excusing a witness from filing a statement of his testimony two days in advance. If this provision is to be retained, I would prefer that the burden be placed entirely on the witness with an "either or" alternative, *i.e.*, either he submits a statement two days in advance or he will not be allowed to testify. He should, however, be permitted to submit his statement for inclusion in the record.

I have serious doubts about the requirement that Committee staffs prepare digests of witnesses' statements and daily summaries of hearings. Obviously, this would necessitate the hiring of additional personnel and I do not think the digests and summaries would be useful enough to justify the expenditure involved in their preparation. I might add, each witness who appears before the Committee on Foreign Relations usually gives an oral summary of his prepared statement at the time he testifies. Moreover, the Foreign Relations Committee staff prepares a memorandum on each measure under consideration which, in my view, is sufficiently adequate for our purposes. It seems to me that relationships between the Committee and its own staff and what the staff does are not proper subjects for legislation. Surely each Committee can be entrusted with a proper dealing with that relationship.

AMENDMENT NO. 42

On page 16, beginning on line 5, strike out all through line 8 on page 18.

On page 18, line 14, beginning with the word "Such" strike out all through the word "section," on line 23.

On page 19, strike out all on lines 3 to 21, inclusive.

The explanation, presented by Mr. FULBRIGHT, is as follows:

This amendment deletes those provisions of Section 105 of S. 355 which authorize each

Committee to employ a professional staff member (review specialist) who would be assigned exclusively to "legislative oversight" duties. He would be responsible for carrying out projects or supervising studies (approved by the Chairman and ranking minority member) of matters within the jurisdiction of the Committee involved. In this connection, each Committee would be required to submit an annual report to the Senate on its activities carried out under the authority of this section.

In my opinion, these and other legislative oversight functions have been and are presently being adequately performed by the Committee staff under Committee supervision. While I favor the increased staff provisions of S. 355, I see no valid reason why one individual should be assigned *exclusively* to oversight duties. The Committee on Foreign Relations has undertaken reviews of a number of subjects within its jurisdiction and I expect that it will continue to do so, even in the absence of a "review specialist."

AMENDMENT NO. 43

On page 20, beginning on line 6, strike out all through line 16 on page 21.

The explanation, presented by Mr. FULBRIGHT, is as follows:

This amendment deletes Section 106 of the bill which would require the Senate to prepare a separate conference report and permit any conferee to submit an additional explanatory statement as an appendix to such report. The Special Committee feels that this practice should be followed in the Senate "in order that the membership of both Houses will be adequately informed prior to a vote."

While I have no objection to the Senate conferees preparing separate conference reports, I do question whether this requirement should be mandatory. In my experience, there are times when it is more helpful to report the results of a conference by making a statement on the Senate floor. This has been my practice. I believe, therefore, that the conferees should be given some discretion as to whether it is necessary to file a separate conference report.

AMENDMENT NO. 44

On page 54, line 20, insert a period after the word "reported" and strike out all through line 7 on page 55.

The explanation, presented by Mr. FULBRIGHT, is as follows:

This amendment strikes out Section 251 of the proposed bill which provides that the report accompanying each bill or joint resolution shall contain a Committee and Executive Branch estimate of the costs which would be involved in carrying out such legislation over a five-year period. Moreover, this section adds that it shall not be in order to consider a bill or joint resolution if the Committee report does not comply with the cost estimate provisions.

I have no objection to including a cost estimate provision in a Committee report. As a matter of fact, this practice is currently followed by the Committee on Foreign Relations. However, I do question the advisability of requiring the inclusion of *two* cost estimates. It seems to me that one such cost estimate by an appropriate Federal agency should suffice. If each Senate Committee were to include its separate estimates, three would be need for additional staff budget officers.

AMENDMENT NO. 45

Beginning with line 26 on page 56, strike out through line 5 on page 60 and insert in lieu thereof the following:

"'(a) Each standing committee on the Senate and House of Representatives is authorized—

"'(1) to appoint, on a permanent basis, without regard to political affiliation and solely on the basis of fitness to perform their duties, not more than six professional staff members in addition to the six clerical staff members;

"'(2) to prescribe their duties and responsibilities; and

"'(3) to terminate their employment as the committee may deem appropriate.'

"(b) Subsection (b) of such section 202 (2 U.S.C. 72a(b)) is amended to read as follows:

"'(b) Notwithstanding any other provision of law, no amounts shall be paid to any employee of the Committee on Appropriations of the Senate or the Committee on Appropriations of the House of Representatives, in addition to the regular salary of such employee, for supervising the work of preparing statements of appropriations required by section 64 of the Revised Statutes, as amended and supplemented, (2 U.S.C. 105).'

"(c) Such section 202 is amended by striking out subsection (h), and by adding after subsection (f) the following new subsections:".

On page 60, line 6, strike out "(i)" and insert in lieu thereof "(g)".

On page 61, line 17, strike out "(j)" and insert in lieu thereof "(h)".

On page 63, beginning with line 14, strike out through line 7 on page 64.

On page 64, line 8, strike out "(f)" and insert in lieu thereof "(e)".

The explanation, presented by Mr. FULBRIGHT, is as follows:

Section 301(a) of S. 355 sets forth a very elaborate and detailed system for selecting standing committee staffs. This amendment strikes out all of the proposed new language and substitutes the more simplified provisions contained in section 404(a) of the bill, which governs the staff selection procedure of the proposed Joint Committee on Congressional Operations.

In addition, the amendment prohibits the payment of compensation to any employee of the Senate or House Appropriations Committees for supervising the work of preparing statements of appropriations required by section 64 of the Revised Statutes, as amended and supplemented (2 U.S.C. 105). Annual legislative branch appropriations acts currently authorize an appropriation of $13,000 to be paid to the persons designated by the chairmen of the Senate and House Appropriations Committees to supervise the preparation of such statements. The effect of this provision is to increase the salaries of selected members of the staffs of the Appropriations Committees.

I see no reason why the staffs of the Appropriations Committees should be singled out to receive additional compensation for carrying out the duties which they are required to perform by law as a part of their regular assignments. Furthermore, staffs on other committees perform similar functions of summarizing the work of their committees for which they do not receive such compensation. Equity would seem to require equal pay for equal work.

AMENDMENT NO. 46

On page 11, after line 24, insert the following new subsection:

"(f) Section 133(a) of the Legislative Reorganization Act of 1946 (2 U.S.C. 190a) is amended by inserting therein immediately after the words 'Committees on Appropriations', the words 'and the Committee on Foreign Relations of the Senate'."

AMENDMENT NO. 47

On page 12, immediately after the word "Appropriations" on line 9, insert the words "and the Committee on Foreign Relations of the Senate".

AMENDMENT NO. 48

On page 14 after the words "Committee on Appropriations" on line 16, insert "or the Committee on Foreign Relations".

The explanation, presented by Mr. FULBRIGHT, is as follows:

The purpose of these three amendments is to give the same privileges and immunities to the Committee on Foreign Relations as are currently applied to the Committee on Appropriations. As presently written, the Senate Committee on Appropriations is exempt from these provisions and I believe the Committee on Foreign Relations would operate much more efficiently and expeditiously if it did not have to comply with them either. I do not see why the Committee on Appropriations needs to be extended special privileges or excluded from rules applicable to their standing committees.

Thus it seems to me that if the Committee on Appropriations is to be excluded from complying with those provisions relating to committee procedure, such as, giving two weeks advance notice of hearings, requiring the staff to prepare digests of witnesses' statements and summaries of hearings, the same privileges should be accorded to other committees. My amendment applies only to the Committee on Foreign Relations. However, I should think that members of other Committees would wish to propose similar amendments.

ADDITIONAL COSPONSOR OF RESOLUTION

Mr. JAVITS. Mr. President, I ask unanimous consent that the names of the Senator from Colorado [Mr. DOMINICK], and myself, be added as cosponsors to Resolution 30 to amend the Standing Rules of the Senate, relative to Select Committee on Small Business which has been submitted by the Senator from Vermont [Mr. PROUTY], with his permission.

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

Mr. JAVITS. Mr. President, I was a cosponsor of this resolution when it was submitted in the 88th and 89th Congresses. As I am the ranking minority member of the Select Committee on Small Business, I feel that this committee should be given authority to receive bills and resolutions concerning small business, and should have legislative authority generally.

It seems to me anomalous that this committee should be inhibited from performing the functions for which it is especially equipped by hearings, and so forth, because it does not have authority to handle the necessary bills.

ADDITIONAL COSPONSORS OF JOINT RESOLUTION

Mr. BYRD of West Virginia. Mr. President, I ask that the names of the Senator from Arkansas [Mr. MCCLELLAN] and the Senator from West Virginia [Mr. BYRD], be added as cosponsors at the next printing of Senate Joint Resolution 22, proposing a constitutional amendment to allow voluntary confessions in criminal proceedings.

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

ADDITIONAL COSPONSORS OF BILLS AND RESOLUTION

Under authority of the order of the Senate of January 11, 1967, the following names have been added as additional cosponsors for the following bills and resolution:

S. 188. A bill creating a commission to be known as the Commission on Noxious and Obscene Matters and Materials: Mr. BREWSTER, Mr. COTTON, Mr. DIRKSEN, Mr. DOMINICK, Mr. EASTLAND, Mr. FONG, Mr. JORDAN of Idaho, Mr. KUCHEL, Mr. MCGOVERN, Mr. MORSE, Mr. RIBICOFF, Mr. SPARKMAN, Mr. TYDINGS, and Mr. YOUNG of North Dakota.

S. 198. A bill to amend the act of June 6, 1933, as amended, to authorize the Secretary of Labor to develop and maintain improved, voluntary methods of recruiting, training, transporting, and distributing agricultural workers, and for other purposes: Mr. BARTLETT, and Mr. KENNEDY of Massachusetts.

S. Res. 13. Resolution to amend rule XXV of the Standing Rules of the Senate: Mr. BIBLE, Mr. FONG, Mr. LONG of Missouri, Mr. MCCARTHY, Mr. MCINTYRE, Mr. RANDOLPH, and Mr. RIBICOFF.

NOTICE OF HEARINGS ON NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. BURDICK. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for: Thursday, February 2, 1967, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

Francis L. Van Dusen, of Pennsylvania, to be U.S. circuit judge, third circuit, vice J. Cullen Ganey, retired.

Lindley G. Beckworth, of Texas, to be judge of the U.S. Customs Court, vice David J. Wilson, retired.

Joseph C. Waddy, of the District of Columbia, to be U.S. district judge, District of Columbia, vice Richmond B. Keech, retired.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from Missouri [Mr. LONG], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

NOTICE OF HEARINGS ON NOMINATIONS BEFORE COMMITTEE ON THE JUDICIARY

Mr. BURDICK. Mr. President, on behalf of the Committee on the Judiciary, I desire to give notice that public hearings have been scheduled for Friday, February 3, 1967, at 10:30 a.m., in room 2228, New Senate Office Building, on the following nominations:

Frank G. Theis, of Kansas, to be U.S. district judge, district of Kansas, to fill a new position created by Public Law 89-372 approved March 18, 1966.

James A. Comiskey, of Louisiana, to be U.S. district judge, eastern district of Louisiana, to fill a new position created by Public Law 89-372 approved March 18, 1966.

Myron L. Gordon, of Wisconsin, to be U.S. district judge, eastern district of Wisconsin, to fill a new position created by Public Law 89-372 approved March 18, 1966.

At the indicated time and place persons interested in the hearings may make such representations as may be pertinent.

The subcommittee consists of the Senator from Missouri [Mr. LONG], the Senator from Nebraska [Mr. HRUSKA], and myself, as chairman.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, informed the Senate that, pursuant to the provisions of 15 United States Code 1024(a), as amended, the Speaker had appointed Mr. PATMAN of Texas, Mr. BOLLING of Missouri, Mr. BOGGS of Louisiana, Mr. REUSS of Wisconsin, Mrs. GRIFFITHS of Michigan, Mr. MOORHEAD of Pennsylvania, Mr. CURTIS of Missouri, Mr. WIDNALL of New Jersey, Mr. RUMSFELD of Illinois, and Mr. BROCK of Tennessee as members of the Joint Economic Committee, on the part of the House.

END GEOGRAPHIC INEQUITIES IN THE SELECTIVE SERVICE SYSTEM

Mr. KUCHEL. Mr. President, America's young men, their parents, their loved ones, and all who share our interest in the livelihood of our democracy are deeply concerned over reported inequities in our Selective Service System. Last November a great California newspaper, the Riverside Press-Enterprise printed a series of studies of the draft, its operations and their effects on the future of our youth. One of the significant findings of the Press-Enterprise was summed up in an article entitled "Draft Odds Depend on Where You Live."

Mr. President, I ask unanimous consent that at the conclusion of my remarks, the entire text of that article be printed in the RECORD.

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

(See exhibit 1.)

Mr. KUCHEL. Mr. President, the Press-Enterprise report has taken into account the compensating factors which make draft quotas for different areas equalize over time, or according to other factors. But, even so, it shows that glaring geographic inequities persist.

A good example can be shown from the comparison between Riverside County in California and Denver County in Colorado. Although total population of the two counties is similar, and Denver County has 7,000 more men registered for the draft, the Press-Enterprise reports that in the first 10 months of 1966 Riverside County supplied 637 more men, or nearly 75 percent more than Denver did.

There are undoubtedly sound reasons for some of this difference. Denver, for example, has a larger number of enlistees serving in the Armed Forces, a factor which might reduce the pool of draftable manpower.

Assuming an equal ardor of young men of both areas to serve their country, there appears, nevertheless, to be a significantly greater risk of being drafted in the one county than in the other.

In the coming months the Congress will be called upon to examine thoroughly the effectiveness and the fairness of our Selective Service System, as well as its costs both in terms of money expenditures and in terms of the utilization in our economy of our most precious possession, America's youth. Every Member of Congress will be deeply interested in the entire problem.

I urge the Committee on Armed Services to give full and expeditious consideration to the problem of geographic inequities. For my own part, as a member of the Defense Appropriations Subcommittee, I will support all reasonable expenditures to make our system fair.

EXHIBIT 1

[From the Riverside (Calif.) Press-Enterprise, Nov. 17, 1966]

DRAFT ODDS DEPEND ON WHERE YOU LIVE

(By Bob Holmes)

Comparing a sampling of draft figures from different counties and states—although a risky business—turns up added indications that a man's chances of getting drafted vary, depending on where he lives.

Such comparisons reflect, and they also underscore the fact that draft boards operate differently in different counties and states, and that statewide draft organizations vary in their methods.

For example, Denver County, Colo., which includes Denver, and has a population of roughly 530,000, has had draft calls totaling 856 through the first ten months of 1966.

Riverside County, population 440,000, has had calls totaling 1,493 through October, or almost 75 per cent more.

Fresno County, the California county closest in population (415,000) to Riverside County, has 10,000 more draft-age men registered than here. But its boards have granted student, job, hardship and family deferments to almost twice as many men as have boards here.

On an average, Fresno has 10 per cent fewer men ready for induction each month than Riverside. Too, Fresno quotas through 1966's first ten months have totaled 1,284 men, or 209 less than Riverside County's 1,493.

Including enlistees and draftees, Fresno actually has more men in the armed forces than Riverside County (4,955 to 4,280). So does Denver. A high enlistment rate can help lower a county's draft quotas.

But for the potential draftee, this means part of the odds on his induction depend on something he has no control over—the number of his fellow citizens who enlist.

Selective service officials, explaining variations, say that:

1) Differences in draft quotas equalize out in time;

2) Draft-age groups vary in size in counties with similar population size;

3) Varying local situations result in different numbers of men entitled to a particular type of deferment (such as hardship) in different counties;

4) Local board flexibility produces some differences; and

5) Quotas aren't allotted strictly to counties but to boards, and thus comparing countywide figures is not always meaningful.

Yet these don't seem to explain all variations. And they leave unanswered, the question of whether the differences, even if explainable, can be justifiable. Particularly to the potential draftee facing a Viet Nam sojourn.

Take Riverside County (440,000) and Denver County (530,000):

Col. Frederick Obitz, manpower director for Colorado Selective Service, says Denver is a city that isn't growing rapidly, and whose population includes large numbers of older people.

This would seem to explain partly why its draft calls are lower than Riverside County's.

Yet Denver County has 32,834 available men registered of draft age. Riverside County has 25,000, Selective Service figures show. But Denver County's draft calls this year have totaled 856, compared to 1,493 for Riverside County.

At present, Riverside County has 1,139 draftees serving, compared to 881 from Denver County. The latter has more enlistees on active duty, 4,095 to 3,301, and this accounts for part of the difference in size of draft calls.

Whether it accounts for all of the difference, is difficult to determine. Draft calls this year for the entire state of Colorado, with a population of roughly 2 million, have totaled 2,512 through October. Riverside County, with a population one fifth as large, has had draft calls totaling 1,500. Yet Colorado has six times the number of men registered for the draft as has Riverside County.

To the potential draftee, it again shows that his chances depend partly on how many fellow county residents enlist, and where in the nation he lives.

Illustrative of how quotas vary in different places at the same time, Riverside County's March quota was 386, compared to 275 for the whole state of Colorado. This doesn't necessarily indicate that draft machinery is awry. But it does indicate that in March, a potential draftee would have been better off living in Denver than in Riverside.

Take Riverside County (440,000) and Fresno County (415,000) for another comparison:

The two are considered by the Riverside County Department of Development to be similar counties, and are often used for comparison.

Though about equal in population, Fresno has 34,000 draft age men registered, compared with 25,000 here.

However, Fresno's four boards at any one time has an average of more than 13,300 deferments granted to students, fathers, hardship cases, conscientious objectors, jobholders and ministers—the types of deferments that boards can grant or deny.

The total of such deferments in Riverside County averages only 7,300.

Fresno, for instance, has 9,000 men deferred as fathers and hardship cases, compared with 5,500 here. It has twice as many men deferred for college (2,600 to 1,200 in September), and five times as many deferments granted to high school students.

Fresno also has 6,300 men 4–F, compared with 2,800 here, though the boards have no control over this. Fresno has granted deferments to about six times as many conscientious objectors as have Riverside County boards. Some of these variations are undoubtedly due to varying situations. But they leave the questions of whether boards there are more lenient than is true here, on some types of deferments.

These figures may reflect the results of these differences:

Average monthly number of men classified A–1 in Fresno in 1966, 2,100; in Riverside, 2,420.

Average monthly number of men 19–26 in 1–A who have had physical exams: Fresno, 590; Riverside, 650.

Average monthly number of men 19–26 examined and ready for induction: Fresno, 268; Riverside, 301. These are the figures on which the State Selective Service office bases its monthly calls to counties.

The end result: Fresno's total quotas this year through October, 1,284; Riverside's 1,493. Number of men actually inducted this year: Fresno, 625; Riverside, 780, through October of this year. (The number of men inducted is always about half the draft quota, because of emergency postponements, enlistments and other factors which remove men at the last minute.)

Col. Walter Henderson, deputy state director, admits that a thorough study would have to be made to determine fully the reasons for differences in the two counties' figures.

Variations in draft statistics have also been pointed to in recent months by other sources. Reporter Magazine, for instance, in its June 16, 1966 issue, cited the fact that while Texas has 2.5 million more population than Michigan, its number of men registered for the draft is about the same.

Further, from January through June, 1966, 17,210 men were called for the draft in Michigan, 15,156 from Texas, the magazine reported.

Colonel Henderson says he has wondered at the variations in the number of men registered in New York and California. "The two have about the same population, but New York apparently has about 400,000 more men registered than California," he said recently.

Here as with the draft board policies, only an intensive study by a Congressional committee on government agency could tell whether the variations in draft figures can all be explained away satisfactorily, or whether the system does permit too much local control and difference.

The National Advisory Commission, now making a study of the entire draft system for President Johnson, may come up with the answers early in 1967.

L.B.J. PUTS EMPHASIS ON HUMAN ISSUES IN THE ECONOMIC REPORT

Mr. PROXMIRE. Mr. President, the President's Economic Report shows clearly how important human issues enter into his economic program.

The Council of Economic Advisers' annual report amplifies this, presenting a balanced mixture of humanitarian feelings with hard facts. In looking forward to better education, to the end of poverty, and to improved health care, the Council does not ignore the costs and difficulties, but it recognizes the growing wealth of this country and its increasing ability to end these problems. We now have the means to deal with problems that were rightly considered beyond the means of previous generations.

I want to make it clear that I still believe the budget can and should be cut sharply, by billions of dollars, particularly in the area of public works, the withdrawal of six of our divisions from Europe, which would be a vast savings, and the space program. I am delighted that the President seems to be postponing in large part the supersonic transport which would cost a half billion dollars in coming years.

But we cannot accept the educational inequalities which to this day foreclose many young Americans from equal opportunity.

We cannot tolerate the situation in which health care for many Americans remains inadequate.

These situations are wrong and they are wasteful; they are obstacles to economic growth and efficiency.

Obviously, the economic and social benefits in most areas can be obtained only at substantial public and private costs. Expenditures for health and education have been steadily rising, and will continue to do so. But this money is well spent, both as a social commitment and as an economic investment.

But there is one area where improvement is not costly: to end racial discrimination, the Council reminds us:

> The only cost entailed will be the sacrifice of prejudices.

Economic analysis of social problems has been slow in developing, partly because its variables are difficult to measure. But it is to the credit of the Economic Report that it takes a hard look at these issues. The findings are reflected in the President's important proposals for improving social security, unemployment insurance, and public assistance; for investigating urban problems like zoning and the possibility of income guarantees; and for expanding child health and Headstart programs.

Mr. President, I am delighted to observe in the President's Economic Report that he announces the appointment of former Senator Paul Douglas as the man who will head a commission to investigate urban problems. The President himself comments on the importance of urban problems and zoning to solve our very important problems of the cities.

I am also delighted that the Joint Economic Committee is going to study the problem of income guarantees under the chairmanship of MARTHA GRIFFITHS, who is the chairman of the Subcommittee on Fiscal Policies. It will study problems of cities under the chairmanship of RICHARD BOLLING, of Missouri, who is a very competent Congressman and he is deeply interested in this problem.

PEACE AND HUMAN RIGHTS GO HAND IN HAND

Mr. PROXMIRE. Mr. President, as I continue my daily effort to win Senate ratification of the human rights conventions, I am struck by the shortsightedness of so many of the critics of these treaties.

No responsible observer today advocates our withdrawal to "the easy life" internationally. The question now is not whether the United States accepts an international role, but whether we accept a role commensurate with our unique opportunities and grave obligations.

America cannot indefinitely ignore our opportunity nor permanently postpone our obligation. We must perceive that human rights are not merely a question of State law or Federal statute. The sovereignty of the individual human being must be established. Because only when human rights are secure is peace secure.

The Second World War was begun and waged by countries which first had flaunted and destroyed human rights within their own borders. Aggression since 1945 has been the exclusive practice of powers which deprived their own citizens of basic human freedoms. Contrast these aggressive acts with the Western nations who have granted the right of self-determination to well over a billion people since World War II.

Peace is the constant companion of human rights throughout history. Where the latter is established, the former almost invariably follows. This is not a utopian wish, but a historical fact.

In this challenging hour—when human rights are being recognized by more

individuals and more nations than at any time in history—the U.S. Senate continues to "deliberate" human rights conventions on the fundamental questions of slavery, forced labor, political rights of women, and genocide.

This Senate cannot afford to deliberate any longer. The United States must accept the opportunity and the obligation to lead the great struggle for human rights. If we fail, mankind will be the victim and history will be our final judge. Dante perhaps said it best of all in his "Inferno":

The hottest places in hell are reserved for those who in a period of moral crisis maintained their neutrality.

Let us be sure that history will not characterize the United States as neutral. Let us press for peace by pressing for the establishment of human rights everywhere through Senate ratification of these four conventions.

SENATE RESOLUTION 62—DOROTHY S. McINTYRE

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Senate Resolution 62.

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

The legislative clerk read as follows:

Resolved, That the Secretary of the Senate hereby is authorized and directed to pay, from the contingent fund of the Senate, to Dorothy S. McIntyre, widow of Joseph W. McIntyre, an employee of the Senate at the time of his death, a sum equal to one year's compensation at the rate he was receiving by law at the time of his death, said sum to be considered inclusive of funeral expenses and all other allowances.

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

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

Mr. KENNEDY of Massachusetts. Mr. President, Joseph W. McIntyre, who was my administrative assistant and had served more than 30 years on Capitol Hill, died suddenly on December 11 of last year.

Joe McIntyre served three U.S. Senators. He served with great skill and diligence. His honesty, judgment, and his warmth were respected by all who knew him. He was a career Senate employee who strengthened the Senate during his years here, and served well the people of Massachusetts. His death is a great loss to me and to his many, many friends, here in the Senate and in Massachusetts as well.

As a tribute to his memory, I ask unanimous consent that the eulogy delivered at the funeral mass for Joseph McIntyre be printed in the RECORD.

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

HOMILY GIVEN AT FUNERAL MASS FOR JOSEPH McINTYRE

(By Very Rev. Msgr. Leo J. Coady)

He who serves well loves best, for love is manifest in service. This is true in all human relationships, between man and man, and between man and his Creator. When we know God and love Him, then we will show that love in service. A father and a mother show their love for their family in their constant service to their children. The Church calls herself a "servant church", for it is her mission among men to serve them by her teaching and giving them the means of divine grace.

There is another kind of service in our national life that is in our thoughts this morning. It is what we call "public service" that which is demonstrated by those we call public servants. In our democracy, public service takes many forms. It may be that of the elected official charged with the framing of the law that is essential to public order. It may be that of the executive, charged with the responsibility of carrying out the mandate of the lawmaker. It may be that of the judicial arm of government, whose task it is to interpret and to enforce compliance with law and order. Then there are those, too, who serve in a less well-known capacity, but they are equally important to the public weal. We are fortunate to have in our land thousands upon thousands of such dedicated men and women who understand the meaning of service in our public life.

We gather here at the altar today to mourn the passing of one such servant of the public, one who did not serve in an elected capacity, but one who found his role to be that of serving others in public life. Joseph McIntyre was one not often seen in the public limelight, he did not often enter into the public awareness, but those he served would be the first to admit that much of what is good and honorable in their work depended on his loyal service. Joseph McIntyre found his niche in that kind of public service, and served well for many years.

Many of you who are here appreciated that service and for that reason you come today to pay your respects to him and to offer your consolation to his widow and his family.

Joseph McIntyre served well in the other role, that of parent, and if anything will be of consolation to those who are left behind, it is the memory of a loyal and devoted father, one who served his home and his children.

Our blessed Lord showed his attitude toward service in his own acceptance of Martha in the Gospel as a loyal servant. When her brother Lazarus died, it was Christ who looked into her face and spoke gently to her. He gave her much more than empty words of sympathy. She loved Him much and had given Him much in service, all that her heart could give. He returned that love for love, gift for gift. He opened His lips and spoke those simple words that have been the hope of all the Marthas of the world, and their peace in sorrow: "I am the resurrection and the life."

There is nothing comparable to the majesty of those seven words of Christ, spoken for the consolation of a beloved friend, but intended as the expression of the depth of which the love of Christ is supremely capable. In those words is the promise that those who believe in Him will not die—they will pass through death to a better life.

Whenever we bury the dead, the story of Martha is told in the Gospel of the Mass. Because she believed, many believed and have stood strong in their sorrow because of their faith. And for the Marthas of all time, the Requiem Mass is less a dirge than a quiet lullaby. It is Mother Church laying her little one in the cradle of Mother Earth, confident that the lad will wake in the morning.

As we pray for Joseph McIntyre today, we ask that the merciful Lord will grant him eternal rest, and for ourselves that we may be inspired to higher aspirations of service by his example.

"O Lord, support us all the day long until the shadows lengthen and the evening comes, and the busy world is hushed, and the fever of life is over, and our work is done. Then in thy mercy grant to us all a safe lodging and a holy rest, and peace at the last." (Card. Newman) Amen.

The PRESIDING OFFICER. The question is on agreeing to the resolution.

The resolution (S. Res. 62) was agreed to.

THE ALTERNATIVES TO BRITISH COMMON MARKET MEMBERSHIP

Mr. JAVITS. Mr. President, at this time, I wish to speak on a serious subject and invite the attention of the press to the fact that I am making, in this oral presentation, a serious change in one sentence of the short statement which I wish to make, on the problems which Prime Minister Wilson will be dealing with in his current European trip.

Prime Minister Wilson's current European trip of exploration is being carefully watched in the United States and is being accorded the historic importance it deserves. For this trip could either mark the beginning of a Britain in Europe, enormously strengthening Western Europe itself, or it could mark the beginning of a long-term setback to Europe's becoming a key third factor in the councils of the world.

I believe that Prime Minister Wilson sincerely wants to take Britain into the European Economic Community. The alarming fact, however, seems to be that France—which blackballed the United Kingdom before—has shown little enthusiasm for this new British initiative.

This lukewarm reception is due to three factors: first, the well-known French demand that Britain break its bonds with the Commonwealth and the United States; second, the current West German emphasis on seeking to revitalize its friendship and cooperation with France; and third, the hard negotiations which must lie ahead on the actual economic terms of agreement for British entry into the Common Market.

Top priority must go to British entry into the Common Market. Indications from Mr. Wilson's tour, his Strasbourg speech, and previous statements made for him by Foreign Minister George Brown are that the United Kingdom is prepared to make it unequivocally clear that the United Kingdom intends to accede to the Treaty of Rome. This has always been thought to be President de Gaulle's main condition.

The United Kingdom may be called on, also, to accept the political and military consequences of an intimate European economic involvement. This may even mean short-term difficulties in United Kingdom relations with the United States, but, as one Senator, I believe that our longrun interests will remain in accord, and will be greatly favored by the entry of Britain into the Common Market.

If the United Kingdom does these things and is still rejected, the responsibility for this rejection will lie squarely on France and also on the other five members in the EEC.

As much as I believe it is vital for Britain to enter the Common Market, alternatives must be prepared. While I would not wish the United Kingdom to embrace any alternative now, and while

I feel that the issue is so important that the United Kingdom should take considerable time in attempting to join the EEC—unless economic pressures dictate its abbreviation—I do not believe that the people of the United States ought to be considering the alternative they would be willing to embrace, because we cannot let Britain get into a tremendous tailspin because she is rejected by the Common Market.

In my view, this alternative should be for the industrialized nations of the non-Communist world to form a free trade area involving a commitment for the gradual elimination of tariff barriers among themselves during the next 20 years. This arrangement would begin with the North Atlantic nations—United States, Canada, and Britain—and such European free trade area countries as would be willing to join, and finally Australia and New Zealand as associate members. The aim of this free trade area would be to liberalize trade on industrialized products between the countries adhering to the free trade area by the end of this 20-year period.

Membership would be open to all of Western Europe and associate membership could be offered to developing countries giving them the right of access to this market after a transitional period.

I am fully cognizant of the difficulties in bringing into this free trade area the United States, with its great industrial power, and the other industrialized nations with lesser economic strength. I believe, however, that this problem is not insurmountable and ways can be found to lessen the competitive impact of such an arrangement either through making the tariff reduction process very gradual or by creating a multinational adjustment assistance fund or by delaying tariff reductions for those industrial commodities which would be most likely to suffer untoward injury from such an arrangement.

I believe this alternative which I have suggested and which, incidentally, I have been campaigning for for sometime, should be carefully examined by the governments concerned and by interested private groups in the countries involved. I am confident that support for this alternative exists in the United States, the United Kingdom, Canada, and elsewhere and is growing. I emphasize, I propose it for the firm and deep consideration of the American people.

I want to reemphasize that this propoposal is not designed to exclude the EEC but is a positive attempt to deal with the contingency of another British rejection by the Six. The unavoidable point is that something must be done to help Britain revitalize its economy, and benefit other industrialized nations at the same time.

I would urge my own Government to do everything possible to encourage and assist the United Kingdom in this European policy. I feel we all hope that the Six and the United Kingdom recognize their obvious common interest in this matter and begin the process of making a West European Community, including the United Kingdom, a reality. Should Britain fail in this endeavor, I urge that the U.S. Government and the people of the United States give careful consideration to the alternative I propose, and prepare themselves, if they think well of it, and put it in effect.

A PENNSYLVANIA MINER'S CAMPAIGN FOR CLEAN AIR

Mr. CLARK. Mr. President, I rise to salute a brave man, whom I have never met, but for whom I have deep admiration. His name is Mike Demchak. He is a retired coal miner from Centre County, Pa., and he lives near the little town of Osceola Mills. Last week Mike went to Harrisburg to attend a conference on proposed air pollution controls.

Mike is something of an expert on the subject of air pollution. He has silicosis from 44 years of working underground, and he lives in the vicinity of a coal cleaning plant which emits a choking pall of black dust over the neighborhood.

Mike Demchak's appeal sums up the whole argument for air pollution controls with far more force than a whole library of engineering studies could. He said:

> Most of you people here don't know what it is like to live like we do. . . . I'm pleading with you to do something now for people like us and not wait five years before you begin cleaning up the air. I hate to think I must wait until I die to appeal to the people of Pennsylvania to do something about this dust.

I agree with Mike. The time for action on all levels of government—Federal, State, and local—is not 5 years from now, or 3 years from now, but now.

I suspect that the young people of this country are going to have something to say about this. I suspect that they will insist that their elders do something about cleaning up our polluted air before they strangle to death on it after we have gone to meet our Maker.

I ask unanimous consent that an article on Mike Demchak's crusade for clean air, printed in the Pittsburgh Press of January 22, 1967, be printed in the RECORD at this point.

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

"HUNDRED DEATHS": GRIM REALITY OF DIRTY AIR JOLTS EXPERTS—RETIRED MINER TAKES FIGHT TO CAPITAL WITH EVIDENCE

(By Fred Jones)

Few people in Pennsylvania, outside labor circles, know Mike Demchak. They should. For Mike Demchak is what the battle over the State's new air pollution control is all about.

Mike is a retired coal miner. He has silicosis from 44 years of working underground to help produce the coal that keeps America's economy on the move.

He lives along a wide spot in the road between Osceola Mills and Philipsburg in Centre County—a collection of about 80 people in a community that is so small that it doesn't even have a name.

Mike and his neighbors have a problem. A coal cleaning plant was built near their home recently and from then on, Mike and his neighbors lived under a choking pall of black dust, day in and day out. They wrote letters to the county authorities about the problem. They wrote to the State. They even asked Federal agencies to step in.

NEGATIVE RESULTS

Nothing happened. In the total scheme of things, perhaps, 80 people and Mike Demchak in a little community that doesn't have a name didn't loom very large.

Then last week, Mike made a decision. He and two of his friends drove to Harrisburg to attend a conference on proposed air pollution controls.

For three hours Mike sat there and listened to experts talk. They discussed complicated formulas for determining the amount of pollutants in the air.

Phrases like vector analyses and parametric factors echoed through the auditorium. Economists and officals of large corporations spoke learnedly of the economic impact of proposed regulations on their businesses.

Just before the noon recess, Mike got his chance to speak. He walked up the aisle to the microphone . . . a slight man in a sport shirt faded from repeated washings and began to talk in a clear, calm voice.

LIGHTNING STRIKES

He didn't talk long . . . perhaps five minutes at most. But his words burst like a lightning streak of humanity across a session in which the human element of the problem was buried under a dusty pile of statistics and laboratory reports which reduced human illness and misery to the impersonality of test tube reactions.

"I'm not an important man even if my wife and children think I am," he said. "But I had to come here and tell you what air pollution is really like in the little communities like mine.

"We don't exercise much influence and perhaps it is right that the big problems have to be taken care of first. But I do think something should be done to help the little communities in the state.

"Most of you people here don't know what it is like to live like we do. In the past two years, I have died a hundred times because of this dust. If you have not experienced it, you can have no idea of the agony involved.

"I'm pleading with you to do something now for people like us and not wait five years before you begin cleaning up the air. I hate to think I must wait until I die to appeal to the people of Pennsylvania to do something about this dust."

MOST IMPORTANT THEN

"My wife and children think I am important and I hate to let them down," he said. "I can't tell you what to do to help us because I don't know. All I can do is ask you to do something and to do it soon."

Mike was wrong about only one thing. At that moment, in that auditorium, faded shirt and all, he was the most important man in Pennsylvania.

He represented the thousands of people who died years before they should—the babies who developed respiratory ailments and never enjoyed the full health that every American should have—and he made the experts, the engineers, the industrialists and the businessmen who crowded that hall aware, as nothing else could have, of what all the talking was about.

He was and is important. He was the people of Pennsylvania speaking out and demanding their birthright.

Officials of the State Air Pollution Control Division promised Mike that they would do something immediately about the dust in his little community. They better. Legislators in the audience, some of them near tears, promised Mike that something would be done immediately or they would know the reason why.

While most Pennsylvanians don't know Mike, officials of the United Mine Workers (UMW) remember him well. As president of the St. Michaels local for 15 years, he battled UMW President John L. Lewis over the autonomy of union and gained a reputation as a fighter.

Now 69, Mike's labor battles are behind him. But he proved last week that he can still fight when necessary.

"SCIENCE CAN END ARMS RACE"—ARTICLE BY JEROME B. WIESNER

Mr. CLARK. Mr. President, a most interesting article appeared in the Sunday, January 22, 1967, issue of the Washington Post, by the former scientific adviser of President Kennedy, Dr. Jerome B. Wiesner, provost of the Massachusetts Institute of Technology, entitled, "Science Can End Arms Race—Premier Issue of Our Time Can Be Solved the Same Way It Began and Must Be if Man Will Survive." The article states in a cogent and closely reasoned way why and how we should be moving toward arms control and disarmament, instead of lulling ourselves into a false sense of security by deploying an antiballistic missile system, at a cost of about $5 billion a year, to create an ineffective defense against a missile threat.

I ask unanimous consent that the article be printed at this point in the RECORD as a part of my remarks, and I commend it to the attention of Members of the Senate.

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

SCIENCE CAN END ARMS RACE—PREMIER ISSUE OF OUR TIME CAN BE SOLVED THE SAME WAY IT BEGAN AND MUST BE IF MAN WILL SURVIVE

(By Jerome B. Wiesner)

Provost of Massachusetts Institute of Technology and science adviser to three Presidents of the United States, Dr. Wiesner wrote the article from which the following was excerpted for the Associated Press.

Throughout the world, men dread the spectre of an annihilating nuclear war—yet the arms race goes on and the prospect of controlling it grows dimmer each year. There is still time to reverse this suicidal trend.

As a scientist long concerned with the technical problems of disarmament, I am convinced that it is feasible to design a safe and practical system to limit and control the arms race.

One of the few encouraging aspects of the disarmament picture is that there are so many alternative steps we can take. If one method proves politically impractical, another can be substituted. Singly, and together, these measures would significantly control the arms race and set the stage for world disarmament under international law.

DISARMAMENT BARRIERS

If this is so, why don't we begin? Unfortunately, there are formidable barriers. For instance:

Most people look on disarmament as a utopian dream. There is no effective constituency for peace. Military interests, veterans organizations and weapons producers all have large constituencies and powerful lobbies.

Many people who advocate disarmament demand that it be total disarmament, all at once.

We participate in disarmament conferences, but we don't try sufficiently to understand the attitude of other people, such as the Russians.

In our own strategy discussions, arms control measures are evaluated in terms of the most dangerous possibility, with no consideration given to what will happen if we fail to halt the arms race. The urge to protect ourselves against a madman or an adventurer has seemed to dominate the planning of our defense strategy. This kind of thinking can only end in a world in which sane men are helpless to avoid the ultimate catastrophe.

What started in Europe after World War II as a political confrontation between West and East has become a major military problem, a matter of controlling the arms race. These political and military issues overlap and prevent movement in either field. By reducing the military component, we would immediately open more areas for political accommodations.

THE SCIENTIFIC APPROACH

Against these barriers is the knowledge that the price of failure to prevent another major war is unbelievable horror. If we continue to rely on the traditional forms of international security arrangements, which have always failed, the odds are in favor of a major war within the next two decades.

In many ways, however, the situation is very different today than it has been in the past—in good part because of the scientific revolution. I suggest that this same scientific approach can show us how to avoid war.

In 1957, in response to the realization that the Soviet Union was acquiring a long-range nuclear bomber force, there was a demand for a bomb shelter program. President Eisenhower appointed the Gaither study group to examine our vulnerability to nuclear attack. I became a member.

The President's question was in effect: assuming that a nuclear war was going to occur, what actions should the Government take to protect the people? The question clearly led to an answer calling for a vast shelter and active defense program.

After careful study of the facts, it became clear to us that the issue was not that simple. Nuclear war was not a certainty, nor was it even highly likely. Therefore, what course of action had the greatest likelihood of avoiding war? What effect would a major shelter program have on the actions of a potential enemy, and upon our allies, and therefore on the possibility of war?

GAITHER REPORT INSIGHTS

As a member of President Eisenhower's science advisory committee and as science adviser to Presidents Kennedy and Johnson from 1961 to 1964, I was guided by a number of insights that emerged from the work of the Gaither study.

1. No level of defense could prevent a determined and technologically capable enemy from killing vast numbers of people and destroying much of our country.

8. A massive civil defense program, necessarily creating great public excitement, would almost certainly increase the likelihood of war. The general public will not take it seriously unless it is convinced that a nuclear attack is likely.

3. The longer the arms race went on, the more convinced other nations would be that the Soviet Union and the United States could not come to an agreement. Then other nations, like France or China, would start to build nuclear weapons. This is just what happened.

4. Whatever security we might achieve in an arms race involving nuclear weapons amounted simply to the threat of mutual annihilation.

The Gaither panel recommended measures to insure the existence of a deterrent force. Time has proven that they were based on highly exaggerated estimates of the threat posed by the Soviet Union. The panel concluded that by 1960, or shortly thereafter, the Soviet Union would be able to launch an attack of intercontinental ballistic missiles in sufficient force to annihilate the United States Strategic Air Force and destroy most of our cities. The panel recommended an elaborate program of active and passive defense.

EISENHOWER'S WISDOM

President Eisenhower showed great wisdom in his cautious responses to the recommendations. He said: "You fellows are working on the wrong problem. Why don't you help me with some of the disarmament measures I am interested in? I can't get any help from the Government agencies which should be helping me. They are not interested."

For me, that initiated a long involvement in the complicated subject of disarmament—the technical and military, as well as the political and psychological aspects, looking toward some agreements that would halt the arms race.

In our Government, there was no real understanding of the relative importance of continued nuclear testing to develop "clean" neutron bombs—a frequent reason cited against a test ban—as compared to the achievement of a test ban.

Neither was there any agreement on what constituted a deterrent force. Would we have to threaten to kill 50 per cent of the Soviet population before their leaders would hesitate to attack us, or would the expectation of losing 20 million people plus the cities of Moscow and Leningrad be enough?

It is now evident, incidentally, that up until the time of Cuba, or slightly later, the Soviets were content to rely upon a kind of minimal deterrent force for their security. They never tried to match our bombing forces or our missile forces. We were wrong in our early belief that they were preparing a first strike against the United States. Lately, there has been some evidence that the Russians are building hardened, dispersed missiles and increasing the size of their force. There is also some evidence that they may be contemplating the deployment of defenses against our missile systems.

There has been relative tranquility since 1961 when improved intelligence information convinced United States leaders that the Soviet strategic forces were not capable of a pre-emptive strike. It appears that the Soviet leaders were prepared at that time to settle for an inferior force, both vulnerable and small, requiring only enough strength to act as a creditable deterrent. If they have now chosen to attempt to match United States force size, and we respond by trying to prevent this, the arms race could become more intense than it has been in recent years.

American experts on Russian affairs have ventured a number of guesses about the reason for the possible change in strategy. Perhaps the Soviet leaders felt at a serious disadvantage in bargaining during the Cuban missile crisis. Or perhaps their military planners have taken seriously all the reasons Secretary McNamara has given for our force composition. Possibly the growing argument with China and China's developing ability to make nuclear weapons and ballistic missiles is accountable.

THE DISARMAMENT AGENCY

During President Eisenhower's term, there was no Government agency with the skills, background and motivation to study the technical aspects of arms control, and none that could be expected to work on them with enthusiasm. Only the Science Advisory Committee could give the President that support he needed.

In 1961, President Kennedy established the Arms Control and Disarmament Agency, staffed by full-time experts and advisers on disarmament. The agency is small, undersupported, inadequately staffed and not sufficiently independent. Nonetheless, its creation was a great step toward the goal of a more peaceful world.

Many people take a gloomy view of the possibility of achieving significant disarmament agreements because of the belligerence of the Chinese leaders. I do not think that anything prevents the United States and Russia from taking major disarmament steps. Each is militarily much more powerful than China. The problem with China is different. With no operational nuclear force, she feels

threatened by ours and by that of the Soviet Union. Our problem is to minimize China's fears. Moreover, until China has developed a force strong enough to act as a deterrent to both the United States and the Soviet Union, she is not likely to be a party to any major arms control agreement.

Ultimately, I am certain that the Chinese will want to avoid the dangers and the great costs of a continuing arms race. No matter what they say of their better ability to survive vast damage to people and property, they cannot be very anxious to waste their badly needed resources on a military system that isn't likely to be used.

All of my experiences in the study of disarmament have convinced me that it is possible to design a militarily secure system of arms limitation. It must be done gradually, which does not mean that it must take 50 years. There are people who consider the gradualistic approach too slow for a problem of such urgency, but I do not believe one can blueprint a world acceptable to us and the Chinese and the Soviets, or to anyone else. A peaceful world order must develop by trial and error, by a process of evolution.

At this time, only moderate disarmament steps or experiments—that will present little risk of a major miscalculation—are likely to be acceptable. There is real hope, however, that we could all agree on the need for world disarmament under international law, and that we could spell out these objectives and then begin to carry out experiments.

TWO STEPS TAKEN

We have already taken two steps, the test ban treaty of 1963 which forbade atmospheric testing of nuclear devices, and the agreement approved by the United Nations last month banning the use of outer space for military purposes.

It takes a long time and a great effort to change the balance of military power in any major way. There is essentially no possibility that the clandestine development or production of new weapons can threaten our security before being detected and countered.

The fantastic power of nuclear weapons provides a high degree of stability. Consequently, a few bombs, certain to be delivered, will constitute a powerful deterrent, at least in my view. If one fears attack, the desire to insure the effectiveness of the deterrent in the face of all possible attacks is understandable, and so is the consequent desire to have a force so large that the portion of it surviving a major blow can still destroy a large number of the opponent's military and civilian targets. This is the kind of strategic force that the United States has created.

But the prospect of being struck by a much smaller residual force would still constitute an effective deterrent. Because of this, a considerable variation in relative force size can be permitted. The important point here is to insure that some modest number of weapons can survive any attack and then be delivered effectively.

The dominent security role played by deterrence, the large variation in force size that may be tolerated with safety and the long time required to make any significant changes in weaponry—all provide an environment in which it is possible to reduce armaments with considerable self-assurance.

PROPOSALS TO LBJ

A year ago, I chaired the panel on arms control and disarmament of the White House Conference on International Cooperation Year. Our recommendations to President Johnson placed considerable emphasis on measures that would strengthen the United Nations, since without confidence in the ability of an international organization to keep the peace, nations will continue to rely on their ability to build up their own forces.

The panel recommended a nonproliferation treaty to prevent more nations from becoming nuclear powers. This treaty, under discussion now, is perhaps the most important single step we could take at the moment. Blocking it, however, is United States confusion on the issue of sharing control over its European nuclear weapons with NATO, and the Russian refusal to sign a nonproliferation treaty if Germany, as a NATO country, shares control.

It appears that recently, while Soviet Foreign Minister Gromyko was in the United States, the gap between United States and Soviet positions was closed somewhat and some officials are now predicting agreement.

Unfortunately, opposition to a simple nonproliferation treaty has been developing among some of the non-nuclear nations, among them India, which have come to believe that the United States and the Soviet Union are only interested in restricting the access of other nations to nuclear weapons and not in disarmament.

These nations are likely to refuse to sign a nonproliferation agreement unless the nuclear powers impose restraints upon themselves. Among the restraints that have been mentioned are a comprehensive test ban and a halt in the production of nuclear materials.

Among the other initial arms control steps recommended by the I.C.Y. disarmament panel were:

Pledges by the nuclear powers not to attack, or threaten to attack, any nonnuclear nation.

A treaty among the United States, Britain and the Soviet Union to cease production of nuclear materials.

Creation of nuclear-free zones in Latin America, Africa and the Near East.

A freeze on the construction of new missiles.

A one-third cut in the number of existing nuclear weapons by the major powers—leaving all far more than enough to serve as a deterrent against attack.

A moratorium for at least three years on developing and deploying antiballistic missile systems. The prime reason for this recommendation is that a United States or Soviet ABM system would almost surely induce both superpowers to step up "deterrent" capabilities. There is also a serious question of the military value of such defense systems.

Some of these recommendations are simple and easy to achieve. Others would require a great deal of thought and effort. But none would pose a security problem for the United States or any other nation.

The real threat lies in continuing the arms race.

FACTFINDING ARMS CONTROL, AND DISARMAMENT

Mr. CLARK. Mr. President, last November 28, after the Senate had adjourned, Mr. Richard N. Gardner, senior adviser to the U.S. delegation to the 21st General Assembly, in the sixth committee of that organization, on the question of factfinding, made an extremely important and useful statement about the attitude of the United States toward the vexing problem of factfinding.

In that statement Mr. Gardner said the U.S. delegation considers the subject of factfinding as of critical importance to our nationally announced goal of arms control and general and complete disarmament.

I ask unanimous consent that a copy of Mr. Gardner's statement be printed in the RECORD at this point of my remarks.

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

STATEMENT BY RICHARD N. GARDNER, SENIOR ADVISER TO THE U.S. DELEGATION TO THE 21ST GENERAL ASSEMBLY, IN THE SIXTH COMMITTEE ON THE QUESTION OF FACTFINDING, NOVEMBER 28, 1966

The United States welcomes the opportunity to express its views on the subject of fact-finding and on the draft resolution put forward by the Delegation of The Netherlands.

Our Delegation considers the subject of fact-finding of central importance, not only in efforts to achieve political settlements and a reduction of tensions, but also in efforts toward arms control and general and complete disarmament. We see improved fact-finding procedures as an important part of a package of immediately realizable measures to lessen international tension and turn down the arms race.

In almost every region of the world there are international disputes which either have erupted or threaten to erupt into violence. In many of these disputes there are differences, not only over the applicable law, but over the facts. Is a frontier being violated? Are foreign powers inciting domestic violence? What are the real wishes of the people as they would be expressed in a fair and free election?

In our domestic societies, we have all learned the central importance of fact-finding for civil peace and the rule of law. As lawyers, we know that in most law suits the parties assert different versions of the facts. What would all of us do if our courts had no orderly way of deciding between contradictory and self-serving statements of the interested parties? What would we do if our legislatures had no means for the systematic and objective elucidation of the facts? The outlook for civil peace and the rule of law, to say the least, would be very bleak.

Yet is this not very nearly the situation in which we will find ourselves in the international community if our institutions for fact-finding are not significantly strengthened? It is true that some progress in fact-finding has been made by the Specialized Agencies and by regional organizations such as the Organization of African Unity and the Organization of American States. It is also true that the United Nations has conducted successful fact-finding and peace observation missions ad hoc, as a result of decisions of the Security Council or General Assembly, or as a result of action by the Secretary General pursuant to his authority under the Charter.

But is all this enough? We do not believe that it is. There is growing interest in our country in the further strengthening of international fact-finding machinery. As examples, I would call the attention of my distinguished colleagues to two studies that have recently been published in the United States on this subject. The first is the report of the Committee on the Peaceful Settlement of Disputes to President Johnson's White House Conference on International Cooperation, a report which contains proposals for strengthening the fact-finding machinery of this Organization. The second is the important study by Mr. David Wainhouse, "International Peace Observation: A History and Forecast," a study that was undertaken on the initiative of the U.S. Arms Control and Disarmament Agency.

As to the attitude of the United States Government, I am authorized to state today that the United States is prepared to accept impartial fact-finding—through a United Nations organ, a regional organization or bilateral arrangements, as may be appropriate—in *any* dispute to which we are a party *anywhere* in the world where there is a controversy over the facts.

We of the United States Delegation are quite open-minded about just how fact-finding machinery should be improved. Perhaps, as Ambassador Goldberg suggested last year in his statement in the Special Political Committee on the Peaceful Settlement of Disputes, the existing UN Panel for Mediation and Enquiry should be reconstructed to make it a more effective instrument for the performance of its task. Perhaps greater use should be made of rapporteurs and conciliators in cases before the Security Council and General Assembly. Perhaps some different approach is needed.

This item of fact-finding has now been before this Committee for three years. We believe the time has come to deal with this matter in a more concrete and systematic way. That is why we favor the adoption in its present form of the draft resolution submitted by the Netherlands Delegation.

ESTABLISHMENT OF A FEDERAL MOTOR VEHICLE INSURANCE GUARANTY CORPORATION

Mr. DODD. Mr. President, I have two unanimous-consent requests to make. One is that Mr. Dean Sharp, of the Subcommittee on Antitrust and Monopoly Legislation staff, may be present on the floor while I make my remarks about the bill I am about to introduce.

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

Mr. DODD. My second unanimous-consent request is that I be granted an additional 3 minutes to introduce this bill.

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

Mr. DODD. Mr. President, on behalf of Senators MAGNUSON, BARTLETT, BREWSTER, CLARK, HART, HARTKE, MOSS, NELSON, YARBOROUGH, WILLIAMS of New Jersey, and myself, I introduce for appropriate reference a bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation.

This bill is similar to S. 3919, which I introduced last October. Certain of its provisions have been revised and clarified, but the basic purpose of this legislation remains the same.

Mr. President, this bill is based on information that we developed during and following hearings of the Senate Antitrust and Monopoly Subcommittee in May 1965. The hearings and our investigation show that during the last 6 years, 73 companies writing motor vehicle insurance have been placed in liquidation or receivership. As of last October, there were 65 insolvencies. Since then we have learned that eight more companies are bankrupt, including three in the past few weeks.

These companies were chartered in 22 States, and more than one-half of them were writing auto insurance policies in States other than their home State. In fact, six were writing in 35 States or more.

These companies are called high risk because they write coverages mainly for those unable to obtain auto insurance from the standard or regular casualty companies.

We found during our investigation that nearly all of these insolvencies were caused by specific acts of dishonesty practiced by company management, or management's failure to act in the best interests of the company and policyholders.

The tragedy of these insolvencies is the unbelievable financial suffering caused to some 300,000 unfortunate policyholders and accident victims, many of whom were seriously injured. These claimants are seeking an estimated $600 million out of net collectable assets of $25 million. Undoubtedly these claims will be settled for a much smaller amount. When this sad chapter in insurance history is finally closed, these claimants will have lost well over $100 million.

In order to illustrate the seriousness and magnitude of this insolvency problem I am including a table showing the estimated average amount of cents on the dollar claimants will receive in certain States. We will continue to gather such data from the States, and publish it from time to time.

The problem of auto insurance insolvency is not new, and it is not limited to those companies writing this high-risk, high-rate business.

During the years 1945 to 1959, some 98 property and casualty insurers were declared insolvent and liquidated. This is demonstrated by various studies, including those made by the Antitrust Subcommittee prior to 1961. Nearly all of these insurers wrote some automobile business, with some writing a predominance of it. It is now estimated that the public lost some $150 million as a result of these failures.

Our recent investigation indicates that in a number of cases lax regulatory practices by State officials permitted conditions to exist which eventually led to financial disaster. Inadequate insurance department budgets and occasional apathy by regulatory officials contributed to this staggering financial loss.

In addition, the absence of effective coordination among the States was a factor in many insolvencies.

But insurance regulators have told us that even under the best of conditions acts of managerial malfeasance and careless management practices cannot always be detected in time to avert insolvency. They say that regulation and examination will not eliminate the basic cause of insolvency—human frailty. They do agree, however, that more money, better trained personnel, and higher quality examinations would certainly help check insolvencies and reduce losses in many instances. But it would not eliminate all insolvencies and consequent losses.

Our studies substantiate the view of these regulators. They also indicate that in the present keenly competitive automobile insurance climate with relative freedom of entry into the business, it is extremely doubtful that regulation and examinations alone can be expected to protect the public from insolvency losses.

Of course, we could eliminate insolvency by granting monopolies, or by giving subsidies to the weaker companies or by even attempting to reform human nature. But, I for one, do not propose that we do any of these.

Three States, New York in 1947, New Jersey in 1952, and Maryland in 1965, recognized the wisdom of establishing guarantee or security funds to compensate the victims of auto insurer insolvencies. These States know that adequate and effective insurance regulations entails quality examinations and guarantee funds.

That this fact has long been known to the Federal Government in the financial field is evidenced by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Corporation.

Just last year, Congress strengthened the protection offered by these Corporations through the Financial Institutions Supervisory Act. And the maximum insurance on deposits in these institutions was also raised from $10,000 to $15,000.

There is no question that these Federal Corporations have greatly benefited not just the public, but the banking and savings and loan institutions themselves.

As opposed to these laws as many of the banks and savings and loan associations were at one time, there is not one of them who would now dispute the wisdom of their enactment.

There is little that we can do to alleviate the terrible financial suffering caused by past auto insurance insolvencies. But we can and must prevent these tragic financial losses from occurring in the future.

I believe that the Federal motor vehicle insurance guarantee system proposed in this bill would reduce both the frequency of auto insurer insolvencies and the magnitude of financial loss.

I further believe that the approach taken in this bill would be of definite benefit not only to the public and the insurance business itself, but to those State insurance departments that are so woefully underbudgeted and understaffed.

This bill includes many of the features of the FDIC and FSLIC legislation, and the motor vehicle insurance guarantee or security funds of New York, New Jersey and Maryland.

The basic purpose of the proposed legislation is to guarantee the contractual performance of insurers issuing policies of motor vehicle insurance in interstate commerce. It also provides coverage for insurers issuing policies only in the State in which they are chartered—that is, in intrastate commerce—if they wish to apply for guarantee status.

Interstate insurers must apply for guarantee status within 1 year after enactment of the bill. A civil penalty is provided if, after 1 year, any insurer without guarantee status issues any motor vehicle insurance policy in interstate commerce.

The bill provides that any insurer whose policies are guaranteed by the Corporation shall include a statement in each policy to the effect that such policy is guaranteed by the Corporation. It is anticipated that competition from interstate insurers with guaranty status will provide incentive for local insurers to seek guaranty status.

Once any insurer whose policies are guaranteed is declared insolvent by the final decision of the appropriate court, the Corporation shall assume and perform all the obligations of the insolvent insurer.

The Corporation is authorized to adjust and settle any claim pending against the insured or insurer, but only up to policy limits. The Corporation is also authorized, subject to certain limitations, to defend actions pending or brought against the policyholder or insured. Each policyholder claim will be subject to a $300 deductible provision, and each injured party claim will be subject to a $100 deductible.

The Corporation would succeed to the rights of the insured or injured party for purposes of asserting any of their rights against the insurer. The Corporation, instead of claimants, would wait in line for an eventual distribution which takes from 5 to 10 years today.

A fund consisting initially of $50 million capitalized through the Treasury, to be later repaid, would be self-supporting by means of a nominal semiannual charge of one-eighth of 1 percent of each insurer's net direct premium writings. This would be established in the Treasury, and would be available to the Corporation to carry out its guaranty functions. All administrative costs of the Corporation, including those of examinations, will be borne by the fund.

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

Mr. DODD. I am happy to yield.

Mr. LAUSCHE. The Senator has just stated that the fund would be supported by the imposition of a one-eighth of 1 percent premium or tax upon those who participate?

Mr. DODD. Yes, of each insurer's net direct premium writings.

Mr. LAUSCHE. Yes.

The PRESIDING OFFICER. The Senator's 6 minutes have expired.

Mr. DODD. I ask unanimous consent that I may have an additional 3 minutes.

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

Mr. LAUSCHE. Mr. President, has sufficient attention been given to the adequacy of the amount necessary to sustain the fund permanently?

Mr. DODD. I believe so. I intend to spell that out in a moment. I think the Senator will be interested in that feature of it.

The guarantee fee computed on an annual basis would mean a charge of 25 cents on every $100 of premium, and the bill allows the insurer to pass on any part of the fee to the policyholder. But any part charged the policyholder shall not be included in any premium otherwise payable and shall be clearly identified and described by the insurer as an assessment or charge for guarantee purposes.

We talked to many people who had experience in this matter, including people in the industry and in the regulatory phase of the insurance business in the various States. Many of these people think that this is a workable program.

Once this fund reaches a ceiling of 2 percent of the net direct premium writings of all insurers with guaranteed status, the Corporation would waive the fee required as long as the fund remains at this 2-percent level.

The Corporation would be given broad examination powers to examine insurers making application for guarantee status, and those insurers whose policies are guaranteed.

But, in carrying out its examination functions, it would be "the intent of Congress" that all examinations conducted by the Corporation would be coordinated with the appropriate State supervisory authorities and with the National Association of Insurance Commissioners.

My answer to the Senator from Ohio [Mr. LAUSCHE] is that this matter has been carefully studied and examined. We believe that this is a workable formula. The cost is very slight. I think that the average policyholder would not mind paying a charge amounting to 25 cents on every $100 of motor vehicle insurance premium. It does not amount to very much money. It seems to me that this terrible problem of insolvency must be solved.

I think that this is one way in which the Federal Government, without stepping in and taking over full control, can help the States to better regulate the insurance business, and protect the thousands of insurance policyholders so that they will not be left without any recourse whatsoever.

The Corporation's examination powers are intended only to reinforce, not to supplant, State insurance regulation.

This concept envisions one level of government attemping to strengthen another through partnership, not rivalry.

I believe that the guarantee and examination system proposed by this legislation is reasonable. This bill is one that I, and the many who have helped, have spent a great deal of time thinking about and working on.

Mr. President, because this terrible insolvency problem cries out for a solution, I urge my colleagues to give this legislation serious and prompt consideration.

I cannot say it any stronger than I did last October. The need for this bill is plain and demanding. It has become a matter of urgency.

Mr. President, I ask unanimous consent to have the table, the text of the bill, and certain editorials, and other material, printed in the RECORD. I also ask unanimous consent that the bill be kept at the desk for 1 week so that my colleagues will have an opportunity to join as cosponsors.

Mr. President, I am extremely pleased that certain Representatives have taken the position they have on this legislation, and on a thorough investigation of automobile insurance.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the material referred to and the bill will be printed in the RECORD and the bill will be held at the desk as requested by the Senator from Connecticut.

The bill (S. 688) to establish a Federal Motor Vehicle Insurance Guaranty Corporation, and for other purposes, introduced by Mr. DODD (for himself and other Senators), was received, read twice by its title, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 688

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to express the intent of Congress with reference to the regulation of the business of insurance," approved March 9, 1945 (59 Stat. 33, 15 U.S.C. 1011 et seq.), is amended by adding at the end thereof a new title as follows:

"TITLE II—FEDERAL MOTOR VEHICLE INSURANCE GUARANTY CORPORATION

"SHORT TITLE

"SEC. 201. This title may be cited as the 'Federal Motor Vehicle Insurance Guaranty Act'.

"DEFINITIONS

"SEC. 202. As used in this title—

"(1) The term 'insurer' means any partnership, corporation, association, reciprocal exchange, interinsurer, or any other legal enterprise engaged in the business of issuing or reinsuring motor vehicle insurance policies in interstate commerce, or engaged in the business of issuing motor vehicle insurance policies which are reinsured (in whole or in part) in interstate commerce.

"(2) The term 'motor vehicle insurance policy' or 'policy', means any contract of motor vehicle insurance including any endorsements thereto, without regard to the nature or form of the contract or endorsements, insuring against legal liability and all other loss contingencies arising out of the ownership, operation, or maintenance of motor vehicles.

"(3) The term 'net direct written premiums' means direct gross premiums written on motor vehicle insurance policies, less return premiums thereon and dividends paid to policyholders on such direct business. For the purposes of this subsection, premiums written on motor vehicle insurance policies issued to self insurers, whether or not designated as reinsurance contracts, shall be deemed 'net direct written premiums'.

"(4) The term 'injured party claim' means a claim of a person, other than a policyholder or insured, who suffered an injury to his person or property, for personal injuries or property damage, arising out of a motor vehicle accident within the coverage of a policy.

"(5) The term 'policyholder claim' means (A) a claim of a policyholder or insured within the coverage of a policy, arising out of a motor vehicle accident wherein such policyholder or insured suffered damage within the coverage of the policy (B) a claim by a policyholder or insured for return premium arising out of the termination of the policy by reason of insolvency, or (C) any other claim of a policyholder or insured who has suffered any other losses arising out of contingencies covered under a policy.

"(6) The term 'interstate commerce' means trade or commerce among the several States, or between the District of Columbia or any possession of the United States and any State or other possession, or within the District of Columbia.

"(7) The term 'State' means any State, or any possession of the United States, the District of Columbia, and the Commonwealth of Puerto Rico.

"ESTABLISHMENT OF CORPORATION

"SEC. 203. (a) There is hereby established a Federal Motor Vehicle Insurance Guaranty Corporation (hereinafter referred to as the 'Corporation') which shall guarantee the contractual performance of certain insurers and other entities issuing motor vehicle insurance policies.

"(b) The management of the Corporation shall be vested in a Board of Directors (hereinafter referred to as the 'Board') consisting of three members appointed by the President by and with the advice and consent of the Senate. Not more than two members of the Board shall be members of the same political party. The President shall, at the time of appointment, designate one of the members of the Board to serve for a term of two years, one for a term of four years, and one for a term of six years. Thereafter the term of

each member appointed to the Board shall be six years from the date of the expiration of the term for which his predecessor was appointed. Whenever a vacancy shall occur among the members of the Board the person appointed to fill such vacancy shall hold office for the unexpired portion of the term of the member whose place he is selected to fill. The President shall designate one of the members as Chairman of the Board. In the absence of the Chairman or in the event of his disability the duties of his office shall be performed by one of the other members of the Board to be designated by the Chairman.

"(c) The Corporation shall have a capital stock of $50,000,000 which shall be divided into shares of $1,000 each. The total amount of such capital stock shall be subscribed for by the Secretary of the Treasury. For the purpose of making payments for such stock the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under such Act are extended to include such purchases.

"(d) Upon the date of enactment of this title, the Corporation shall become a body corporate and shall be an instrumentality of the United States, and as such shall have power—

"(1) To adopt, alter, and use a corporate seal.

"(2) To adopt, amend, and repeal bylaws governing the performance of its powers and duties.

"(3) To have succession until dissolved by Act of Congress.

"(4) To make contracts, and execute all instruments necessary or appropriate in the exercise of its powers.

"(5) To sue and be sued, complain and defend, in any court of competent jurisdiction in the United States or its territories or possessions or the Commonwealth of Puerto Rico. No attachment or execution shall be issued against the Corporation or its property. The Board shall designate agents upon whom service of process may be made.

"(6) To appoint such officers, employees, attorneys and agents as may be necessary for the performance of its duties.

"(7) To exercise by the Board, or duly authorized officers or agents, all powers specifically granted by this title, and such incidental powers as may be necessary to carry out the powers so granted.

"(8) To prescribe by the Board such rules and regulations as it may deem necessary to carry out the provisions of this title.

"(e) Except as otherwise provided in this title, the Government Corporation Control Act, or any other Act of Congress, the Corporation shall determine the necessity for and the character and amount of its obligations and expenditures, and the manner in which they shall be incurred, allowed, paid, and accounted for.

"(f) The Corporation shall be entitled to the free use of the mails in the same manner as the executive departments of the Government, and, with the consent of the head of any department or agency of the Government, may avail itself of the use of information, services, and facilities thereof in carrying out the provisions of this title.

"(g) The Corporation, including its capital, reserves, surplus, or other security holdings, and income shall be exempt from all taxation now or hereafter imposed by the United States, or any territory or possession thereof, or by any State or political subdivision thereof.

"(h) No individual, association, partnership, or corporation, other than the Corporation, shall hereafter use the words 'Federal Motor Vehicle Insurance Guaranty Corporation', or any combination of such words, as the name or part thereof under which he or it shall do business. Any violation of this subsection shall be punishable by a fine of not exceeding $100 for each day during which such violation is committed.

"(i) Section 5315 of title 5 of the United States Code is amended by redesignating items (70)–(77) as items (71)–(78), and by inserting after item (69) a new item as follows:

"'(70) Members of the Board of Directors of the Federal Motor Vehicle Insurance Guaranty Corporation'.

"(j) Section 101 of the Government Corporation Control Act, as amended (31 U.S.C. 846), is amended by adding after 'Federal Housing Administration', the following: 'Federal Motor Vehicle Insurance Guaranty Corporation'.

"APPLICATIONS FOR GUARANTY

"SEC. 204. (a) Each insurer shall make application to the Corporation for guaranty under this title, and any other entity engaged in the business of issuing motor vehicle insurance policies may make application for guaranty under this title. Such application shall be in such form and contain such information as the Corporation shall by regulation prescribe. The Corporation shall approve any such application if it finds, after a thorough examination, that the capital and/or surplus of the applicant is not impaired, and its financial condition and management are sound. Upon the approval of any such application the Corporation shall notify the applicant and issue to it an appropriate certificate, which shall become effective not earlier than one year after the date of enactment of this title. Upon the taking effect of any such certificate issued to an insurer or other entity, the contractual obligations of such insurer or other entity under motor vehicle insurance policies shall be guaranteed by the Corporation. Any insurer or other entity whose motor vehicle insurance policies are guaranteed by the Corporation shall include a statement in each policy to the effect that such policy is guaranteed by the Corporation. The Corporation shall prescribe by regulation the substance of such statement and the form and manner of use. If any such application is not approved by the Corporation it shall promptly notify the applicant and the appropriate State supervisory authority, and shall state the reasons therefor. Any insurer or other entity the application of which has been denied by the Corporation shall, upon written request made to the Corporation within thirty days after receipt of the notification of denial, be granted a hearing.

"(b) Each insurer or other entity the policies of which are guaranteed under this title shall pay to the Corporation not later than June 30 and December 31 of each year commencing after the date on which the application of such insurer or other entity was approved by the Corporation a guaranty fee. Such fee shall be equal to one-eighth of 1 percentum of the net direct written premiums charged by the insurer or other entity during the preceding six-month period. Whenever the net asset value of the fund, established pursuant to section 206 (excluding the aggregate of actual and estimated liabilities chargeable to such fund as determined by the Corporation), exceeds 2 per centum of the annual net direct written premiums charged by all insurers or other entities the policies of which are guaranteed under this title, the Corporation shall waive the requirement for fees as herein stated: *Provided,* That such requirement shall be reinstated whenever the net asset value of such fund (including the aggregate of actual and estimated liabilities chargeable to such fund as determined by the Corporation) is less than 2 per centum of the annual net direct written premiums charged by all such insurers or other entities: *Provided further,* That no distribution or rebate shall be made by reason of the fact that the total amount in fees collected by the Corporation at any time exceeds 2 per centum of such annual net direct written premiums.

"(c) In any case where an additional charge is made by an insurer or other entity to any policyholder to defray any part of the cost of any fee payable by such insurer or other entity as provided in subsection (b), the amount of such charge shall not be included in any premium otherwise payable by such policyholder and shall be clearly identified and described by the insurer or other entity as an assessment or charge for guaranty purposes.

"PAYMENT OF GUARANTY

"SEC. 205. (a) The Corporation shall assume and perform all the obligations of an insurer or other entity under motor vehicle insurance policies which are guaranteed under this title, if:

"(1) such insurer or other entity is determined by a final decision of a court of competent jurisdiction to be insolvent;

"(2) the receiver or liquidator appointed by such court gives written notice to the Corporation of such decision; and

"(3) such receiver or liquidator makes all books and records (including claim files) available to the Corporation.

"Upon compliance with the foregoing with respect to any such insurer or other entity, the Corporation shall file forthwith a certificate of assumption with the court having jurisdiction over such insurer or other entity.

"(b) Upon the filing of a certificate of assumption, all proceedings pending in any court against the insured or insurer or other entity arising out of a motor vehicle accident within the coverage of a policy guaranteed under this title shall be stayed automatically for a period of thirty days for the purposes of this title.

"(c) The Corporation shall be subject to the same obligations, liabilities, terms, conditions and waivers of the insurer or other entity the policies of which are guaranteed under this title and shall have available any defense or defenses (including that of policy limits) which would be available to the insurer or other entity.

"(d) The Corporation is authorized to investigate, examine, adjust, compromise or settle any claim pending against the insured or insurer or other entity on or after the date of the filing of a certificate of assumption. The Corporation is authorized to defend any action pending or brought against the policyholder or insured on or after the date of the filing of such certificate.

"(e) No injured party claim in the amount of $100 or less and no policyholder claim in the amount of $300 or less shall be paid by the Corporation. With respect to any injured party claim, the Corporation shall pay only that portion of the claim which is in excess of $100, and the Corporation shall pay only that portion of any policyholder's claim which is in excess of $300. No claim for return premium shall be allowed in excess of 50 per centum of the unearned premium.

"(f) The Corporation shall succeed, as of the date of the filing of the certificate of assumption, to the rights of the policyholder or insured or injured party for purposes of asserting any rights of such policyholder or insured or injured party against the insurer or other entity.

"FEDERAL MOTOR VEHICLE INSURANCE GUARANTY FUND

"SEC. 206. (a) Funds obtained by the Corporation from the sale of its capital stock, as provided in section 203(c), and from fees collected pursuant to section 204(b), shall be deposited in the Federal Motor Vehicle Insurance Guaranty Fund (hereinafter referred to as the 'fund'), which is hereby established in the Treasury of the United States. The fund shall be available to the Corporation for carrying out its guaranty functions under this title, and for operating expenses arising in connection therewith. Moneys deposited in the fund which are not otherwise employed shall be invested in obligations of the

United States or in obligations guaranteed as to principal and interest by the United States.

"(b) The Corporation shall retire as rapidly as practicable, having due regard to the need to maintain at all times the solvency of the fund, the capital stock of the Corporation which is held by the Treasury.

"(c) If at any time the Corporation determines that the solvency of the fund is jeopardized by reason of extraordinary demands made in the course of its guaranty operations, the Corporation is authorized to borrow from the Treasury and the Secretary of the Treasury is authorized and directed to lend to the Corporation, on such terms as may be fixed by the Corporation and the Secretary, such funds (not exceeding in the aggregate $500,000,000) as the Corporation determines are necessary to meet its guaranty obligations. For the purposes of this subsection, the Secretary of the Treasury is authorized to use as a public-debt transaction the proceeds of the sale of any securities hereafter issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under such Act are extended to include such loans. Any such loan shall be used by the Corporation solely in carrying out its guaranty functions. All loans and repayments under this subsection shall be treated as public-debt transactions of the United States.

"EXAMINATIONS

"SEC. 207. (a) The Corporation shall have power to make examinations of and require information and reports from any insurer or other entity making application for guaranty status, or whose policies are guaranteed under this title.

"(b) The Corporation shall appoint examiners who shall have power, on behalf of the Corporation, to examine any insurer or other entity making application for guaranty status, or whose policies are guaranteed under this title, whenever in the judgment of the Corporation an examination of such insurer or other entity is necessary. Each such examiner shall have power to make a thorough examination of the insurer or other entity, and shall make a full and detailed report of its condition to the Corporation. The Corporation in like manner may appoint (1) claim agents who shall have power to investigate, examine, adjust, compromise, or settle all claims assumed by the Corporation within the coverage of policies guaranteed under this title, and (2) attorneys who shall have power to represent the Corporation in any action the defense of which is assumed by the Corporation under this title.

"(c) All examiners appointed by the Corporation shall cooperate as far as practicable with the appropriate State supervisory authorities in conducting examinations under this title. It is the intent of Congress that any such examinations shall be coordinated with examinations by the appropriate State supervisory authorities and the National Association of Insurance Commissioners.

"(d) Copies of any report or statement made to the appropriate State supervisory authority by an insurer or other entity whose policies are guaranteed under this title shall be filed with the Corporation within ten days after such reports or statements have been made to such authority. The Corporation may accept any report or statement made to an appropriate State supervisory authority by any insurer or other entity making application for guaranty status under this title, or whose policies are guaranteed under this title.

"(e) If any insurer or other entity whose policies are guaranteed under this title, after written notice is given to it and the appropriate State supervisory authority of the recommendations of the Corporation based on a report of examination by an examiner of the Corporation (alone, or in conjunction with, an examiner of the appropriate State supervisory authority), shall fail to comply with such recommendations within such time as the Corporation deems appropriate in the light of the circumstances of the case, the Corporation may publish such part of such report of examination as relates to any such recommendation not complied with: *Provided*, that notice of intention to make such publication shall be given to the insurer or other entity and the appropriate State supervisory authority at least sixty days before such publication is made.

"TERMINATION OF GUARANTY

"SEC. 208. (a) If, in the opinion of the Corporation, any insurer or other entity the motor vehicle insurance policies of which are guaranteed under this title is engaging in an unsafe or unsound practice or is violating or has violated an applicable law, rule, or regulation, the Corporation shall serve upon such insurer or other entity a statement with respect to such practices or violations for the purpose of securing the correction thereof, and shall send a copy of such statement to the appropriate State supervisory authority.

"(b) Unless such correction shall be made within sixty days after service of such statement, or such shorter period of not less than ten days after such service as (1) the Corporation shall require in any case where the Corporation determines that its guaranty risk with respect to such insurer or other entity could be unduly jeopardized by further delay in the correction of such practices or violations, or (2) the appropriate State supervisory authority shall require, or unless within such time the Corporation shall have received acceptable assurances that such correction will be made within a time and in a manner satisfactory to the Corporation, or in the event such assurances are submitted to and accepted by the Corporation but are not carried out in accordance with their terms, the Corporation may, if it shall determine to proceed further, issue and serve upon such insurer or other entity written notice of its intention to terminate its guaranteed status.

"(c) Such notice shall contain a statement of the facts constituting the alleged violation or unsafe or unsound practices, and shall fix a time and place for a hearing thereon. Such hearing shall be fixed for a date not earlier than thirty days after service of such notice. Unless the insurer or other entity shall appear at the hearing by a duly authorized representative, it shall be deemed to have consented to the termination of its guaranteed status. In the event of such consent, or if upon the record made at any such hearing the Corporation shall find that any violation or unsafe or unsound practice specified in such notice has been established and has not been corrected within the time above prescribed in which to make correction, the Corporation may issue and serve upon the insurer or other entity an order terminating its guaranteed status and a copy thereof shall be filed with the appropriate State supervisory authority. The Corporation shall also cause notice of such termination to be published in such newspapers or journals of general circulation as it deems necessary and advisable in the public interest. Such order shall become effective upon the service thereof upon the insurer or other entity and the appropriate State supervisory authority, and shall remain effective except to the extent that it is stayed, modified, terminated, or set aside by action of the Corporation or by a reviewing court.

"(d) An order terminating the guaranteed status of any insurer or other entity shall not affect any guaranteed motor vehicle policy issued by such insurer or other entity prior to the date on which such order was issued, but shall be effective with respect to (1) the renewal of such policy, and (2) any motor vehicle policy thereafter issued by such insurer.

"HEARINGS AND JUDICIAL REVIEW

"SEC. 209. (a) Any hearing provided for in this title shall be held in the Federal judicial district or in the territory in which the principal office of the insurer is located, unless the insurer consents to another place, and shall be conducted in accordance with the provisions of chapter 5 of title 5 of the United States Code. Such hearing shall be public unless the Corporation, upon the request of the insurer, determines that a private hearing would be in the public interest. After such hearing, and within thirty days after the Corporation has notified the parties that the case has been submitted to it for final decision, the Corporation shall render its decision (which shall include findings of fact upon which its decision is predicated) and shall issue and cause to be served upon each party to the proceeding an order consistent with the provisions of this title. A copy of such order shall be filed with the appropriate State supervisory authority. Unless a petition for review is timely filed in a court of appeals of the United States, as hereinafter provided, and thereafter until the record in the proceeding has been filed as so provided, the Corporation may at any time, upon such notice and in such manner as it deems proper, modify, terminate, or set aside any such order. Upon such filing of the record, the Corporation may modify, terminate, or set aside any such order with permission of the court.

"(b) An insurer may obtain a review of an order served pursuant to subsection (a) (other than an order issued with consent of the insurer) by filing in the court of appeals of the United States for the circuit in which the principal office of the insurer is located, or in the United States Court of Appeals for the District of Columbia Circuit, within thirty days after the date of service of such order, a written petition praying that the order of the Corporation be modified, terminated, or set aside. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Corporation, and thereupon the Corporation shall file in the court the record in the proceeding, as provided in section 2112 of title 28 of the United States Code. Upon the filing of such petition, such court shall have jurisdiction, which upon the filing of the record shall, except as provided in the last sentence of subsection (a), be exclusive to affirm, modify, terminate, or set aside, in whole or in part, the order of the Corporation. Review of such proceedings shall be had as provided in chapter 7 of title 5 of the United States Code. The judgment and decree of the court shall be final, except that the same shall be subject to review by the Supreme Court upon certiorari as provided in section 1254 of title 28 of the United States Code.

"PENALTIES

"SEC. 210. (a)(1) Any insurer issuing any motor vehicle insurance policy which is not guaranteed under this title shall forfeit to the United States the sum of $——— for each and every day that such policy is in effect and is not guaranteed under this title. Such forfeiture shall be payable into the Treasury of the United States and shall be recoverable in a civil suit in the name of the United States.

"(2) This subsection shall take effect upon the expiration of one year after the effective date of this title.

"(b) Whoever advertises or otherwise represents falsely by any device whatsoever that any motor vehicle insurance policy is guaranteed by the Federal Motor Vehicle Insurance Guaranty Corporation, or by the Government of the United States, or by any instrumentality thereof, shall be fined not more than $———, or imprisoned not more than ——— years, or both.

"REPORTS

"SEC. 211. The Corporation shall make an annual report of its operations to the Congress. Such report shall include a statement with respect to the status of the fund established pursuant to section 206, together with

such recommendations concerning its adequacy or inadequacy as the Corporation deems necessary or desirable. Such report shall be filed not later than January 31 of each year."

The material presented by Mr. DODD is as follows:

Estimated average amount of cents on the dollar claimants will receive, based on amount of valued or approved claims, from insolvent insurance companies writing motor vehicle business by State of domicile of company, 1960–67 (January)

State	Total number of insolvent insurance companies writing motor vehicle business	Number of insolvent companies for which claims data are available	Estimated number of claimants	Average amount of cents on the dollar a claimant will receive
Pennsylvania	17	7	4,000	1
Illinois	12	9	50,000	25
Missouri	7	3	20,000	10
Indiana	5	5	14,000	25
Michigan	3	3	25,000	25
Wisconsin	2	2	10,000	45
West Virginia	3	2	7,000	40
Florida	3	2	10,000	40
Texas	2	1	1,000	10
Arkansas	2	1	411	30

NOTE.—Complete data pertaining to insolvencies in these States are presently unavailable:

Maryland	4	South Dakota	1
Minnesota	2	Delaware	1
California	2	South Carolina	1
Maine	1	Colorado	1
Tennessee	1	Nebraska	1
Massachusetts	1	Louisiana	1

Source: Compiled from data furnished to the Senate Antitrust and Monopoly Subcommittee by State insurance departments (receivers), and attorneys for receivers.

CONGRESSMEN ADDABBO, EILBERG, FARBSTEIN, MOSS AND ROSENTHAL CALL FOR AN AUTOMOBILE INSURANCE PROBE

Congressmen Joseph P. Addabbo, (D–L, N.Y.), Joshua Eilberg (D. Pa.), Leonard Farbstein (D–L, N.Y.), John E. Moss (D. Calif.), and Benjamin S. Rosenthal (D–L, N.Y.) called today for a thorough congressional investigation of the automobile insurance industry and the establishment of a Federal Guaranty Corporation to protect policyholders and injured parties against automobile insurance company failures.

In speeches made today on the floor of the House, the five Congressmen announced that each was introducing legislation to establish a Federal Motor Vehicle Insurance Guaranty Corporation. This corporation would compensate the victims of auto insurance company bankruptcies much in the same manner as the Federal Deposit Insurance Corporation protects depositors against bank failures. This legislation is similar to a bill introduced today by Senator Thomas J. Dodd, and cosponsored by Senators Magnuson, Bartlett, Brewster, Clark, Hart, Hartke, Moss, Nelson and Yarborough.

During the past six years, 73 companies writing auto insurance have failed. An estimated 300,000 policyholders and injured accident victims are attempting to recover some $600 million out of assets with a net worth of $25 million. The Congressmen pointed out that in Pennsylvania 4,000 claimants will receive 1 cent on the dollar; in Illinois 50,000 claimants will be paid 25 cents on the dollar; in Michigan 25,000 claimants will be getting 25 cents on the dollar; and in Missouri 20,000 claimants will receive 10 cents on the dollar.

The Congressmen expressed the belief that the Federal guaranty and examination system proposed in their bills would be an essential first step in the protection of the public. They stressed, however, that such serious problems as the indiscriminate cancellation of auto policies, including the refusal of companies to write auto insurance in low income areas, and the method of setting and regulating auto insurance rates need a thorough probing to determine whether other Federal legislation is necessary to fully protect the American public. "To most American families," declared the Congressmen, "the automobile is no longer a luxury item, but a virtual necessity." 79% of all U.S. families own one or more autos and 25% own two or more cars. Automobile liability insurance is likewise a necessity. All the states either require or encourage auto insurance. "The regulation of this great interstate business of insurance has been under the domain of the several states, and it's about time Congress took a good hard look at how effectively the public interest is being served", they said.

[From All Industry, Nov. 5, 1966]

SOMETHING TO THINK ABOUT

The proposal by Sen. Dodd of Connecticut for an automobile insurance guaranty fund, made tangible by introduction into the Senate in the last few days before recess of a bill to establish such a fund, is something which should go high on the list of things for the industry to think about.

The bill is co-sponsored by three eminent Senators, Hart of Michigan, Clark of Pennsylvania and Magnuson of Washington. Inasmuch as Mr. Magnuson is chairman of the Commerce Committee, into whose hands it was immediately placed, there are chances of wide Congressional interest.

This bill will not be up for consideration for some time, but it certainly will be up at the next session of Congress. With triple co-sponsorship and some evidence of a fairly wide interest in the measure in Congress, it will surely come in for very serious consideration.

It is not something to be tossed aside as one more evidence of government encroachment. It is more nearly one of those cases suggested by several recent speakers from industry management ranks, of an area where business and government have their specific areas of functioning.

What must be kept in mind is the fact that there is a large and vital involvement of public interest here—anything which can write up a loss to the public of a quarter to a third of a billion in a few years is something to be wary of.

Also, it is something most difficult for the companies to meet voluntarily and impossible on a national footing.

Then, too, according to reported statements from various state insurance commissioners involved in auto insurer failures, there is nothing that can be done under the state regulatory system, as these represent human failure and nothing in the law can control human failure before said failure.

The proposal in the bill is a carefully considered one. It clearly recognizes state regulation and ties every step of procedure into the state regulatory system. In the essential area of company examinations for approval and maintenance of approval, the tie-in is carefully spelled out with state regulation.

It is for this fragile area of automobile insurance—especially the high-risk auto coverage—the equivalent of FDIC for banks. And the banks are generally quite content with FDIC, and should be, for it has been their salvation, saving many a strong breeze from becoming a banking storm of hurricane force.

Perhaps this is clearly an area of Federal cooperation—at least, it should be given the most serious though by the industry.

—C.C.N.

[From the Evening Star, Washington (D.C.), Dec. 6, 1966]

DODD PRESSES AUTO INSURANCE PLAN

(By James J. Kilpatrick)

Just before the Congress adjourned in October, Senator Thomas J. Dodd (D-Conn.) introduced a bill proposing a system of federal guarantees on motor vehicle insurance. His purpose was to toss up the plan for public discussion. He expects to reintroduce his bill next month, and to press for early hearings.

If history repeats (and history constantly repeats), Dodd can expect the auto insurance industry to rise up honking in dismay. This was the story when Congress launched into federal insurance of bank deposits and savings and loan associations. Today the bankers boast of their FDIC as if it were something they invented and the companion FSLIC is embraced with equal rapture.

The automobile insurers would be well advised to fall in line behind the Dodd proposal. Thus far, in a country still madly in love with motor cars, they have managed to stave off any national outcry against their rates, their profits, their insurance practices and their scandalous failures, but their public image is not especially bright. They could use the comforting respectability that Dodd's modest plan might provide.

In a statement accompanying his draft bill, Dodd recalled the shocking testimony turned up by the Senate Antitrust and Monopoly subcommittee in May 1965. In the preceding five years, no fewer than 65 companies writing motor vehicle insurance had been placed in liquidation or receivership. These insolvencies left $100 million in unpaid claims, and struck a cruel blow at 300,000 policy-holders and injured parties.

As Lester Velie has written in Reader's Digest, such statistics barely hint at the desperate human tragedies produced by the failure of these companies. Hundreds of families discovered, after an accident, that their policies were worthless. Other families lost homes and went heavily into debt. Mangled victims confined to hospitals for months, could collect no damages. It is not enough to blame this appalling record on a handful of racketeers who operated a maze of companies out of Minneapolis. Many of the auto insurance failures of recent years have resulted from poor management and indifferent or inadequate supervision at the state level.

Most of the companies exposed by the Senate investigation were engaged in writing "high risk" insurance on drivers with bad accident records. They charged high rates and they took large chances. But the basic cause of insolvency, says Dodd, is the human frailty that manifests itself in faulty judgment—and this cannot always be caught before a company goes under.

Under his plan, Congress first would appropriate $50 million (later to be repaid) to a federal motor vehicle insurance guaranty fund. In time, the fund would be made self-supporting through a charge of one-eighth of 1 percent on each company's direct premium writings. Such a fee would amount to an annual charge of 37½ cents to 75 cents on the average auto insurance policy. Once the fund reached and held a satisfactory level, the annual charge would be waived. Out of this fund, the federal corporation would adjust and settle policy claims left by an insolvent insurer.

The Dodd plan has been inspired partly by the government's excellent experience with FDIC and FSLIC, and partly by the good experience of New York, New Jersey and Maryland, which already have established their own state guaranty funds. The three states are entitled to much credit for pressing ahead in the field.

Is the Dodd bill enough? Some recent rate hearings in Virginia and Maryland sug-

gest that more may be required. The auto insurance companies, crying poor mouth, incessantly ask for rate increases; on the surface, their horrendous tales of high jury judgments and escalating costs of automobile repair make a plausible case. But the layman who attempts to track his own way through massive actuarial exhibits and operating statements soon is hopelessly lost in doubt. In between the accrual method of accounting and the cash method of accounting, as the Virginia State Corporation Commission discovered, some remarkable sums of money vanish into an indeterminate limbo. The companies earn immense sums on their unearned premium and loss reserves, but this income doesn't seem to be counted as profit. The befuddled outsider, not privy to such mysteries, scarcely knows what to think.

To most American families, automobile liability insurance is the first necessity of their lives. They can go hungry for a few days, or skimp on clothes and furnishings, or be a little late on the routine bills. They dare not risk a day of driving without adequate coverage, and they will pay almost anything to get it. In this vital area of public interest, there is room for constructive efforts all around—by state regulatory agencies, in beefing up their supervision; by Congress, in taking up the Dodd bill; and by the companies themselves, in promoting safer cars and better drivers.

Dodd, at least, is showing some leadership. What of the others?

[From the Bridgeport Sunday Post, Dec. 18, 1966]

A MATTER OF PROTECTION

Senator Thomas J. Dodd has established a need for his proposal to create a system of federal guarantees for motor vehicle insurance. The senator plans to reintroduce this legislation in January and cites statistics to justify a debate on the subject.

Since 1960, the senator notes, 65 companies writing high-risk motor vehicle insurance were placed in liquidation or receivership. This meant financial tragedy for approximately 300,000 policyholders and injured parties.

"When this sad chapter in insurance history is finally closed," says Senator Dodd, "these claimants will have lost well over $100,000,000." The problem indeed cries out for a solution.

Under the Dodd plan, once any insurer with guaranteed status is declared insolvent by a state court, a federal motor vehicle insurance guarantee corporation would assume any pending claims arising from policies guaranteed by it. Provision is made for the federal corporation to succeed to the rights of the policyholder upon the payment of any claim.

The legislation involves such matters as insurance rates, supervision by states of the insurance industry and uniformity of procedure on a national level, among other things.

This is a complex matter which calls for careful scrutiny. Behind the financial complications lies the matter of protection for the public. The legislation deserves serious consideration.

[From the National Underwriter, Jan. 20, 1967]

AUTOMOBILE INSURER INSOLVENCIES

The news from Washington that Sen. Warren G. Magnuson of Washington is taking over the drive for passage of the automobile insurer insolvency fund measure of Sen. Thomas J. Dodd of Connecticut has caused leaders in the insurance business to take a second look at the Dodd proposal. The news from Washington also indicated that the AFL–CIO would get behind the measure in vigorous fashion.

Consequently, there is apt to be a good deal of discussion of the Dodd measure, pro and con, with proposals for additions and subtractions, in the days ahead.

One sidelight on the situation is that the matter of motor vehicle insurers in financial difficulties is not an American exclusive—it is pretty international. England had one such insurer go broke some months ago—which resulted in much discussion, suggestion, and even action.

In Ireland, it was recently pointed out by George Colley, minister for industry and commerce, that in 1964 that country created the Insurance Compensation Fund, to which all licensed companies are obliged to contribute. The fund is available to meet most classes of claims that otherwise would go unsatisfied in case an insurer became insolvent.

Creation of the Irish fund, Mr. Colley reported to the 1966 meeting of the Insurance Institute of Ireland, had an important side effect. Since each insurer must contribute to it, and since the size of contributions was entiely dependent on the demands of the fund, it would obviously be in the interest of the companies generally to bring to notice the impending failure of a company before its financial condition had got out of hand. These arrangements, therefore, made for greater security for the policyholder and more stable conditions in the insurance business, according to Mr. Colley.

At the second world congress on insurance law in Hamburg in 1966, nine comprehensive papers were presented on state action with respect to property and casualty insurance enterprises in financial difficulties (mostly because of automobile). States dealt with included those of Western Europe, North America, Israel, Japan, and Tunisia.—

K.O.F.

[From the Army Times, Dec. 7, 1966]

"FLY-BY-NIGHT" AUTO INSURANCE FIRMS HIT—SERVICEMEN LOSE HEAVILY

WASHINGTON.—Senator THOMAS J. DODD (D., Conn.) charged this week that servicemen have lost hundreds of thousands of dollars to fly-by-night auto insurance companies. "Over the years thousands of military men have lost hundreds of thousands of dollars because of automobile insurance company insolvencies," Dodd said.

"During the closing days of the 89th Congress I introduced a bill which would establish a Federal Motor Vehicle Insurance Guaranty Corporation, which would back up auto insurance policies just as the Federal Deposit Insurance Corporation backs up bank deposits. When passed, this bill should protect servicemen against fly-by-night insurance companies because it provides for broad examination powers over interstate auto insurance as well as providing for a guaranty mechanism."

DODD is joined in sponsorship of the bill by Senators HART, CLARK, and MAGNUSON. It would protect civilians as well.

"Once any insurer with guaranteed status is declared insolvent by a state court," DODD added, "the corporation will assume any pending claims arising out of policies guaranteed by it, subject to certain restrictions. Any other claims filed during the course of the liquidation or receivership proceedings would also be assumed by the corporation."

Pentagon officials have been wrestling with this problem for some time. Military posts require that servicemen's cars brought on base be insured. Because so many servicemen are young and single, they are charged higher rates. In shopping around for cheaper rates they often go to companies with shaky financial bases.

One case cited by officials concerned a serviceman who paid for a car insurance policy. The company wrote him four months later that his policy was cancelled. He wrote for a refund of the remaining eight months' premium. The company didn't reply.

The serviceman then wrote to a newspaper "Action Line" column asking for help. The column turned the matter over to Defense which contacted the company and extracted a promise to pay.

The man received a check from the company, but the check bounced. The company is now in receivership so the man is without insurance and is out more than $100.

[From the Detroit (Mich.), Building Tradesman, Dec. 9, 1966]

CONGRESS TO SCAN DRIVER LOSSES ON CAR INSURANCE

WASHINGTON.—The beating which auto drivers are taking from insurance companies these days is fierce and, until now little has been done about it.

The automobile insurance industry is a giant among giants.

* * * * *

Policy cancellations by the companies are rarely questioned and too frequently a driver, who has faithfully paid his premiums through the years, suddenly finds himself an undesirable risk and without protection.

In May of 1965, the Senate Anti-trust and Monopoly Subcomittee conducted hearings on some phases of motor vehicle insurance.

The hearings and investigations showed that since 1960, 65 companies writing auto insurance have been placed in liquidation or receivership. The companies that failed are known as "high risk" firms since they write mainly coverages for motorists who are unable to obtain regular auto insurance.

Reporting on the investigations, Senator Thomas Dodd (D.-Conn.) declared that "nearly one-half of these insolvencies were caused by specific acts of dishonesty practiced by company management."

The cost of these insolvencies has been heavy for some 300,000 policyholders, many seriously injured in accidents.

"When this scandalous chapter in insurance history is finally closed," Dodd said, "these claimants will have lost well over $100 million."

It is in this area that legislation will be pushed when the first session of the 90th Congress opens next month.

Dodd is introducing legislation, co-sponsored by Senators Philip Hart (D.-Mich.), Joseph Clark (D.-Pa.) and Warren Magnuson (D. Wash.). Their proposal would set up a Federal Motor Vehicle Insurance Co. system which would protect the policyholder by guaranteeing the contractual performance of the insurers.

If an insurance firm becomes insolvent, the insured would be protected much as the Federal Deposit Insurance Corp. protects the public against insolvencies of banks.

At the present time, three states have such legislation on their books: New York, New Jersey and Maryland.

Obviously this is an extremely modest approach to an extremely serious problem. Most knowledgeable observers believe it is an essential step but only a start. Its sponsors, in fact, accept the fact that it is a limited approach, but feel that with the great power of the insurance industry it is the best that can be expected in the 90th Congress.

Many questions have been raised, for example, about the slick accounting methods of many insurance firms which show them operating in the red while actually they are extremely profitable.

The American Trial Lawyers Association, which represents some 20,000 claimants' lawyers, has been looking into this phase of insurance operations. An accountant employed by the ATLA found that in Virginia, insurance firms were supposed to be operating on a five per cent profit basis last year. However, studies showed profits of nine percent.

Questions have been raised about the freedom of firms to drop what they consider poor risks and to seek out good risks, about rates based on age and geography rather than experience, and, in fact, the entire rate structure.

Magnuson is chairman of the Senate Commerce Committee. He has indicated that he hopes to hold hearings in the spring.

Perhaps at this time Magnuson may seek to push for more far-reaching legislation than is covered in the Dodd bill.

Meanwhile, though, the insurance industry which is opposed to any government regulation may take a dim view of even this limited approach.

[From the Charleston (W. Va.) Gazette, Nov. 5, 1966]

BY CONGRESS: PUBLIC INSURANCE SAFEGUARDS EYED

(By Harry Ernst)

WASHINGTON.—Congress next year will consider how to insure citizens against irresponsible insurance companies that have caused financial suffering to more than 80,000 West Virginians.

Just before the 89th Congress adjourned, Sen. Thomas J. Dodd, D-Conn., introduced a bill to establish a federal Motor Vehicle Insurance Guaranty Corp.

It would guarantee the policies issued by high-risk auto insurance companies that apply to participate just as the federal government now insures bank accounts or savings and loan company deposits.

Dodd, who introduced his bill to stimulate discussion of the problem, said he intends to press for congressional action next year on establishing such a federal insurance program.

His Senate antitrust and monopoly subcommittee revealed that 65 high-risk auto insurance companies have failed since 1960 including National and Crown which left 80,000 West Virginians holding worthless policies.

These insolvencies resulted in a loss of more than $100 million to 300,000 policyholders as well as other citizens injured in accidents involving them.

"There is little that we can do to alleviate the terrible financial suffering caused by past auto insurance insolvencies," Dodd commented. "But we can and must prevent these tragic financial losses from happening in the future."

He proposed to do it by establishing an auto insurance guaranty corporation with $50 million in federal funds that would be repaid by fees charged participating companies, which would raise the annual cost of the typical policy only 37.5 to 75 cents.

Auto insurance companies would find it difficult to resist participating in the program because, if they didn't, their competitors could lure away business by citing the additional safety of federal protection.

If an insured company fails, the federal corporation would assume any pending claims and would wait for eventual distribution of the company's remaining assets instead of policyholders and injured claimants.

Only three states—New York, New Jersey and Maryland—now have guaranty or security funds to compensate the victims of auto insurance company insolvencies.

Senator Dodd stressed that he doesn't want the federal government to replace the states as chief regulators of insurance companies.

"Our studies indicate that in a number of cases lax regulatory practices by state officials permitted conditions to exist which eventually led to financial disaster," he observed.

"Inadequate insurance department budgets and occasional apathy by regulatory officials contributed to this staggering financial loss ($250 million by the public since 1945)."

Dodd would like to see the states beef up their insurance departments with more money, better trained personnel and higher quality examinations to help check insolvencies and reduce losses.

But this alone won't solve the problem, he commented, because nearly half of the 65 insolvencies since 1960 "were caused by specific acts of dishonesty practiced by company management."

"The remaining insolvencies were caused by the failure of management to act in the best interest of the company," Dodd said, which is why he thinks it's time for the federal government to insure the insurers.

[From the Washington (D.C.) Machinist, Nov. 17, 1966]

AUTO INSURANCE RACKET EXPOSED, THOUSANDS OF MOTORISTS VICTIMIZED

A series of Federal and state investigations have laid bare a national scandal in auto insurance.

Profit-hungry insurance companies are now cancelling motorists' policies for many reasons other than repeated accident claims. As a result, hundreds of thousands of auto owners coast to coast have been driven to deal with high-rate, fly-by-night firms.

A U.S. Senate anti-trust subcommittee reports that since 1960, a total of 60 so-called high-risk auto insurance companies have gone broke. These failures have cost 300,000 auto-owning policy holders and injured parties more than $100,000,000 in losses.

POOR MANAGEMENT

U.S. Sen. Thomas Dodd of Connecticut, the insurance subcommittee chairman, charged recently that half these insurance company failures "were caused by specific acts of dishonesty practiced by company management." The rest, he said, stemmed from poor business operations, permitted because of a lack of effective state regulation.

A committee of the Pennsylvania State House of Representatives has just reported that 12 high-risk, high-rate auto insurance firms in the Keystone State have folded within the past three years.

From five of these insurance firms, 4,200 persons are now trying to recover $13,000,000 in claims the companies failed to pay. The firms' combined assets, left after they crashed were but $55,000.

The Pennsylvania committee also reported that purportedly reliable companies have carried out mass cancellations of auto insurance policies of persons living in the Negro areas of Philadelphia. Blackballed because of their address, these motorists have been forced into the clutches of the high-rate operators, including some of those that failed.

The committee also condemned companies that automatically cancel policies of auto owners as they reach age 65, with no regard for a past record of accident-free driving. Thereafter, with a cancellation on their record, these persons have trouble obtaining other insurance.

Much the same thing happens to many younger persons 16 to 25. Despite individual safe-driving records, they are refused by the regular companies and forced to insure with the high-rate firms. Returning veterans from Viet Nam have run into this problem.

Auto insurance rate increases are under scrutiny as well. Three Virginia state legislators are protesting what they contend are unnecessary increases in the Old Dominion State.

For three straight years the State Corporation Commission has approved rate increases based solely on claims without considering companies' other earnings. These earnings include the annual interest received on over a billion dollars in reserves set aside to meet claims.

The annual interest, at least 4 per cent, nets the companies a minimum of $40,000,000 a year.

The Pennsylvania committee headed by State Rep. Nicholas Kornick cited the case of Seymour Rosenfield as an example of how "unscrupulous promoters" operate.

Rosenfield was president of the General Union Mutual Insurance Co. of Chicago, Ill., which failed in 1962. Thereafter, he switched to Philadelphia, Pa., as president of Empire Mutual Insurance Co. The state suspended Empire in January, 1964, for insufficient assets. It owed at least $2,500,000 on claims filed by policyholders and injured parties.

Several months later Rosenfield emerged as president of the Municipal Mutual Insurance Co., also of Philadelphia, which the state dissolved last January. Meanwhile, another firm, Chesapeake Insurance Co. of Maryland, which also failed, was doing business out of the same office.

The committee charged that Mrs. Audrey Kelly, state insurance commissioner appointed by Gov. William Scranton, was lax in letting Rosenfield do business in Pennsylvania after his dubious record in Illinois.

BILL TO CREATE NEW AGENCY

Spurred by such scandals, Connecticut's Senator Dodd has introduced a bill (S. 3919) in Congress to create a Federal motor vehicle insurance guaranty corporation.

Armed with broad powers of examination, the new agency would operate to protect auto owners in the same manner that the Federal Deposit Insurance Corp. safeguards bank depositors.

The auto insurance corporation, Dodd said, would work with state insurance agencies to weed out the fly-by-night operators. This would reduce the number of firms going broke.

Policyholders of firms that failed despite stricter regulation would have their claims paid by the Federal corporation. The corporation would then take over the fight for recovery of the money from the remaining assets of the defunct firms.

[From the Salisbury Evening Post, Nov. 19, 1966]

CONGRESS MAY FOCUS ON AUTO INSURANCE "ABUSES"

(By Tom Nolan)

WASHINGTON.—(NEA)—In China, 1967 will be the year of the Big Insurance Explosion.

Only the high-risk segment of the auto insurance industry was exposed to the glare of a Senate investigation in 1966. But behind-the-scenes inquiries have already been launched into a number of alleged abuses in other aspects of auto insurance and several segments of life and health insurance.

Some of them are likely to become full-scale investigations next year.

The first act in the drama will begin Jan. 10, when Sen. Thomas Dodd, D-Conn., reintroduces his bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation, cosponsored by Sens. Joseph Clark, D-Pa., Philip Hart, D-Mich., and Warren Magnuson, D-Wash.

Designed to protect those victimized when their auto insurance firms go broke, the proposed guaranty insurance system would be set up along the lines of the Federal Deposit Insurance Corporation, which protects depositors against failures by banks and savings and loan associations.

Introduced just before adjournment, Dodd's bill stemmed from the high-risk investigation carried out by Hart's Antitrust and Monopoly subcommittee.

Since 1960, this investigation showed, 65 high-risk companies went into receivership, leaving more than 250,000 people without insurance and costing accident victims more than $100 million in claims which could not be collected.

Dodd's bill would require all interstate insurers—not just high-risk firms—to apply for guaranty system status one year after passage of the legislation. Failure to prove financial stability would mean a firm could

not continue to do business on an interstate basis.

The federal corporation would settle all pending claims against any guaranty-status firm which went broke. The corporation would be financed initially by a $50 million Treasury loan.

Permanent financing would come through a semiannual charge of one-eighth of one per cent of each insurer's net direct premium writing. Passed on to the consumer, it would mean a hike of 25 cents on a $100 insurance premium.

It is virtually certain that Dodd's proposal will meet the unified opposition of the entire insurance industry, just as the FDIC proposal earlier aroused the unified wrath of bankers.

The industry has been able to stave off Washington's hand for more than a century. But to insurance officials, the presence of Hart and Magnuson as co-sponsors of this measure is an ominous sign.

Magnuson's Commerce Committee—where Dodd's bill will be referred—is noted as one of the Senate's best "legislation producers." In 1966, among others it produced the Truth in Packaging, Auto Safety and Tire Safety laws.

Hart's subcommittee, on the other hand, is known as a good investigative group. Some other insurance areas it has been quietly probing recently:

Credit Life Insurance: This is the form of insurance which borrowers are required to take out to guarantee that their loans are paid off should they die or become incapacitated. Rarely is the premium more than $1 per $100 of debt.

Dean Sharp, assistant counsel of the subcommittee, recently charged that Americans have paid some $700 million in overcharges for credit life premiums since 1959.

Market-creaming: This is the process in which a large auto insurance company reviews its books, finds that it is losing money in a certain area, and cancels (or fails to renew) policies indiscriminately in this area.

Subcommittee staffers say that these mass geographic cancellations create a market vacuum which invites financially unstable or fraudulent, high-risk firms to move in.

[From Labor, Nov. 19, 1966]

NEW BATTLE SET FOR CURBS ON AUTO INSURANCE FRAUDS

(By Harry D. Garduk)

Sen. Thomas J. Dodd (D., Conn.) has announced he'll renew his battle for federal regulation to curb frauds and swindles in the insurance field. Dodd heads a subcommittee which has been investigating these rackets.

Since 1960, he pointed out, 65 auto insurance company failures have cost 300,000 people well over $100 million. What's worse, he said, nearly half of these failures were because of dishonesty of management.

Their unsavory practices, he said, included misappropriation of company funds for personal use, falsification and manipulation of company assets, payment of grossly excessive fees to agencies controlled by company executives, juggling of loss reserves, fictitious reinsurance arrangements, inaccurate and inadequate records and over-expansion of policies written in relation to capital and surplus.

Dodd has introduced a bill to prevent "flagrant abuse and outright fraud" in the industry by setting up a federal corporation to protect the insurance buyer in much the same way the government guarantees bank deposits. This would be done through creation of a Federal Motor Vehicle Insurance Guaranty Corp.

The bill also provides for this corporation to check the management and financial condition of insured companies in coordination with the appropriate state insurance authorities so as to weed out shady companies and provide protection against loose or crooked practices.

Where companies fail, payment of claims to policyholders and to plaintiffs in auto damage suits would be guaranteed by the government corporation.

The bill's aim, Dodd noted, is to reinforce, not to supplant state insurance regulation. He warned the industry, however, that "if state (and self) regulation proves inadequate to the task of protecting the public. How long can the federal government be expected to stay its hand?"

"Scandalous swindles," he declared, "impair confidence not only in automobile insurance, but in the trustworthiness of government as well."

Sen. Philip A. Hart (D., Mich.), as co-sponsor of the bill, has given notice that he, too, will do battle for the measure.

[From the United States Investor, Nov. 21, 1966]

KEEPING UP TO DATE ON INSURANCE—PROPOSED FEDERAL MOTOR VEHICLE INSURANCE GUARANTY CORPORATION NO IDLE THREAT!

(By Roger Kenney)

(NOTE.—Record number of failures among "high risk" insurers points up inability or unwillingness of states to cope with the problem.)

When the Senate Subcommittee on Antitrust and Monopoly commenced public hearings on aviation insurance on August 6, 1958, the then chairman, the late Senator Joseph C. O'Mahoney, made it eminently clear that the purpose was to review the record of state regulation in the ten-year period since the effective date of the McCarran Act (Public Law 15). And during the course of those hearings Senator O'Mahoney made this significant remark:

"The question that now arises immediately is whether the Congress of the United States, in a field which has been assigned to it by the Constitution, should lightly bow itself out of the picture and say that it is of no concern to the Congress how these great combinations work.

"The records that I have seen indicate that 96 per cent of all aviation insurance is carried by these three great combinations of insurance companies, domestic and foreign, which, according to the National Air Transport Association, levy an unduly high charge upon the writing of insurance."

And later, he reiterated:

"But I do not believe that the Congress of the United States, now on the eve of our entering into a great new world of interstate commerce (commercial aviation), should wash its hands lightly of all power to supervise insurance and leave that power in the exclusive hands of these combinations."

MERELY TO SPUR THE STATES?

In the opinion of many observers in those days, these remarks seemed to indicate that the hold of the states on regulation of aviation insurance was to be loosened forthwith—and for the good and simple reason that this branch of the insurance business was almost entirely interstate in aspect, thereby coming within the purview of Congress. But as the old saying goes, "the mills of the gods grind slowly"—and this has proved to be the case with aviation insurance. And because it has, we find a number of people in the industry citing the lack of any drastic and far-reaching action by Congress in this field as fairly strong evidence that the bill recently introduced by Senator Thomas J. Dodd of the Senate Subcommittee calling for the establishment of a Federal Motor Vehicle Insurance Guaranty Corporation is not to be taken too seriously. Let these people tell you, the bill is designed for the sole purpose of spurring the states into action in a long neglected field.

While this is a comforting manner of viewing the situation—especially from the standpoint of preservation of state regulation in what has become the most important area of operation for property-casualty companies—it ignores not only the historical background of the bill but also the care with which it was framed. And not to be overlooked is the fact that while the bill was introduced by Senator Dodd, the latter was ably supported by Senator Hart of Michigan, the subcommittee chairman who commissioned Senator Dodd to continue the investigation of state regulation broken off by the illness of Senator O'Mahoney—and by Senator Clark of Pennsylvania.

BILL HAS MORE THAN NOMINAL SUPPORT

That this support was something more than nominal is evident from the remarks made upon the Senate floor by the latter senators upon introduction of the bill. Commenting upon the pressing need for such legislation, Senator Hart made these pointed remarks:

"Mr. President, since 1960, some 100,000 Michigan residents have had their automobile insurance terminated because of the insolvency of four companies—three headquartered in Michigan and one in Texas.

"For approximately 35,000 of these Michiganites who had claims against these companies the failures mean severe financial hardship—hardship which in many cases will cripple their families for years.

"As Senator Dodd has pointed out, Michigan was not the only state to so suffer. Each state was affected—with a grand total of 300,000 Americans who will lose well over $100 million by not being able to collect justified claims from the 65 auto insurance companies which have failed since 1960.

"There is nothing, unfortunately, that this Congress can do to alleviate the suffering of these Americans. However, clearly, we have a responsibility to act to prevent further suffering. Senator Dodd's proposal for a Federal Motor Vehicle Insurance Guaranty Corporation seems to put us on the road to a responsible solution and I am happy to add my name as a sponsor of the bill."

Adding his support, Senator Clark of Pennsylvania said: "Mr. President, I am happy to be one of the initial co-sponsors of this legislation establishing the Federal Motor Vehicle Insurance Guaranty Corporation. If this bill had been law five years ago many Pennsylvanians would have been spared a serious financial loss.

"From late in 1961 to the present, 12 Pennsylvania high-risk automobile insurance companies have failed and become bankrupt. Over 6,000 accident victims have filed claims against 7 of these companies. The Pennsylvania Insurance Department has placed a total value of over $5 million on 4,000 of these claims. These 4,000 claimants are seeking satisfaction out of $55,000 in assets of the defunct companies.

"Automobile insurance is a necessity today. These high-risk companies operate with a captive market. Both the people who must buy such insurance and the people who suffer personal injury or property damage at the hands of high-risk insurance holders deserve to be protected. This bill would give them the protection they need against insurance company insolvencies."

LEGISLATION HAS EMOTIONAL APPEAL

So, you see, this bill known as S. 3919 is not the brain child of a single Senator, but rather one that has widespread appeal in the Senate not only from the humanitarian standpoint but also the political. That Senator Dodd sensed this is quite apparent from the stress he laid upon the heartaches caused by the failure of 65 "high-risk" companies since 1960. Referring to these and other failures in the automobile insurance field in recent years, he said:

"The tragedy of these insolvencies is the unbelievable financial suffering caused to some 300,000 unfortunate policyholders and injured parties. When this scandalous chapter in insurance history is finally closed, these claimants will have lost well over $100 million.

"The problem of auto insurance insolvency is not new and it is not limited to those companies writing this high-risk, high-rate business.

"Studies show that from 1945 to 1959, some 98 property and casualty insurers were declared insolvent and liquidated. All of these insurers wrote at least some automobile business, with most writing a predominance of it. It is now estimated that the public lost some $150 million as a result of these failures.

"Thus from 1945 to date, years of unparalleled prosperity and at the same time a period of intensive state rate, reserve and investment regulation, auto insurer failures have cost the public $250 million."

WEAKNESS OF STATE FUNDS RECOGNIZED

As to the nature of S. 3919, there isn't any doubt that it has many of the features of similar legislation passed at both the Federal and state level, particularly the legislation establishing the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. On this score, it will be remembered that whenever attempts have been made by the states to establish automobile guaranty or security funds, great emphasis has been placed upon the success of the FDIC in the banking field. Frankly acknowledging the success of the FDIC, critics of automobile guaranty funds have never failed, however, to point out that there is no analogy between that organization and the guaranty funds. This, because the FDIC has standards of admission and can expel a member bank whereas neither situation prevails in a guaranty fund of the type discussed when the question was last before the National Association of Insurance Commissioners in a serious way—in Montreal in 1962. In short, the common complaint of the industry has been that guaranty funds, as set up and operated in the insurance business, have the effect of making the well-managed companies involuntary partners with the incompetents over which they have no control. And in that respect, they are a millstone around the neck of private enterprise in the insurance business

Apparently, the framers of the Federal Motor Vehicle Insurance and Guaranty Corporation legislation were aware of this criticism. At any rate, it is interesting to note that while the basic purpose of legislation is to guarantee the contractual performance of insurers issuing policies of motor vehicle insurance in interstate commerce, it also provides coverage for companies issuing policies in intrastate commerce—if they wish to apply for guarantee status. But interstate insurers *must apply for guarantee status within one year of enactment of the bill.*

The point is, of course, that the proposed Federal Motor Vehicle Insurance and Guaranty Corporation is not going to be a mere catch-all for any and all insurance companies simply because they have a license. On the contrary, if you read Section 207(a) of the bill, you will find that it specifically sets forth that the "Corporation shall have power to make examinations and require information and reports from any insurer or other entity making application for guaranty status, or whose policies are guaranteed under this title." Furthermore, there is provision for terminating the guaranty status after examination.

It is also interesting to note that even though Senator Dodd commended the States of New York, New Jersey and Maryland for having organized motor vehicle guaranty funds, he evidently was not unmindful that the question of cost to companies and their policyholders had been a subject of serious discussion from time to time in these states. According to him, the guarantee fee in the Federal fund, computed on an annual basis, would mean a charge of 37½ cents to 75 cents on the average automobile policy. The fund, consisting initially of $50 million capitalized through the Treasury, to be repaid later, would be self-supporting by means of what he termed "a nominal semi-annual charge of one-eighth of one per cent of each insurer's net direct premium writings." And once the fund reaches 2 per cent of the net direct premium writings of all insurers with guaranteed status, the Corporation would waive the fee requirement as long as the fund remains at this 2 per cent level.

WE MAKE A SUGGESTION

There can be little doubt that this provision is aimed at meeting the criticism so often levelled at guaranty funds operating at the state level—the criticism that such funds, like old soldiers, never die, nor do they just "fade away." Back in 1962, this became a really hot question in New York in connection with the operation of the Motor Vehicle Liability Security Fund, created in 1947. The contention of the industry was that the total amount of the Fund on March 31, 1962, was $70,119,390.30 and that in the fifteen years the fund had been in existence, it had only been necessary to pay a comparatively small amount—less than a year's interest. The lesson to be derived from this would seem to be that there ought to be a provision in the Federal legislation calling for a periodic review of the ceiling requirements of the fund—instead of a flat percentage of writings to endure forever.

MEANS DUAL REGULATION

Undoubtedly, Senators Dodd, Hart and Clark—acting as co-sponsors of the Federal Motor Vehicle Insurance and Guaranty Corporation legislation—were prompted to introduce the bill in the closing days of the session in order to give the various parties at interest an opportunity to express their views. This being so, we dare say that many amendments will be made before any serious attempt is made to enact the bill. Particularly interesting is the fact that every effort has been made by the authors of the bill to forestall the criticism that it is the first step towards outright regulation of automobile insurance by the Federal government—it being stated that the examination powers of the Federal Motor Vehicle Insurance and Guaranty Corporation are intended only to reinforce, not to supplant, state insurance regulation and examination. This, of course, means dual regulation—the type we have been discussing in recent articles. And we might add here that if history is any guide, dual regulation in most any sphere usually makes the state a very junior partner with the Federal Government—especially when you have a Federal and a state examining force operating side by side in the same field. In making this remark, we are duly mindful of all that has been said in Washington about the Federal partner under S. 3919 being concerned only with regulation for financial stability and solvency.

We will be very much surprised, therefore, if the state regulatory authorities take at its face value Senator Dodd's statement to the effect that "all examinations conducted by the Corporation would be coordinated with the appropriate state supervisory authorities and with the National Association of Insurance Commissioners." With the examining forces of some states being of the "rented" variety, and in some other states on a more or less transient basis, we are wondering how this "co-ordination" is to be accomplished.

THE OUTLOOK

Frankly, as we view the record of state regulation in the automobile field, we find it difficult to believe that the states will be able to retain anything like exclusive regulatory powers in this field over any extended period of time. And this, if for no other reason than that the automobile is the most mobile land vehicle ever contrived.

The sad part of it all is that the showdown on this important question might well have been postponed for years if many state regulatory authorities had not abused the power of approval of rates accruing to them under these strict prior approval rating laws. To come right down on the button, these "high-risk" insurers which have caused all these heartaches among policyholders and claimants would not have been spawned, if they had not found a perfect breeding ground in the insufficient rate structure forced upon the automobile insurers by politically-minded state regulators.

Confronted with such a situation, it is going to be very difficult to make out a case against intrusion by the Federal Government into the automobile liability insurance picture. It is simply a matter of the states having been tried and found wanting in an area affecting the public welfare—and in an area, incidentally, where the states have been tenants at the will of Congress since Public Law 15 was passed in March, 1945.

[From the AFL–CIO Insurance Worker, December 1966]

SEN. DODD PROPOSES LEGISLATION TO PROTECT AUTO POLICYHOLDERS

Senator Thomas J. Dodd (D-Conn.) has disclosed he will introduce legislation when the 90th Congress convenes next month to set up a Federal Motor Vehicle Insurance Company system which would protect automobile policyholders against any financial failure of the insurance company.

The Dodd measure—which will be co-sponsored by Senators Philip Hart (D-Mich.), Joseph Clark (D-Pa.) and Warren Magnuson (D-Wash.)—will be patterned after the Federal Deposit Insurance Corporation, which insures the public against bank failures.

IWIU International V-Pres. Joseph Pollack said the Union is "most interested in this proposed legislation." He added:

"We are studying the Dodd bill now, and will probably support the measure because it is in the public interest."

By sharp contrast, the insurance industry has shown a noticeable lack of support for the measure. While Arthur F. Blum, president of the National Association of Insurance Agents, agreed that the failures of automobile insurance companies constitutes a "glaring weakness," he objected to the Dodd bill as "yet another attempt by federal government to get its foot firmly in the door of private insurance."

In May 1965, the Senate Anti-Trust and Monopoly Subcommittee conducted hearings on some phases of motor vehicle insurance.

The hearings and investigations showed that since 1960, 65 companies writing auto insurance have been placed in liquidation or receivership. The companies that failed were "high risk" firms—the ones that write mainly coverage for motorists who are unable to obtain auto insurance in the regular marketplace.

Reporting on the investigations, Senator Dodd declared that "nearly one-half of these insolvencies were caused by specific acts of dishonesty practiced by company management."

The cost of these insolvencies has been heavy for some 300,000 policyholders, many seriously injured in accidents.

"When this scandalous chapter in insurance history is finally closed," Dodd said, "these claimants will have lost well over $100 million."

Dodd said that he will push for legislation in this area on the principle that if an insurance firm becomes insolvent, the innocent policyholder has as much entitlement to protection as does the person who is safeguarded against the insolvency of his bank.

At the present time, three states have such legislation on their books—New York, New Jersey and Maryland.

Dodd considers the action taken thus far at the state level to be an extremely modest

approach to an extremely serious problem. The Dodd bill is considered to be an essential step, but only as a start. The sponsors of the bill, in fact, accept the premise that their bill is a limited approach but feel that with the great power of the insurance industry it is the best that can be expected in the 90th Congress.

Many questions have been raised, for example, about the accounting methods of many insurance firms which show them operating in the red while actually they are extremely profitable. These accounting methods are used as the basis for asking for higher rate structures—requests which usually are granted by state insurance commissioners.

The American Trial Lawyers Association, which represents some 20,000 claimants' lawyers, has been looking into this phase of insurance operations. An accountant employed by the ATLA found that in Virginia, for example, insurance firms were supposed to be operating on a 5 percent profit basis last year, but actually had profits of 9 percent.

Questions have been raised about the freedom of firms to drop what they consider poor risks and to seek out good risks, about rates based on age and geography rather than experience, and, in fact, the entire rate structure.

Magnuson is chairman of the Senate Commerce Committee. He has indicated that he hopes to hold hearings in the spring. Perhaps that will be the time that Magnuson may seek to push for more far-reaching legislation than is covered in the Dodd bill.

[From the Missouri Teamster, Dec. 9, 1966]

INVESTIGATION LIKELY TO PROBE BEATINGS ON CAR INSURANCE

WASHINGTON.—The beating which auto drivers are taking from insurance companies these days is fierce and, until now, little has been done about it.

The automobile insurance industry is a giant among giants. In the past five years it wrote about $8.5 billion in annual premiums and except for a few states operated with relatively few restrictions.

Most states have state insurance commissioners, ostensibly for the purpose of regulating the industry. Few of these commissioners have done much for the driver and, more often than not, operate in the interest of the companies.

Demands by the insurance firms for an increase in rates are usually granted. Policy cancellations by the companies are rarely questioned and too frequently a driver who has faithfully paid his premiums through the years suddenly finds himself an undesirable risk and without protection.

In May of 1965, the Senate Antitrust and Monopoly Subcommittee conducted hearings on some phases of motor vehicle insurance.

The hearings and investigations showed that since 1960, 65 companies writing auto insurance have been placed in liquidation or receivership. The companies that failed are known "high risk" firms since they write mainly coverages for motorists who are unable to obtain auto insurance at the regular marketplace.

Reporting on the investigations, Senator Thomas Dodd (D.-Conn.) declared that "nearly one-half of these insolvencies were caused by specific acts of dishonesty practiced by company management."

The cost of these insolvencies has been heavy for some 300,000 policyholders, many seriously injured in accidents.

"When this scandalous chapter in insurance history is finally closed," Dodd said, "these claimants will have lost well over $100 million."

It is in this area that legislation will be pushed when the first session of the 90th Congress opens next month.

Dodd is introducing legislation, co-sponsored by Senators Philip Hart (D.-Mich.), Joseph Clark (D.-Pa.) and Warren Magnuson (D.-Wash.). Their proposal would set up a Federal Motor Vehicle Insurance Company system which would protect the policyholder by guaranteeing the contractual performance of the insurers.

If an insurance firm becomes insolvent, the insured would be protected much as the Federal Deposit Insurance Corporation protects the public against insolvencies of banks.

At present time, three states have such legislation on their books: New York, New Jersey and Maryland.

Obviously this is an extremely modest approach to an extremely serious problem. Most knowledgeable observers believe it is an essential step but only a start. Its sponsors, in fact, accept the fact that it is a limited approach but feel that with the great power of the insurance industry it is the best that can be expected in the 90th Congress.

Many questions have have been raised, for example, about the slick accounting methods of many insurance firms which show them operating in the red while actually they are extremely profitable.

The American Trial Lawyers Association, which represents some 20,000 claimants' lawyers, has been looking into this phase of insurance operations. An accountant employed by the ATLA found that in Virginia, insurance firms were supposed to be operating on a five per cent profit basis last year. However, studies showed profits of 9 per cent.

Questions have been raised about the freedom of firms to drop what they consider poor risks and to seek out good risks, about rates based on age and geography rather than experience, and, in fact, the entire rate structure.

Magnuson is chairman of the Senate Commerce Committee. He has indicated that he hopes to hold hearings in the Spring.

Perhaps at this time Magnuson may seek to push for more far-reaching legislation than is covered in the Dodd bill.

Meanwhile, though, the insurance industry which is opposed to any government regulation may take a dim view of even this limited approach.

[From the Bridgeport Sunday Post, Dec. 11, 1966]

CAPITOL CLOSEUP: DODD TO PRESS INSURANCE BILL

(By Carey Cronan)

Senator Thomas J. Dodd will reintroduce his bill in January to establish a system of federal guarantees for motor vehicle insurance despite claims of rising opposition in certain insurance industry quarters.

After several years of investigation by the Subcommittee he heads, Senator Dodd offered the legislation purely for test purposes in the closing days of the 89th Congress, and its re-introduction is expected to be one of his first acts in the 90th Congress next month. The late offering of the Dodd bill was prompted by a desire to stir up public discussion and to obtain some reactions from the insurance industry itself.

The Senator has investigated failures of high risk firms and the operation of foreign companies in the U.S., but he has not been especially critical of the American insurance industry as a whole. However, if he succeeds in obtaining early hearings on his bill for federal guarantees there undoubtedly will not be any lack of witnesses to testify for or against his legislation, which will be the first type of federal supervision in this field which affects nearly every U.S. citizen.

There has been some criticism of rates, lack of supervision by some states, complaints of red tape, etc. But Senator Dodd's plans for a Federal Motor Vehicle Insurance Guaranty corporation is calculated to go far in public protection and establishment of national uniformity in the motor vehicle area.

Matter of urgency—Senator Dodd, whose state capital is known as the insurance hub of the world, says his proposal is "a matter of real urgency" and he has pointed out that he does not advocate monopolies or granting of subsidies but provision for guaranty of security funds. The plan can be compared favorably with the operation of the Federal Deposit Insurance corporation for the protection of depositors and also to the Federal Savings and Loan corporation.

Senator Dodd said "there is no question that these federal corporations have greatly benefited not just the American public but the banking and savings and loan institutions themselves. As opposed to these laws as many of the banks and savings and loan associations were at one time, there isn't one of them who would now dispute the wisdom of their enactment."

He explained that the basic design of the legislation he proposed "is to guarantee the contractual performance of insurers issuing policies of motor vehicle insurance in interstate commerce. It also provides coverage for insurers issuing policies in intrastate commerce if they wish to apply for guaranty status."

Under the Dodd plan, once any insurer with guaranteed status is declared insolvent by a state court the corporation would assume any pending claims arising from policies guaranteed by it, subject to certain restrictions. Any other claims filed during the course of the liquidation or receivership proceedings would also be assumed by the federal corporation.

Other details—The Senator also explained that "on the payment of any claim, the federal corporation would succeed to the rights of the policyholder and assured as against the estate of the insolvent. Thus, the corporation would wait in line for an eventual distribution instead of policyholders and injured party claim holders and injured party claimants."

He added, "in carrying out its examination functions, it would be the intent of Congress that all examinations conducted by the corporation would be coordinated with the appropriate state supervisory authorities and with the National Association of Insurance Commissioners. The corporation's examination powers would be intended only to reinforce, not to supplant state insurance regulation. In fact, the corporation would be required to notify the appropriate state supervisory authority before any action is taken such as recommending the termination of guaranty status."

Prevention of inequities—Senator Dodd noted that since 1960, 65 firms writing high risk motor vehicle insurance were placed in liquidation or receivership.

"The tragedy is the unbelievable financial suffering caused to some 30,000 unfortunate policyholders and injured parties," he declared. "When this sad chapter in insurance history is finally closed, these claimants will have lost well over $100 million . . . This problem cries out for solution and I am hopeful this bill will provide some needed answers."

[From the Los Angeles Citizen, Dec. 16, 1966]

LEGISLATION DRAWN: CAR INSURANCE PROBE MAPPED

WASHINGTON.—The beating which auto drivers are taking from insurance companies these days is fierce and, until now, little has been done about it.

The automobile insurance industry is a giant among giants. In the past five years it wrote about $8.5 billion in annual premiums and except for a few states, operated with relatively few restrictions.

Most states have state insurance commissioners, ostensibly for the purpose of regulating the industry. Few of these commissioners have done much for the driver and, more often than not, operate in the interest of the companies.

Demands by the insurance firms for an increase in rates are usually granted. Policy cancellations by the companies are rarely questioned, and too frequently a driver who has faithfully paid his premiums through the years suddenly finds himself an undesirable risk and without protection.

In May of 1965, the Senate Antitrust and Monopoly Subcommittee conducted hearings on some phases of motor vehicle insurance.

The hearings and investigations showed that since 1960, 65 companies writing auto insurance have been placed in liquidation or receivership. The companies that failed are known "high risk" firms since they write mainly coverages for motorists who are unable to obtain auto insurance at the regular marketplace.

Reporting on the investigations, Senator Thomas Dodd (D-Conn.) declared that "nearly one-half of these insolvencies were caused by specific acts of dishonesty practiced by company management."

The cost of these insolvencies has been heavy for some 300,000 policyholders, many seriously injured in accidents.

"When this scandalous chapter in insurance is finally closed," Dodd said, "these claimants will have lost well over $100 million."

It is in this area that legislation will be pushed when the first session of the 90th Congress opens next month.

Dodd is introducing legislation, co-sponsored by Senators Philip Hart (D-Mich.), Joseph Clark (D-Pa.) and Warren Magnuson (D-Wash.). Their proposal would set up a Federal Motor Vehicle Insurance Company system which would protect the policyholder by guaranteeing the contractual performance of the insurers.

[From the Texas Observer, Dec. 30, 1966]

INSURANCE COMPANIES PREFER THAT THE STATES DO THE REGULATING

Insurance companies, Keeton and O'Connell relate, are exempt from federal anti-trust prosecutions because regulation by the individual states has historically been permitted to predominate. This situation was threatened by a federal court decision that held that insurance companies are subject to federal regulation (particularly under anti-trust legislation) under the commerce clause of the U.S. Constitution. However, Congress in 1945 passed a statute to preserve the states' dominance in this matter, contingent on the state legislatures' occupying the field of insurance regulation more completely. Under pressure from the insurance industry, anxious to avoid federal regulation, all of the states by 1950 had broadened their statutes (particularly relating to rate regulation) governing insurance practices.

"Under the prevailing pattern," Keeton and O'Connell go on, "rates are set by the industry, through the rating organizations, subject to regulation by state officials. Two states, Massachusetts and Texas, follow a wholly different pattern of rating for at least the most basic auto tort liability insurance coverage; rates there are prescribed in the first instance by an agency of the state," based, as has been noted for Texas, largely on data collected and processed by the rating agencies.

The Texas rates, as established by the S.B.I., are *computed* by the agency, its chief actuary, Joe Eddins, tells the Observer. (In this context, to compute, of course, is to reckon by mathematical means.) The computations follow a formula; when the ratio of loss (claims paid out by the companies in Texas) exceeds 63.16% of the premiums collected from state motorists, then a rate increase is indicated. If, on the other hand, Eddins says, the loss ratio is below 63.16% of premiums for a year, then a rate reduction will follow. The formula assumes that 36.84% of premiums are needed by companies to cover operating costs (20% for production costs, including agents' commission; 5.87% for general operation; 1.09% for inspections, audits, and premium discounts; and 4.88% for taxes, excluding federal income taxes) plus a profit of 5%.

Rates are set for the state based on data provided to the S.B.I. by, primarily, three major statistical or rating agencies that are supported by the insurance companies. Operating in Texas are the National Bureau of Casualty Underwriters (representing stock companies), the Mutual Insurance Rating Bureau (for mutual companies) and the National Association of Independent Insurers. Some companies, such as State Farm Mutual, do their own statistical work. The data covers premium and loss experience for the group of companies subscribing to each rating agency.

Mauzy, the newly-elected state senator from Dallas, believes that the data filed with the S.B.I. should come directly from the companies, rather than being processed and then provided by their rating agencies; thus the state officials would not have to deal with pre-digested information provided by the insurance interests. Mauzy would support a move to expand the S.B.I.'s staff for this purpose. Thus inefficient and efficient companies would not be considered together, as they are now. Mauzy believes that it doesn't make sense to let the companies, "in effect, regulate themselves" by the use of rating bureaus; "I'll let you decide all day long what I should do if your decision will be based on my arguments," Mauzy says. He believes that the S.B.I. also needs increased subpoena power to call for company records. He is complimentary of agency officials, but believes that the system under which they operate needs revision. He asserts that "the public has lost confidence in the system of liability insurance," and every time the rates go up the number of uninsured drivers on the state streets and highways increases. Should this trend continue, he says, there may develop a public demand for compulsory insurance or state insurance.

Congress seems to be increasingly concerned about auto insurance. One aspect that troubled the Senate Insurance Subcommittee in 1965, Ridgeway reports in *New Republic,* was that in the most recent five years, 300,000 people had been left uninsured after the failure of 65 companies, which went under with about $100 million in unpaid claims. U.S. Sen. Thomas Dodd of Connecticut is said to favor establishing a federal Motor Vehicle Insurance Guaranty Corporation which would guarantee that policyholders' claims would be paid in case of company failure. This prospect displeases insurance men, who do not view any degree of federal regulation comfortably.

Mauzy believes that permitting the companies to compete on rates in Texas would probably be unwise, as it likely would result in more company failures than occur now. He says the big companies could afford to undercut their competition for several years, losing money if necessary, killing off competition, and then charging whatever rates they wanted.

[From the Sports Car Graphic, January 1967]

WASHINGTON REPORT

(By Robert Herzberg)

One of the last bills introduced in the now dead 89th Congress was the "Federal Motor Vehicle Insurance Guaranty Act." It is an important one to all sports car owners. The measure would take the high risk out of buying so-called "high risk" auto insurance.

The idea is to do for the people buying auto insurance the same thing already done for people putting money in banks. Thus fulfillment of the obligation under terms of the policy, should the insurance company go broke, would be completed by the Federal Government.

The Government would in effect be insuring insurance companies. In order to participate, and advertise as being insured by the government, insurance companies would have to meet Federal requirements on sound management, and pay one-eighth of one percent of the sum charged customers.

Is the legislation necessary? On introduction of the bill, its author, Sen. THOMAS J. DODD (D., Conn.), told the Senate: "According to my information, some 65 auto insurers writing high-risk business have failed since 1960, mainly because of fraudulent and inept management practices, coupled with the apathy of State officials and their failure to act in time when trouble appeared. Hundreds of thousands of unfortunate policyholders and third party accident victims stand to lose over $100 million due to the fact that not one of the 22 states in which these failures occurred had guarantee funds." Insurance companies get their money before they give coverage. Yet, the insured now really have no way of assuring themselves of protection. Auto insurance insolvencies are not a new phenomenon. They cost the public a minimum of $150 million from 1948 to 1960, since then the rest of a billion dollars. Yet, only three states, New York, New Jersey, and Maryland, have passed laws providing for a security fund to compensate victims of auto insurance insolvency.

The proposed Federal law is the result of an investigation into insurance company insolvencies by the Antitrust and Monopoly sub-committee of the Senate Judiciary Committee. Interesting is the fact that when Sen. Dodd, who chaired the investigation, introduced the legislation, it was not referred back to the Judiciary but to the Commerce Committee.

The measure was referred to Commerce because of the way in which it was written. Committees investigate areas where Congress has assigned its authority. Ordinarily, any proposed legislation is referred back to this same committee. Just why the insurance measure was written in a manner to send it to Commerce is a matter of speculation.

Counsel for the insurance investigation sheds little light on the answer. The best hint perhaps comes from the list of co-signers of the bill. Most noticeable, Sen. Warren Magnuson (D., Wash.), Commerce Chairman, is a co-signer, and Philip Hart (D., Mich.), also a committee member, is another co-signer.

Next Congress, the 90th, which starts this January, will surely see the re-introduction of the measure. It is expected Commerce will hold public hearings. If enough support can be found, the idea or a similar one will probably become law. Adjournment of the 89th Congress has given interested parties time to study the effects of the bill.

The big opposition is expected to come from the various insurance commissioners within the various states, and insurance underwriters. Also, portions of the insurance industry are expected to charge that the legislation is just another way of getting Government into industry. Small companies may charge such a law will work a hardship on those in competition with giants of the industry.

It could be that once Commerce gets underway with hearings, the entire auto insurance picture will be thrown open. Some embarrassing questions could come up. For instance, why are people thrown into so-called "high-risk" groups? Why do some of the large companies refuse to write so-called "high-risk" insurance?

This reporter is informed that one auto manufacturer has a subsidiary which will not write insurance on certain high-performance vehicles which the parent company manufactures. Another company will not insure young drivers. Thus, when a teenager starts to drive, the family is forced to shop for insurance among strange companies, which raises their insurance rates.

Why won't some companies insure sports cars?

It promises to be an interesting situation. Sen. Dodd, author of the bill, is from Connecticut. Connecticut is to insurance what Milwaukee is to beer. Maybe the Senator foresaw a political hot potato. This may be the real reason behind the bill being referred to Commerce.

Whatever the reason for referring the bill to another committee, Sen. Dodd deserves credit for starting the ball rolling. If it's as politically hot as some suggest, he deserves high marks for intestinal fortitude.

The whole question of insurance is an important one to sports car owners. This reporter has been requested to ask the readership of SCG to voice their views on the matter. The proper people to write are your Senators and Congressmen, Washington, D.C. 20025.

A public airing is the best way to get at the truth of any problem. When laws direct or permit the requirement of insurance, it should not be insurance in name only. It is a two-way street. Actual protection should be assured.

People can more readily afford to lose what they have been able to save than they can what they do not have available. Insurance in name only can cost the policyholder and the innocent victims their savings, properties, and the larger portion of their future income.

New language added to the legislation could also take the guesswork out of buying insurance from the more reputable companies. One Congressional investigator, a lawyer trained in examining insurance policies, recently told this reporter he could not really compare value given for the customer's insurance dollar. All companies, according to this informant, design the language of their protection as to prevent customers from truly shopping for value.

[From the Wall Street Journal, Jan. 24, 1967]

CASUALTY FIRMS SEEK TOUGHER STATE RULES TO FORESTALL FEDERAL INSURANCE LEGISLATION

(By Stanford N. Sesser)

CHICAGO.—In an effort to forestall Federal intervention, casualty insurance companies are embarking on an unprecedented nationwide campaign to convince states to toughen their insurance regulations.

The unusual prospect of an industry asking that it be more closely regulated was disclosed yesterday at a press conference of three high insurance executives. They were specifically responding to proposals made by Illinois Gov. Gerner to the state legislature that deal with the problem of insolvent auto insurers.

"The insurance industry is in back of this program," declared George H. Kline, vice president and general counsel of Allstate Insurance Co., and "there isn't going to be a roaring fight over it." Allstate is a subsidiary of Sears, Roebuck & Co.

The casualty companies presented their own legislative proposals for strengthening the Illinois Insurance Department, many of them echoing Gov. Kerner's measures. According to James S. Kemper Jr., president of Lumbermen's Mutual Casualty Co., it's this so-called "Illinois plan" that's going to be pushed by the industry in other states.

"The way to solve the insolvency problem," Mr. Kline said, "is to give the state insurance department the men, money and laws it needs to do its job."

DODD BILL STIRS INDUSTRY

The heightened interest of casualty insurers in adequate state regulation is their response to a bill being introduced this week by U.S. Senator Dodd (D., Conn.) calling for the establishment of a Federal motor vehicle insurance guaranty corporation, which would protect policyholders against insolvent auto insurers. Hearings on the bill are planned by the Senate Commerce Committee this spring.

Mr. Kemper called the Dodd bill "bad all the way through." He said it would lead to the possible "emasculation" of state insurance departments. "Past history indicates that when Washington gets a foot in the door, the next step is to open the door wider," he added.

Mr. Kemper denied that the industry's call for tougher state regulation came in response to the Dodd bill. But, he conceded that "we were influenced by the fact the Federal Government was taking an interest in the problem." Well-placed sources, however, characterized the industry position as a direct attempt to head off Federal intervention.

The Illinois plan backed by the casualty insurers would amend uninsured motorist coverage to protect against insolvencies. Uninsured motorist coverage, which in most states costs only a few dollars a year, now protects the policyholder when he's injured by someone who isn't insured. Under the new plan, it will also pay losses if the driver who causes the accident finds that his insurance company has become insolvent.

In addition, the Illinois plan calls for the strengthening of state insurance departments through higher state appropriations and the granting of greater power to deal with companies that are financially insecure. It asks for "a new and more meaningful form for company reports of reserves set aside to meet pending claims." It would also give state insurance commissioners power to conserve a company's assets when there are indications of potential insolvency.

The adoption of these measures, insurers reason, would put an end to insolvencies. Thus, they claim that expanded uninsured motorist coverage would cost no more than it does in its current form.

MAIN FEATURE OPPOSED

However, the casualty companies are opposing the main feature of Gov. Kerner's proposals—an "insolvency fund," financed by assessments on insurers, that would pay the claims of drivers who have accidents but find their insurance company has become insolvent. The industry contends that extended uninsured motorist coverage would meet the same ends at a lower cost.

Many state insurance regulators, pointing to legal problems that would be brought about by extended uninsured motorist coverage, dispute this claim. They also say that pedestrians injured by a driver whose insurance was with an insolvent company wouldn't be covered under such a system. New York, New Jersey and Maryland currently operate state insolvency funds.

The problem of insolvencies among auto insurers has long plagued state insurance departments. Many of these departments are severely understaffed, and in several states capitalization requirements for a new insurance company are minimal. The result has been a host of "fly-by-night" auto insurers, who mainly offer high-risk coverage of drivers unable to get insurance at regular rates.

Sen. Dodd's Antitrust and Monopoly subcommittee has found that 73 companies writing motor-vehicle insurance have been placed in liquidation or receivership since 1960. These companies were chartered in 22 states, and more than half were issuing policies in states outside their home territory. The committee estimates that 300,000 policyholders are seeking claims from these companies for an estimated $600 million. "When this sad chapter in insurance history is finally closed," Mr. Dodd said last year, "these claimants will have lost well over $100 million."

Mr. BREWSTER. Mr. President, the distinguished chairman of the Commerce Committee recently told the Senate of several areas of consumer interest which the committee plans to investigate this session. I associate myself with the remarks of the distinguished Senator from Connecticut and the distinguished Senator from Washington. As a member of the Commerce Committee, I look forward eagerly to the chance to develop meaningful legislation in the consumer area.

One problem which the chairman touched on briefly was that of insurance. The distinguished Senator from Connecticut [Mr. DODD] has offered a bill which would establish a Federal Motor Vehicle Insurance Guaranty Corporation. I am cosponsoring this bill, and I hope that we will take prompt and favorable action on it in the Commerce Committee.

I have asked Senator MAGNUSON to make the hearings on the insurance field much more wide-ranging than the bill itself. Investigators on other committees of the Senate have dug up facts which indicate that the time has come for a thoroughgoing look at the auto insurance industry. The Commerce Committee is the appropriate group to take that look and report out such legislation as may prove necessary and wise.

Let me say at this point how proud I am of the action taken by my own State of Maryland. A few years ago, insurance problems in Maryland were among the worst in the Nation. Now, under the leadership of two strong insurance commissioners, Francis B. Burch and Norman Polovoy, Maryland has possibly the best regulated insurance industry in the Nation.

Just this past weekend, Commissioner Polovoy announced the establishment of an insurance consumers placement bureau to help those policyholders who are arbitrarily refused coverage. This is the latest indication of the great progress made in Maryland.

I would hope that we will have an opportunity to hear Mr. Burch and Commissioner Polovoy tell the Commerce Committee what they have been able to accomplish, and what their recommendations are for the Federal Government.

Among other things, the Maryland State Legislature has passed several progressive insurance measures. One law establishes a motor vehicle liability insurance fund, which covers part of the problem area of the Dodd bill. Former Commissioner Burch also set forth guidelines for insurance companies to follow in Maryland—excellent guidelines, I might add.

The fact remains, however, that we will not always have insurance commissioners in Maryland of the caliber of Bill Burch and Norman Polovoy. Many States are not so fortunate, and the chain of State insurance regulation is hardly stronger than its weakest link.

It seems to me that there are at least five areas of abuse which the Commerce Committee should examine. These are:

First. The financial and personal losses resulting from bankruptcies of insurance companies;

Second. Arbitrary cancellations of insurance coverage;

Third. "Blackout maps," designating areas in which companies will simply refuse to issue any insurance;

Fourth. Lack of regulation by some State insurance departments, leading to shoddy financial practices; and

Fifth. Unreasonably high insurance premiums in some areas.

BANKRUPTCIES

Senator DODD, as I mentioned before, is the sponsor of legislation which would protect motorists and third parties against the failure of insurance companies.

Since 1960, there have been 73 failures of insurance companies, representing approximately 1 million policyholders. When these companies fail, they leave the policyholders personally liable for any damages sustained. Let me cite an example from the Antitrust Subcommittee's hearings in the spring of 1965.

A Marylander, the father of three, was involved in an accident which resulted in death to the other driver. This man's insurance company failed—leaving him to pay $32,000 in damages. He had to sell his house. A lien was attached to his salary. And the family of the deceased driver did not get its full compensation, and will not, for a number of years.

There have been over 350,000 victims of automobile accidents who have received only partial settlement of their claims because of the failure of the other driver's insurance companies. More than $300 million in claims has never been paid off.

This problem was brought home to me recently when one of the secretaries in my office told me of her situation. It seems that her insurance company had gone out of business—without even informing her. As a result, she had driven around for months, unaware that she had no insurance at all. Had she suffered an accident during this time, she might be paying the damages for the rest of her life.

One expert recently estimated that one out of every 10 high-risk insurance policies will be worthless when the time comes to collect on it.

Maryland passed a law on this subject last year, establishing a motor vehicle liability security fund. This fund will pay the claims of third parties against persons whose insurance companies have gone bankrupt.

But Maryland is one of only three States in the Nation to have such a law. And the Maryland law does not, in my opinion, go far enough.

For these reasons, I am cosponsoring Senator DODD's bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation. The bill would set up a corporation similar to the Federal Deposit Insurance Corporation. It would provide a guarantee for all qualifying insurance companies operating in interstate commerce.

In addition—and this is where it goes further than the Maryland law—it would pay the claims of insurance policyholders, in addition to those of third parties, in the event of bankruptcy of the company.

What this means is that, if John Smith is involved in an accident with John Doe, and his insurance company goes bankrupt, both Doe and Smith will be able to recover for their injuries. The bill I am cosponsoring would thus provide protection for both the insured party and the public.

This bill would empower the guaranty corporation to take a close look at the insurance company before giving it clearance for a guarantee. If the insurance company is engaging in shady practices, or is not on a sound financial basis, it will not be guaranteed until it corrects the situation. Again, this is comparable to what the FDIC does for member banks.

As the president of the Royal-Globe Insurance Co. said last year:

> If we could be regulated like national banks, it would seem ideal.

That is the aim of this legislation.

This, however, is not enough. I hope that the Commerce Committee investigation will not stop there. I have asked Senator MAGNUSON and the committee staff to see that it goes further. While at the hearings I intend to ask questions that will push further.

There are several other areas that we must examine. What about the "blackout maps" in parts of Baltimore, New York, Philadelphia, and other large cities—entire areas which no major company will insure?

What about the arbitrary cancellations, of which, I am told, there are some 300 a month in Maryland alone? What about the people over 65, who are flatly denied insurance by some insurance companies? The same thing is true for certain veterans, servicemen, Negroes, and low-income groups.

These are only a few of the problems plaguing insurance policyholders. Many others have been uncovered by the excellent work already done by the Senate Antitrust Subcommittee and its investigators. I have asked my staff to examine these and other problems. I hope to report on further abuses in this field next week.

What we must do, as the first order of business, is to conduct a thorough investigation of this field. We should not prejudge the case. Perhaps the abuses which I have outlined are mere exceptions to the general rule.

Nor should we presume that Federal legislation is the only answer. Maryland has shown what progressive State government can do to regulate insurance. Perhaps we can galvanize other States into action. But if Federal action is necessary, then by all means, let us act.

The average consumer pays 9 percent of his income for all insurance. In many cases, his coverage is only illusory. Surely this is an important area of consumer protection. It is a major responsibility of the Commerce Committee to investigate the entire field of auto insurance, in depth at this time.

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

Mr. BREWSTER. I yield.

Mr. DODD. Mr. President, I express my gratitude to the Senator from Maryland for his support on this measure.

The Senator has been greatly interested in the subject matter and has been of great help in getting the bill prepared and introduced. I am sure that other Senators interested in the legislation are of the same mind.

Mr. BREWSTER. Mr. President, I thank the Senator.

Mr. HARTKE. Mr. President, I am pleased to add my support to this bill which would create a Federal Motor Vehicle Insurance Guaranty Corporation for automotive insurance firms.

The bill, based on extensive investigations by my colleague, Senator THOMAS DODD, on behalf of the Antitrust and Monopoly Subcommittee is a strong move to protect the insured and accident victim from "fly by night" operators.

Many well-run insurance companies have suffered loss of public confidence by the machinations of illegitimate operators who prey on the public. The corporation would protect the public much in the same way as FDIC has protected depositors from bank failures.

One particular Indiana case appalled me. In 1959, a young Jeffersonville, Ind., basketball star was permanently injured in an accident involving a schoolbus and a tractor-trailer loaded with 21 tons of glass. The truck was insured by a high-risk firm which subsequently went out of business. This boy and his family have thus far only collected for immediate medical expenses and have not been paid one red cent of compensation for the permanent injury, as the company is now in receivership.

There are thousands of cases like this young basketball player throughout the country. We must move to protect the consumer. It is almost inconceivable that we have not had such a guarantee before this time.

Data collected by the Senate Antitrust Subcommittee on firms in my own State of Indiana shows that since March of 1962, five casualty insurance companies writing auto business in Indiana are now in liquidation. All but one were writing in more than one State, two of the five had written policies in more than 18 States. Some 14,000 policyholders and accident victims will receive on the average, 25 cents on the dollar.

The Federal Motor Vehicle Insurance Guaranty Corporation bill will come before us in the Commerce Consumer Subcommittee, and I, for one, will urge swift consideration for the protection of American consumers.

I ask unanimous consent, Mr. President, to include at the close of remarks the Washington Post article from May 23, 1965, which points to the need for such legislation.

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

[From the Washington Post, May 23, 1965]

HIGH-RISK INSURANCE PRACTICES HIT

(By Laurence Stern)

On the morning of Jan. 13, 1959, a tractor-trailer truck loaded with 21 tons of glass plowed into an Indiana school bus that had made a lawful stop to pick up students. Among the injured youngsters was a 17-year-old varsity basketball player who subsequently spent 19 months in hospital beds.

Today—nine operations later—the former high school athlete is permanently crippled. When he stands straight, his left heel hangs three inches from the floor. His parents have amassed more than $19,000 in medical and hospital bills.

The boy's father wrote Sen. Thomas J. Dodd (D-Conn.) recently that the trucking company's Michigan insurance firm went into receivership early in 1962. Their claim, he told Dodd, was one of many thousands against the company that now lie in the legal thicket of receivership and crowded Indiana court dockets.

HIGH-RISK PAYDIRT

This letter is but one in a rapidly growing portfolio of protests streaming into Dodd's files from victims throughout the country of a slick, new breed of operators who have scented paydirt in the high-risk automobile insurance business. They are the entrepreneurs of what one insurance commissioner called "the company formed to go broke."

A Dodd investigator last Friday compiled a list of 44 high-risk auto insurance firms—many of them linked by hidden ties of common corporate control—that have been ridden into insolvency during the last five years. The list embraces 17 states. Nearly 250,000 motorists were left without insurance as a result of the failures.

In sounding the theme for a series of hearing by the Senate Antitrust and Monopoly subcommittee into high-risk auto insurance abuses, Dodd said on May 11:

"The high-risk field has been infiltrated by unscrupulous persons . . . who use insurance funds for their own personal financial gain by engaging in sleight-of-hand and fly-by-night operations."

INADEQUATE LAWS

Dodd, whose home state constituents include some of the Nation's biggest and most powerful insurance companies, laid part of the blame on faulty state laws, inadequate enforcement and lack of cooperation among state insurance departments. The Connecticut Democrat made it clear that his concern centers only on a small segment of the $165-billion American insurance industry. The troublesome minority is concentrated in the high-risk field.

"The business of insurance is essentially interstate in character," he said, "but its regulation is fragmented in that the individual states set out to administer the regulations."

The Dodd investigation has caused concern in the insurance industry that revelations, if they prove too gamey, might open the door to some measure of Federal control.

Insurance was held to be interstate in nature by the Supreme Court in its 1944 South-Eastern Underwriters case. But Congress vested policing authority in the states the following year with passage of the McCarran-Ferguson Act.

INSOLVENCY PATTERN

At this month's preliminary hearing the subcommittee plotted some tangled tales of insolvency growing out of the operations of high risk companies covering 11 states. Here are some highlights of the testimony:

In Indianapolis a group of investors bought control of International Automobile Insurance Exchange, a high-risk automobile insurance company, with a $100,000 loan in late 1963 and three weeks later voted themselves a $310,000 "management fee." The company, which boasted an $850,000 surplus shortly before being taken over was declared to be $1 million in the red two months after it was purchased.

The former treasurer of a Maryland high-risk firm, the National Motors Insurance Co., testified that he refused to sign its annual statement to the Maryland Insurance Department because of the "juggling" of figures to conceal the firm's bankrupt financial condition. The witness, Philip W. Ireland, also said that early in 1963 during a state audit of a "sister company" a state insurance examiner showed up in his office to pick up two suits that the firm's management decided to give him as a "present." The high-ranking Maryland examiner was reported to be still with the Insurance Department at the time of the Dodd hearings, two years later.

A Cincinnati high-risk auto insurance operator, Mark Kroll, "siphoned" funds through a maze of interlocking corporations spreading over three states, according to sworn testimony by a former associate, who said the Cincinnati investor channeled funds from his policyholders into a yacht, a home and unrelated personal business ventures. Most of the underwriting companies that figured in the scheme are now in receivership.

DRIVERS ARE VICTIMS

Numerous other case histories are piling up in the cramped Senate office of Dodd's staff investigator, Dean Sharp, who has neither assistants nor clerical help.

The prey of unscrupulous high-risk operators are drivers who for reasons of health, age, occupation or even residence, are refused insurance at regular rates. This market includes an estimated 5 million drivers and accounts for more than $500 million in written premiums, according to Dodd.

A motorist who has been branded a bad risk has the option of placing himself in an "assigned risk" pool or else do business with a company specializing in costlier high-risk insurance. Under "assigned risk" plans, insurance companies agree to accept so-called bad risks in proportion to the amount of auto liability business each firm does in a state. But, according to one witness before the Dodd panel, many drivers shun the assigned risk pool because of the stigma of being identified as a bad risk.

Charles W. Gambrell, chief insurance commissioner of South Carolina, emphasized before the Dodd group that not all high risk insurers are "predators."

MANY LEGITIMATE

"The fact is," he said "that many such insurers are ready, able and willing to operate legitimately in a field where a public service can be performed but are thwarted and frustrated by the unfair competition represented by the irresponsible and parasitical few."

In describing the operations of the shady high-risk insurers, Gambrell pointed out that a common failing has been lack of reserves to cover liabilities.

"It is just like a check-kiting situation," he explained. "They are taking today's cash dollars and paying yesterday's losses only when they are absolutely compelled to do it. As long as they continue to write business somewhere, they can continue this kiting operation until their house of cards will crumble somewhere along the line."

The South Carolina official also pointed to lack of adequate coordination across state lines by state regulatory authorities. He cited one case of an Indiana company that went into receivership, leaving 20,000 South Carolina motorists without insurance and more than $1 million in unpaid claims in his state.

In another instance, Gambrell pointed out, Maryland insurance authorities approved a reinsurance contract for a Baltimore firm operating in South Carolina that "was a sham from the very beginning."

Mr. WILLIAMS of New Jersey. Mr. President, I join in sponsoring today a bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation. Arguments for the bill are sound and urgent. I will not repeat them here.

But I will point out that this bill has special relevance to all older Americans, who suffer severe financial, and emotional strain in today's market for automobile insurance coverage.

Their problem is simply this:

Quite often, when a driver reaches age 65 or even a lesser age, he is told that he can no longer receive insurance protection.

His driving ability is not in question. He is not being rejected because of physical incapacity. He is the same man on the day after his birthday as he was on his birthday. But he is told that—as far as his insurance company is concerned—that he has become high risk and can no longer be served by them.

The Senior Citizen News, published by the National Council of Senior Citizens, put the problem in dramatic terms when it reported in its January 1967 issue:

. . . Are the states seeing to it that auto insurance is available to their licensed drivers?

And when a motorist, who cannot obtain insurance from a regular company, buys a policy from a company specializing in selling coverages to those not wanted by the regular companies, are the states doing everything possible to protect that motorist and the public from risk of loss due to the insolvency of the specialty company.

The council article gives arguments to the effect that the elderly are among the major victims of insolvencies. I ask unanimous consent to have that very useful article reprinted at the end of these remarks.

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

[From the Senior Citizens News, January 1967]

AUTO INSURERS RAISE PROBLEMS FOR ELDERLY

Millions of licensed American drivers, including over eight million elderly citizens over 65, are finding it increasingly difficult to obtain adequate auto insurance coverages from the regular companies, both giant and small. *Senior Citizens News* has learned that in one state, the consensus of underwriting guides of all companies writing auto liability insurance indicates that 83% of the insurance companies doing business in that state will not cover an auto if it has a driver 65 or older.

No sensible person today would dare drive his car without adequate auto insurance. In fact, three states (New York, Massachusetts and North Carolina) require their registered car owners to have auto liability insurance. Every other state encourages auto liability insurance through its financial responsibility law. Under such a law, a person involved in an auto accident may be required to furnish security (usually auto liability insurance) up to certain minimum dollar limits. Consequently, auto insurance is a virtual necessity today.

Year after year the big auto insurance companies have pleaded they would go broke without rate increases. Time after time State Insurance Commissioners have granted their demands.

SPIRALING PREMIUMS

In the past five years, for many of the nation's elderly, auto insurance costs have gone up 25 per cent. The extra money many elderly paid for car insurance last year swallowed up their gains from the 7 per cent Social Security increases voted by Congress in 1965.

But even after winning increased rates—authorized by commissioners in the public interest—the big companies are locked in competition for the "preferred risk drivers." These are people between the ages of 30 and 50 who don't drive their cars around much and haven't had any accidents.

Those who are not included in this prime risk category are paying more and more for their auto insurance and, in some cases, find it hard to get policies from reputable companies. The squeeze is hardest on the aged—particularly those living in metropolitan centers. Some companies, it has also been reported, will not write any business in poor

Negro neighborhoods. Recently there have been complaints that amputee and paraplegic veterans have had policies cancelled—though these veterans drive specially equipped cars and have excellent driving records.

If a state requires or even encourages that autos be covered by insurance, then surely the state has an obligation to see that an adequate insurance market exists for all licensed motorists. The assigned risk plan, the specialty high-risk market, and the thought that auto insurance should be made available to all comers, are all directly the result of a social policy requiring and encouraging auto insurance.

But are the states seeing to it that auto insurance is available to their licensed drivers? And when a motorist, who cannot obtain insurance from a regular company, buys a policy from a company specializing in selling coverages to those not wanted by the regular companies, are the states doing everything possible to protect that motorist and the public from risk of loss due to the insolvency of the specialty company?

SENATE STUDIES

These are some of the questions that the U.S. Senate Antitrust & Monopoly Subcommittee insurance studies have been seeking to answer. In May, 1965, Senator THOMAS J. DODD, Democrat of Connecticut conducted hearings for the Antitrust & Monopoly Subcommittee on high-risk auto insurance. These hearings produced a 670 page volume of testimony and documents. After the hearings, the Subcommittee continued to explore high-risk auto insurance, and auto insurance in general. This is some of what was found.

Since 1960, 65 companies writing motor vehicle insurance have been placed in liquidation or receivership. These companies were chartered in 22 states, and more than half of them were issuing policies in states in addition to their home state. Six were writing in 35 states or more.

For example: In Pennsylvania, 15 companies failed since 1961 and 12 alone since January, 1964. 6,000 accident victims have filed claims of $13 million against 7 of these companies. The Pennsylvania Insurance Department has placed a total value of over $5 million on 4,000 of these claims. These 4,000 claimants are seeking satisfaction out of $55,000 in assets of these defunct companies.

In Illinois, some 50,000 claimants are seeking over $150 million against 15 companies with collectable assets of $7 million. Even if these filed claims are worth only 20%, or $30 million instead of $150 million, claimants will average around 23 cents on the dollar.

In Florida, 10,000 claimants, with claims valued at $1.74 million, will receive around 40 cents on the dollar from the receivers of two insolvencies.

In Texas, when one auto writer went bankrupt in 1963, it left 20,000 policyholders, many of them servicemen, without insurance protection.

These 65 companies were called "high-risk" because they write mainly coverages for motorists who were unable to obtain insurance from the regular companies. It is estimated that there may be more than 20 million motorists considered to be high-risk today.

According to the regular insurance companies these motorists represent unprofitable business. Since these companies would rather compete for the preferred risk driver, they eliminate from consideration the more risky driver. By doing this the companies are able to curtail their underwriting losses.

FAST BUCK OPERATIONS

So by concentrating on the preferred risk motorist, the auto insurance industry has paved the way for a booming business by the high-risk specialty companies. But many of these during the past six years have been nothing more than fast-buck operations.

It has been reported that nearly one-half the 65 insolvencies were caused by acts of managerial fraud, and the remaining failures by inept insurance practices in some cases not quite amounting to indictable fraud. In a number of instances lax regulatory practices by state insurance departments, and even apathy, contributed directly to ultimate financial disaster.

From 1945 to date, years of unparalleled prosperity, and at the same time, a period of intensive State rate, reserve and investment regulation, auto insurance failures have cost the public $250 million.

Three states—New York in 1947, New Jersey in 1952, and Maryland in 1965—recognized the wisdom of having guaranty or security funds to compensate the victims of auto insurer insolvencies. These states know that good insurance regulation encompasses quality examinations and a guaranty fund. This fact has long been known to the Federal government in the banking field. This is evidenced by the Federal Deposit Insurance Corporation (FDIC) and the Federal Savings and Loan Insurance Corporation (FSLIC).

LEGISLATION NEEDED

Connecticut's Senator Dodd believes that the principles and features of FDIC and FSLIC, as well as the existing state auto insurer guaranty funds, could be successfully applied on a unified national basis to prevent tragic financial suffering caused by insurance company failure.

He introduced a bill, in the closing days of the 89th Congress, to establish a Federal Motor Vehicle Insurance Guaranty Corporation. This bill, known as S. 3919 in the 89th Congress, was co-sponsored by Senator Joseph Clark (D. Pa.), Senator Philip Hart (D. Mich.), chairman of the Senate Antitrust & Monopoly Subcommittee, and Senator Warren Magnuson (D. Wash.), chairman of the Senate Commerce Committee, which is the Senate committee to which the bill was referred.

Senator Dodd will reintroduce and press for action on his bill early in the upcoming 90th Congress. Senator Magnuson has said that he is hopeful that his Consumer Subcommittee (of the Commerce Committee) will consider this legislation during the next session and act favorably on it.

The guaranty functions of the Corporation would be carried out through a fund established in the U.S. Treasury. This fund would consist initially of $50 million capitalized through the Treasury, which would be repaid as quickly as possible without endangering the solvency of the fund itself.

Other than insuring policyholders against loss due to the failure of their auto insurance company, the proposed bill would place the Federal examiner in the present insurance regulatory picture. The Corporation would be given broad examination powers to examine insurers making application for guaranty status, and those insurers whose policies have been guaranteed.

The need for this legislation is plain and demanding.

Mr. WILLIAMS of New Jersey. Mr. President, I might add that I am also informed by the council that its staff receives poignant letters from older drivers who—deprived of insurance because of age—find that they must limit their activities and their interests. In a sense, they have become marooned in suburban expanses or in urban centers that quite often lack adequate public transportation facilities.

The Subcommittee on Consumer Interests of the Elderly in the Senate Special Committee on Aging is taking an interest in problems caused by cutoff of automobile insurance to older drivers. At hearings I conducted last week, for example, we heard dramatic testimony from Mr. William C. Fitch, executive director of the American Association of Retired Persons and the National Retired Teachers Association.

He reported to us at that time:

> The fact is that thousands upon thousands of older drivers are having their insurance cancelled, or they are denied renewal or their rates are drastically increased simply because they have exceeded an age limit arbitrarily imposed by the insurance company without regard for the physical soundness or driving ability of the individual involved.

The AARP-NRTA are conducting an intensive survey—which will cover some 200,000 persons—to ask members of those associations about their experience with insurance coverage. Even from preliminary findings, Mr. Fitch regards the problem as very acute. He also is turning over to the subcommittee hundreds of letters describing individual problems caused by what appears to be present insurance practices.

Mr. President, I soon will be given for this presentation the findings of that survey from 80,000 inquiries in three States. I think that this documentation will be impressive.

The Committee on Aging may well devote much more time and research to problems associated with insurance discrimination because of age.

Even in States such as New Jersey—which have acted to curb cancellations strictly on the grounds of age—there is still fertile ground for out-of-State companies to sell cancellable policies to unwary buyers.

Obviously, such cancellations contribute to the problem which is the target of the bill introduced here today. I will do all possible to focus public attention on such discrimination, as I add my support to this bill.

Recently an article appeared in the National Underwriter which discusses the writing of policies for the senior citizen. While not endorsing all the views expressed in the article, I do think it raised some interesting and provocative issues and problems. I therefore ask unanimous consent that the portion of the article dealing with senior citizens be reprinted with these remarks.

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

[From the National Underwriter, Dec. 16, 1966]

And, with increased emphasis on the attainment of an underwriting profit, long, hard looks are being taken at the senior citizen, who, by virtue of age may or may not be the good preferred driver he was a little earlier in life. Providing automobile insurance for the so-called elderly driver has become a very real problem. Although conclusive experience statistics on elderly drivers are not generally available, there are indications that uprating is warranted on the liability and medical payment coverages at least.

At the present time throughout the industry statistics on elderly drivers are being accumulated. Until the proof is in and any adjustments indicated are made, it is important to continue the elderly driver in the preferred market unless it can be shown that for the same underwriting considerations as

are applicable, to say, a driver of 50 years of age, the elderly driver no longer qualifies.

Because physical deterioration can set in in the elderly rather rapidly, underwriting surveillance and review should be on an increasingly frequent basis as age increases.

The elderly driver is not an unknown quantity as far as past experience and the many other important underwriting considerations are concerned. This driver is known and can be evaluated. For underwriting purposes, if he has been with the company over the years, he warrants consideration as an individual, not as a class. Thus, arbitrary action based solely on the elderly driver attaining a certain age is avoided and any necessary action would be based on specific facts.

POLITICS AND THE PUBLIC

If the basic principle of fair play is not sufficient to convince you to give a long time insured individual consideration, consider the public relations and political aspects of contrary action. The senior citizen is generally a respected and listened-to citizen—one who receives and is given attention by legislators, insurance regulators and the various news media. Much of today's political pressure for limiting our underwriting activity comes from the growing number of elderly drivers who feel they have been set upon and mistreated by their auto insurance companies.

Such legislative and administrative restriction on company underwriting practices cuts across the board, affecting all categories of drivers. The result could snowball, causing further caution on the part of the underwriter, thus, further tightening of the voluntary market and a ballooning of the assigned risk plans, and then back to more legislative and/or administrative direction.

The circle can and must be broken. Can a total market for all conscientious, properly licensed drivers be provided? Can it be provided at a scale of rates that recognizes variations in driver exposure—from the very preferred to the non-insurable driver, allowing the individual driver to float up or down the scale based on his exposure?

Over the past twenty or so years the automobile programs have been refined and further refined, all for the purpose of finding and defining the preferred driver and reducing the difference in exposure between risks in the same class, thus reducing the leverage of selective underwriting within a class to a minimum.

The same energy which has been expended to formulate and develop the present programs for the preferred market needs to be put to preparing an integrated program for all insurable drivers—just as in the youthful driver category of the 6 Class Plan, but in reverse, the premium spread and charge for a driver who today is preferred and tomorrow has a problem, is too great when he finds the only avenue open to him is the automobile assigned risk plan or a sub-standard auto program topped off with perhaps restricted coverage and low limits.

At this time more knowledge and data are needed concerning the drivers between what might be considered the preferred and the substandard. Who are these in-between drivers, and what volume do they develop? This is not known. We all know of drivers we have taken and stayed with at preferred rates because there was no basis for up-rating the driver.

Today there are many bureau programs available for tailoring, or up-rating insurance keyed to the driver exposure to be covered or avoided. But by their variety and differences they are not easy to use or administer. Here are some of them:

1. Excess Liability and Physical Damage Program—For the auto assigned risk driver who needs and is willing to pay for limits and coverage not available under the plan. Also available to any other driver who finds only basic Liability Limits available to him in the preferred market. Calls for a separate policy, separate rating.

2. Rates in Excess of Manual—Available only in a few states (N.J., N.Y., Ohio, W. Va.). Where manual rates are determined to be inadequate for the individual auto driver and he cannot obtain coverage at regular rates, driver and company can agree to an increased premium. Special procedures and consent forms required. Insurance department review and approval on case basis is required.

3. Special Increased Limits—Generally available, but in some states not, and Kansas has an exception. A youthful male is an operator of the auto. Policy is issued at basic liability limits and then endorsed to provide liability limits needed for the other than youthful drivers.

4. Unacceptable Hazards—Sometimes referred to a limitation endorsement, driver restriction endorsement, etc. Availability and administrative requirements vary by state. Some states prohibit its use. Use of the endorsement has been increasing and so has the political problem it creates when used promiscuously. If used, use it judiciously. Know that the insured and driver involved know the existence, purpose and effect of the endorsement. Left to handling by some salesmen or agents, the insured may not comprehend the full impact of the endorsement.

5. Liability and Physical Damage Deductibles—except for liability, deductibles have been used for individual insured for years. Now we are seeing increasing use of higher collision deductibles and comprehensive deductibles as underwriting tools. Liability deductibles not used as yet but likely are on the way.

6. Type of Policy—Family auto; special packages; package—where available—for direct bill and generally for preferred driver; family—where package available—sometimes is used to control coverage and limits.

7. Auto Assigned Risk Plans.

SUBSTANDARD PROGRAMS

Now a brief word about sub-standard auto programs. The underwriting of these programs is different. The assumption here is that the exposure is undesirable—otherwise it wouldn't be seeking insurance here. Generally, the reason is obvious—driving record, auto, physical impairment, previous insurer and any number of other reasons why a preferred writer finds the exposure unsatisfactory.

When the reason for being submitted is obvious, there is little reason to spend money for a commercial report—unless, of course, the rating plan is such that rating factors should be verified.

An application answered and signed by the driver, plus money and the MVR, should do the job. But the underwriting possibilities in these seemingly simple areas are tremendous—not particularly easy for any underwriter to swing. It takes a different kind of thinking and a specialized approach in order to come out whole in the continually changing sub-standard auto market.

A few years ago this market consisted primarily of youthful drivers. But with improved rate adequacy for the youth, more aggressive underwriting, and the youthful driver credit program in auto assigned risk plans, youths are no longer the major portion of this market. Today the bulk of the sub-standard drivers are 25 to 65 years old. Their problem is generally a poor driving record. But the really big boomer in this market is the elderly driver. He is coming on strong. Time will not solve his driving problem as it will for the youthful driver. Instead, for the elderly, it can only get worse.

The rating approaches used for sub-standard business varies considerably. However, the base rate in these programs is substantially above the bureau rate and uses a refined surcharge approach. This can take the form of just recognition of the driving record or also include certain undesirable driver characteristics. Superimposed on this can be a scale of renewal credits for each accident-violation-free year while insured under the plan.

Mr. MAGNUSON. Mr. President, recent investigations have disclosed serious inadequacies in the regulation of automobile insurance. I am particularly concerned about reports of arbitrary cancellation of insurance policies.

The January 3, 1967, issue of the Seattle Post-Intelligencer contains an incisive and revealing report by Orman Vertrees on auto insurance cancellation practices. The January 26, 1967, issue of the Machinist also examines this critical problem. I ask unanimous consent that these articles be printed in the RECORD at this point.

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

[From the Seattle Post-Intelligencer, Jan. 3, 1967]

DISCLOSURE MADE BY MAGNUSON

(By Orman Vertrees)

Congressional hearings into a number of insurance industry practices are in the works for this year, an aide to United States Senator Warren G. Magnuson told the Post-Intelligencer Monday.

He said the senator is particularly concerned with reports of arbitrary mass cancellations of auto insurance as well as the question of investment income as it relates to the setting of insurance rates in some lines.

The hearings most likely would be held in Washington, D.C., but field hearings might be held in Washington State.

Senator Magnuson is chairman of the U.S. Senate Commerce Committee, which shortly before the close of the last session of Congress created a new permanent Subcommittee on Consumer Affairs. This subcommittee would be concerned with the insurance hearings.

Magnuson has reports of large auto insurers paring their lists and forcing their rejects into the arms of "bucket-shop operators," or the high-risk insurance companies, a member of the senator's staff said.

Another Senate investigation has shown that some 65 of these high-risk companies have become insolvent since 1960, leaving 300,000 policyholders and injured persons with a loss of $100 million.

A bill will be introduced in this session of Congress to protect policyholders against bankrupt auto insurance companies. It would work much like the federal insurance that protects bank and savings and loan depositors.

Concerning investment income, the staff member said a question has been raised about this in connection with the setting of some insurance rates.

He said the accounting methods used by some auto insurance companies apparently do not take into consideration the investment return on large reserves attributable to the policyholders' premiums.

Senator Magnuson was also instrumental in getting the Federal Trade Commission to investigate the operations of numerous mail order insurance companies, some of which were preying on the wives and families of servicemen in Vietnam.

The FTC's work so far has led to the prosecution of several of these fringe operators and the termination of their deceptive practices.

"The evidence thus far points to the inability of the states to effectively regulate mail order insurance because of the interstate quality of the industry," the Magnuson aide said.

Moves on the federal level to control insurance practices not in the public interest would coincide with a strong approach recommended to the coming session of the Washington State Legislature.

The legislature's Interim Insurance Committee under Chairman Karl V. Herrmann, state senator from Spokane, is also critical of auto insurance cancellation practices as well as the failure of the state Insurance Commissioner to consider investment income in reviewing rates.

[From the Machinist, Jan. 26, 1967]

AUTO POLICIES CANCELED, MANY UNIONISTS REPORT

IAM members from 33 cities in 19 states have written THE MACHINIST complaining that insurance companies have canceled or refused to renew their auto insurance policies.

The protesting union members are of all ages, and deal with—or did—most of the big, well known auto insurance companies.

Bitterest protests come from those who cannot find out why insurance was canceled. Most have had no accidents, no arrests, made no claims—or only minor ones, and are under 60 years of age. A 56-year-old Bessemer, Ala. machinist reported his auto insurance was canceled this month. He wrote:

"I do not drink alcohol of any nature. I never filed a claim with this company or any other insurance company. I have never been involved in a traffic accident or even a traffic ticket. I wrote this company for an explanation why. They never answered my letter."

Fortunately, he got coverage with another company but only after going through a complete investigation and paying another agent's commission, he stated.

A 23-year-old Milwaukee, Wis., member reported that his insurance company recently notified him that his premium was being raised 50 per cent, to $565 a year. His was one of the middle cars in a five-car chain accident last spring. He shopped around and secured insurance from another firm at $529 a year. He wrote:

"One of the factors that brings up the cost of the insurance is that I am paying for my car on installments and the bank with whom I have the loan requires full coverage, collision, etc. Also the insurance companies put me in a bracket that is high because of my age and because I am unmarried. How can a guy afford to get married?

"My driving record is good and it sure burns me up to have to pay such high premiums."

A union member from Oak Lawn, Ill., wrote:

"I had my auto insurance canceled in October, 1965, on the basis of three traffic violations in the preceding five years Frankly, I think the main reason was because I became 50 years of age."

He reported he got insured by another company, but the policy costs him $65 a year more.

A Minnesota member reports that his insurance company refuses to renew his policy "because I traded my station wagon off on a Corvette Sting Ray. I've had but one ticket in the past six years and that was four years ago."

CANCELLATION BECAUSE OF SON

A union member from South Montrose, Pa., writes that her family's auto insurance was cancelled in 1963 shortly after her son, then 16 got his driver's license. She was 38 and her husband, 42, at the time. They drove without liability insurance until they managed to get coverage with another company through a relative. They had made only one claim, for $25, during the 11 years with the original company.

A San Mateo, Calif., member's insurance was canceled because he was honest enough to tell the company he had diabetes, kept under control by a doctor. He had driven 26 years without an accident.

A Seattle, Wash., member, an auto mechanic, reported that insurance on his 1957 Cadillac was canceled without explanation. He had had no accidents and had made only one claim, for a windshield under the comprehensive feature. Insurance with another company cost him 30 per cent more.

INSURANCE FOR TWO WEEKS

A Chicago member's insurance was canceled two weeks after the policy was issued. The agent told him it was because he lived in a predominantly Negro neighborhood. Although he has never had an accident he is now in a high-cost pool.

A Kansas member thinks he was canceled because the company ceased doing business through his agent. He had had no accidents.

Many members reported cancellations or company refusals to renew after filing the latest of several claims. They felt the cancellations were unfair because the premiums they paid over the years were much more than claims paid.

Saddest reports of all came from elderly members in their 60's or 70's. Many said they had been refused renewal because of their age despite long records of accident-free driving.

Mr. YARBOROUGH. Mr. President, I am pleased to be a cosponsor of the proposed legislation to establish a Federal Motor Vehicle Insurance Guaranty Corporation. Automobile insurance insolvencies have left their toll in Texas. When one auto writer went bankrupt in my State in 1963, it left some 20,000 policyholders, many of whom were servicemen, without insurance protection. Another auto insurance failure has left nearly 1,000 claimants who will be lucky to receive 10 cents on the dollar.

These companies that failed were writing auto insurance for motorists who were unable to obtain coverages from the standard casualty companies. The standard auto writers claim that these motorists—some 20 million today—represent unprofitable business. These companies are able to curtail their losses from policy writings by eliminating the more risky drivers. Thus, the auto insurance industry, by competing for only the better drivers, has opened the way for the high-risk specialty companies.

As Senator DODD has pointed out—73 of these companies have failed during the last 6 years. This is appalling when we stop to consider the financial suffering caused thousands of policyholders and accident victims; I believe this proposed legislation is long overdue.

Mr. HART. Mr. President, anyone running his finger down the tabulation of insolvent high-risk automobile insurance companies could figure the senior Senator from Michigan would be interested in Senator DODD's proposal for a Federal Motor Vehicle Insurance Guaranty Corporation.

It is true that my support for this bill is influenced by the fact that Michigan has experienced what can happen when an auto insurance company goes broke. Twenty-five thousand residents of my State—and their families—know all the ramifications of that all too well.

But there is further—if not better—reason for my support of this proposal.

The Senate Antitrust and Monopoly Subcommittee was the vehicle under Senator DODD's direction for developing a very complete record of the wave of bankruptcies which has struck the high-risk auto insurance field in the past 6 years. There is no question in my mind—and I doubt if there would be in the minds of other readers of that record—that a solution is needed.

Senator DODD has proposed a solution today. But he has done more than that, it seems to me. He has proposed a fair solution which while giving peace of mind to citizens will work no hardship on the many legitimate insurers in this country.

Therefore, I am pleased to add my name as a sponsor of this bill and join Senator DODD in urging speedy consideration and action on it.

Mr. NELSON. Mr. President, I am pleased to join with my colleagues in cosponsoring this necessary legislation. The car-driving public needs to be better protected than it is now. In my State of Wisconsin, in recent years two companies writing motor vehicle insurance have gone insolvent. An estimated 10,000 number of claimants will receive less than 45 cents on the dollar after final distribution is made.

The passage of this bill will prevent future occurrences of this kind. I would also like to praise the pioneering efforts of Dr. Richard Heins of the University of Wisconsin who contributed so much to the writing of this bill. His work in depth provided information in the whole area of insurance company insolvencies.

PLOWSHARE PROJECT

Mr. DOMINICK. Mr. President, I was delighted yesterday to see the senior Senator from Rhode Island [Mr. PASTORE] endorse and support the so-called plowshare program.

I have been trying to push this study along myself ever since I have been in the Senate.

Last year I presented testimony to the Appropriations Subcommittee on the AEC headed by the senior Senator from Rhode Island, concerning the need and desirability of continuing Project Gasbuggy in New Mexico, the State which the distinguished present occupant of the chair [Mr. MONTOYA] represents so ably.

I am happy to say that we did get committee reports which would indicate that Project Gasbuggy should be carried on if possible with the existing funds that were then available, urging AEC to try to reallocate some of its funds so that this project could go forward.

This particular project is an underground explosion to try to fracture the ground and thereby increase the permeability of the gas and oil in that particular area.

We have two proposed projects in Colorado at the present time which will, if approved, engage in the same type of endeavor. These two projects are known as Project Rulison and Project Dragon Trail. Both are deep nuclear shots in the oil shale geology of the area, deep underground.

The distinguished Senator from Rhode Island, who is the chairman of the Joint Atomic Energy Committee and also the

chairman of the Subcommittee on Appropriations for Atomic Energy Items, has been urging—and did urge, as can be seen in yesterday's RECORD—that we go forward more rapidly in the plowshare program.

The program that I mentioned is part of the overall plowshare program, and it is envisioned that it will be directly applicable to very useful endeavors in our Rocky Mountain region.

It is my hope that all of these specific projects will go forward. It is my hope, also, that we will be able to proceed in general with the plowshare program, so that the peaceful uses of nuclear energy can really be made available to the people of this country.

I applaud and am happy to announce that I will support, in whatever way I can, the urgings and the efforts of the distinguished senior Senator from Rhode Island on this subject.

U.N. EFFORTS IN THE MIDDLE EAST

Mr. JAVITS. Mr. President, I invite the attention of the Senate to the efforts being made by the United Nations in the Middle East—which I have called time and again the tinder box of the world, which could easily break into a tremendous conflagration—to settle the border problem between Israel and Syria.

I am much encouraged by today's report of the U.N. successfully sponsoring a meeting for the first time, according to the New York Times report, since 1951. In all that time, both sides have been stoutly affirming a juridical position, which they have laid aside for the purpose of trying to find some common ground upon which cultivation could continue in the so-called demilitarized zone, without involving the assertion of sovereignty over that zone.

Mr. President, I think we all should be encouraged by this action. I hope very much that the U.N. will be encouraged to continue and persevere in this action, and the United States, I feel, will lend its support. The situation remains critical. I intend to follow the events very closely and to continue to report from time to time to the Senate and to the American people.

I might add that I have outstanding with the State Department a request for their views on what should be done about the three-power pact of 1950, guaranteeing the armistice lines between Israel and the Arab States.

Also outstanding is the question of whether some accord can be reached with the Soviet Union to deescalate the raging arms race in that area.

These are the big problems, but it is good to see a little progress. I believe that this action by the U.N. represents a little progress. I believe that we should be gratified and that we should applaud the U.N. for this initiative, and hope that the U.N. will persevere in its efforts, until at least this cause of irritation, which could ignite into a conflagration, may be successfully removed.

I ask unanimous consent to have printed in the RECORD the article appearing in the New York Times of Thursday, January 26, 1967.

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

ISRAELIS AND SYRIANS MEET—REAFFIRM ARMISTICE PLEDGE

(By James Feron, special to the New York Times)

JERUSALEM (ISRAEL), January 25.—Israel and Syria reaffirmed today their 17-year-old armistice pledge to refrain from hostile and aggressive acts.

The agreements came during the first session of a United Nations-sponsored meeting between the two countries intended to ease tensions along their 45-mile border. The meeting, which an Israeli participant described as "very correct and businesslike," took place on the Syrian side of the B'not Ya'akov bridge over the Jordan River border.

A United Nations spokesman in Jerusalem said that a second meeting had been scheduled for Sunday at Mahanayim, a settlement on the Israeli side. The town was the site of the signing of the armistice agreement of July 20, 1949.

Israeli observers were pleased with the results of the first days session. The Israeli delegation had asked for reaffirmation of the nonaggression pledge as "an appropriate beginning" for the talks.

U.N. ISSUES COMMUNIQUE

The agreement was contained in a communique issued by the United Nations after the session. It was not learned whether agreement had been reached on any other points, although basic positions were reviewed.

Today's meeting lasted five hours with consecutive translation, from Arabic and Hebrew into English, slowing the proceedings considerably. There were 17 delegates present, five for each side and seven for the United Nations.

The participants met in a long-unused customs house at the foot of the Syrian hills on the east bank of the Jordan. They did not stop for lunch. One Israeli spokesman said the adjournment had been requested by the Syrians to enable them to consult officials in Damascus.

The single-item agenda, which had been agreed to without condition by both sides, calls for an attempt to find a "practical arrangement on problems of cultivation on the armistice demarcation line" to provide a peaceful atmosphere for farmers and civilians along the border.

The meeting had been called by Secretary General Thant of the United Nations after nearly three weeks of border shootings that included tank and heavy mortar fire. There were also cases of sabotage and infiltration inside Israel.

SOVEREIGNTY IS DISPUTED

Israel has maintained that she has sovereignty in the demilitarized zones that run along most of the Syrian-Israeli border. Syria disputes this claim. Both sides agreed, however, to ways of marking areas for cultivation.

Today's meeting was presided over by Lieut. Gen. Odd Bull, chief of staff of the United Nations Truce Supervision Organization.

The Israeli delegation was headed by Moshe Sasson, Damascus-born head of the armistice division of the Foreign Ministry. The Syrian delegation was headed by Adlan Abdullah, senior representative in the Israeli-Syrian Mixed Armistice Commission.

It was understood that today's session consisted of the reading of an opening statement by each side setting out its long-maintained position on the unsettled border.

THE SYRIANS' STATEMENT

Mr. Sasson said Israel intended to abide by the cease-fire "on the understanding of reciprocity and on the assumption that no hostile acts will be conducted against us from the territory of the other signatory."

He said Israel was ready "to negotiate a practical arrangement on problems of cultivation" provided any agreement was "without prejudice to our stated views on the broader political and juridical issues" of border sovereignty.

An Israeli spokesman summarized the Syrian statement as pointing out the fact of Israel's extended boycott of the Mixed Armistice Commission and Syria's determination to make Israel abide by the armistice agreements.

Today's "extraordinary" meeting of the Syrian-Israeli Mixed Armistice Commission was the first in eight years. The last time Israel and Syria met at a regular commission session was in 1951. In the six years that followed there were 15 emergency sessions. After that Israel stopped attending.

Since the inception of the commission following the 1948 Israeli-Arab war, 67,000 complaints have accumulated.

The Israeli refusal to attend was based on Syrian insistence that Item No. 1, sovereignty of the demilitarized zones, be discussed before anything else could be considered.

SYRIANS LIMIT COVERAGE

BEIRUT, LEBANON, January 25.—Before today's meeting with the Israelis the Syrian authorities had declined to allow newsmen to cover the commission meeting from the Syrian side and had advised correspondents that Syrian news and views would be broadcast by the Damascus radio.

TRIBUTE TO SECRETARY OF COMMERCE JOHN T. CONNOR

Mr. HART. Mr. President, a few moments ago I heard the announcement that former Secretary of Commerce John T. Connor shortly will become the president of Allied Chemical Corp.

This announcement gives me an opportunity, which I regret I had not seized last week, publicly to express the pride that I feel Mr. Connor should take in the record he established in the 2 years he served as Secretary of Commerce. I believe that he represents the very finest of talent and dedication and purpose which our business community can provide this Government.

Surely, those who look back on the history of the Department of Commerce will note among its most exceptional leaders this man, whom I take occasion to wish all good things, as he assumes this new responsibility.

BALANCE-OF-PAYMENTS PROBLEM

Mr. BYRD of West Virginia. Mr. President, our Nation has been plagued with a balance-of-payments problem for some time now, and it appears unlikely that final reports on the year 1966 will indicate any substantial improvement in our position on this score. But the vital point now is, "Where do we go from here? What actions are possible to reverse the tide?"

Among recent articles which I have particularly noted, in sampling public opinion on our balance-of-payments problem, are: "Inside the Economy: The Tourist Gap Grows," written by Joseph R. Slevin, and published in the Washington Post on January 24; and "The 1967 Payments Deficit Crucial to U.S. Dollar, Roosa Warns," written by Frank

C. Porter, and published in the January 19 edition of the same newspaper.

I ask unanimous consent that the articles be printed at this point in the RECORD.

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

[From the Washington Post, Jan. 24, 1967]

INSIDE THE ECONOMY: THE TOURIST GAP GROWS

(By Joseph R. Slevin)

Free spending U.S. tourists are raising hob with the balance of payments and the situation is going to get worse before it gets better.

Americans paid out a record-smashing $3.5 billion for foreign travel in 1966, according to flash reports. That was more than twice the $1.6 billion that overseas visitors spent here and the resulting $1.9 billion "tourist gap" was the biggest in history.

This year's record remains to be written but officials are glumly predicting that the worrisome gap will increase and that it will soar to a new high of more than $2 billion.

Americans are making elaborate plans to travel abroad. The airlines are ballyhooing new, low fares and the lure of foreign lands is greater than ever. While there undoubtedly will be a rise in the number of foreign visitors to the U.S. during 1967, American spending overseas has been climbing faster than foreign spending here, and the trend is expected to continue.

The tourist gap is particularly troublesome now because it is widening at a time when Vietnam foreign exchange costs are rising and Americans are importing larger quantities of foreign goods. It is the biggest nonmilitary cause of the chronic U.S. balance of payments deficits and of a dangerous, accompanying drain on this country's gold reserves.

The U.S. persistently runs payments deficits because it lends, spends, and gives away more money in foreign countries than it earns from overseas transactions. Firm 1966 figures are not yet available but officials estimate that the deficit deepened from $1.3 billion in 1965 to more than $1.5 billion last year.

The Administration is anxious to cut the tourist gap but at this point it would be happy to keep it from getting bigger. It has been trying to narrow the gap during most of this decade and has found that it does not yield easily.

The best remaining answer is to try to reduce the tourist gap by inducing more foreign vacationers, businessmen and students to come here. The U.S. Travel Service has been making a valiant effort on a skimpy budget ever since it was set up in 1961 and there are signs that it soon may get more help.

Foreign countries spend much more to attract Americans than we spend to interest overseas visitors in traveling to the U.S.

Congress voted $3 million for the U.S.T.S. this year. The same sum that it provided last year. The U.S.T.S. should be carrying on massive advertising and promotion campaigns overseas and should be manning information offices both here and abroad but it can do only a small part of the job on its inadequate budget.

Mr. Johnson now is considering a confidential Cabinet committee recommendation that he name a blue-ribbon panel of top private citizens to make a thorough but quick study of the U.S.T.S. and the tourist problem.

The group would be told to report its findings to the President by May 1. Its recommendations would come too late to have an impact on travel plans for this summer but, hopefully, its proposals would lead to the Government's beginning the all-out campaign that it must mount if the damaging $1.9 billion tourist gap is to be reduced to manageable proportions.

[From the Washington Post, Jan. 19, 1967]

THE 1967 PAYMENTS DEFICIT CRUCIAL TO U.S. DOLLAR, ROOSA WARNS

(By Frank C. Porter, Washington Post Staff Writer)

The prospect of a mounting deficit in international payments "could make 1967 a crucial year for the dollar, and even for the standing and leadership of the United States in world affairs," Robert V. Roosa, former Under Secretary of the Treasury, warned last night.

Roosa, now a partner in Brown Brothers, Harriman & Co. and sometimes mentioned as a possible successor to Treasury Secretary Henry H. Fowler, said the deterioration in last year's payments balance was masked by large inflows of volatile funds attracted by tight credit conditions and interest rates here.

But with monetary strains easing, he said, some of these inflows may be reversed in 1967. Thus, "the statistical deficit may be inflated next year in the same way that it was reduced last year," Roosa predicted.

The payments deficit—the excess of dollars spent, lent, invested and given away abroad over those flowing back into the country—has not yet been announced for 1966.

But it is expected to approximate the $1.3 billion reported for 1965 on the overall liquidity basis of accounting, which includes private dollar holdings overseas as well as those in central banks.

Roosa noted however, that the country's trade surplus worsened substantially during the year with imports rising twice as fast as exports. This was largely offset, he said, by extraordinary inflows of some $2 billion to $3 billion induced by the credit squeeze.

Roosa attributed these inflows largely to Euro-dollars borrowed by overseas branches of American banks at 7 or 8 per cent interest and remitted to main offices in the States to meet domestic credit demands.

(A similar prediction of further deterioration in the payments balance in 1967 was made earlier in the week by the National Foreign Trade Council.)

The former Under Secretary addressed a dinner meeting of the Economic Club of New York at the Waldorf-Astoria. A transcript of the speech was made available here.

He endorsed President Johnson's proposal for a 6 per cent surcharge on corporate and personal income taxes. He counseled a return to the Administration's "Operation Twist" of several years ago in which short-term interest rates were kept high to be internationally competitive while long-term rates were kept low enough to insure ample credit availability. And he proposed restoration of the 6 per cent investment tax credit "as soon as possible."

Roosa also called for complete reappraisal of military costs in Europe. He backed Administration guidelines for its voluntary balance of payments program but said he was surprised they were not made even tighter.

THE YEAR 1967 COULD BE A CRUCIAL YEAR FOR THE DOLLAR

Mr. SYMINGTON. Mr. President, in a thought-provoking lead editorial, entitled "The Persistent Deficit," published in the New York Times on Tuesday, former Under Secretary of the Treasury Roosa, respected in this town for his knowledge of fiscal and monetary matters, is quoted as saying that 1967 could be "a crucial year for the dollar."

If there is justification for his statement, I would hope we would start to do something about this problem in a more practical fashion. There has been much discussion, but obviously no action, based on the 18-year continuing unfavorable balance of payments, and the continuing loss of our gold.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

THE PERSISTENT DEFICIT

After a solid decade of piling up annual deficits in its transactions with the rest of the world, the United States appears to be no nearer a solution for eliminating them than it was when they began.

The results for 1966, which have not yet been revealed, may give rise to complacency because the deficit has been kept from growing. But Robert V. Roosa, former Under Secretary of the Treasury, has warned against "euphoria," pointing out that there was fresh deterioration in the balance of payments during 1966 and predicting that 1967 could be "a crucial year for the dollar." The National Foreign Trade Council also fears that the deficit will show a substantial worsening in 1967, which could lead to increased foreign pressure on the nation's gold supply.

These expressions of alarm may at first glance seem exaggerated. The United States possesses the most powerful economy on earth, with total output of goods and services approaching the $750-billion mark. So a balance-of-payments deficit of a mere $1 to $2 billion could appear to be nothing to get worried about. Furthermore, the Administration has made progress in cutting down the size of the deficit. So it can argue that once the extraordinary drain resulting from the Vietnam war ends, the problem will vanish.

But the fact is that the deficit has not been erased despite the persistent efforts and firm pledges of three successive Presidents. Washington has had to resort to a series of devices to stem the outflow—or to minimize its impact—yet the deficit has gone on like a nagging and chronic toothache.

The United States has been able to avoid really painful or drastic measures because it has a large gold stock and because it has been successful in persuading most of its creditors to add to their dollar holdings. But the gold stock is declining and Mr. Roosa notes that the Europeans are no longer willing to take more dollars. They may continue to cooperate—in lowering interest rates, for example, when it suits them to do so; but they are growing increasingly skeptical—and nervous—about the true state of the American economy, questioning whether so stubborn and serious a deficit indicates some basic weakness.

The American economy is rich and healthy. But both its stamina and its strength will be suspect so long as the deficit continues. Indeed, the deficit may seem small and unimportant but it could become an Achilles' heel, exposing American influence to financial attack, unless it is eliminated.

This threat to American power and to the essential stability of existing monetary arrangements can no longer be brushed aside. As Mr. Roosa sees it, closing the gap made by the deficit deserves "the highest priority" this year. He recommends reduction of military expenditures in Europe and shoring up of short-term interest rates to keep volatile funds from flowing out. There are other approaches, including direct controls over capital, that may have to be employed.

Unfortunately, the Administration has not called for setting a priority or exploring new approaches, apart from Secretary Fowler's latest effort to seek coordinated reduction of interest rates. Mr. Johnson failed to make any mention of the deficit problem in his

State of the Union message and his advisers take the attitude that somehow, someday, the deficit will disappear. The last decade has shown that getting rid of the deficit is not so simple or painless a task.

There may be difficulties involved in closing the gap. But an all out effort, preferably launched by a special Presidential message conveying new determination and setting forth new proposals, is called for. The deficit must be eliminated.

SOLUTIONS TO WATER POLLUTION PROBLEMS

Mr. TYDINGS. Mr. President, as a Senator from a State whose river, bay, and ocean shorelines far exceed its landlocked boundaries, I have had a strong incentive to work in Congress for effective water pollution control legislation. In the Water Pollution Control Act and its subsequent amendments, we have begun to provide the kind of national leadership necessary to restore the quality of America's waters.

But throughout our proceedings on national water pollution control legislation, and in the Water Pollution Control Act itself, we in Congress recognized that the primary arenas in the battle against pollution are the States where the waters are, and that the primary responsibility for abating pollution lies with the officials and agents of State and local governments.

I am pleased to be able to say that in my own State of Maryland the kind of State leadership needed for the fight against water pollution is already emerging. For example, at a recent hearing conducted by the Maryland Department of Water Resources at our State capital, Annapolis, Mr. Werner Fornos, a member of the Maryland House of Delegates, who represents Anne Arundel County, delivered a comprehensive and incisive statement on Maryland's water pollution problems and offered positive solutions to those problems.

Delegate Fornos accurately summarized the threat water pollution poses to every State in our Nation when he said:

> We all know what happens when there isn't enough clean water for all necessary and desirable purposes. First the desirable uses go. Both sport and commercial fishing come to an end. In the face of growing needs for recreational opportunities, those opportunities are lost or become greatly restricted. At the extreme, people close their homes and move elsewhere. In the meantime, the costs of providing safe water for essential domestic and county purposes go up.
>
> These are some of the costs that ultimately must be paid when too many of us become bemused with the fallacy that water pollution control costs too much money. The simple fact is that water pollution can, in the long run, become far more expensive than its control—more expensive in actual dollars, to say nothing of a host of other costs.

Werner Fornos represents not only the kind of State leadership we envisioned in the Water Pollution Control Act, but also the kind of State leadership which promises to rejuvenate State government across the board. I ask unanimous consent that his statement on water pollution be printed at this point in the RECORD.

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

REMARKS BY DELEGATE WERNER FORNOS, DEMOCRAT, ANNE ARUNDEL, AT A PUBLIC HEARING CONDUCTED BY THE STATE OF MARYLAND DEPARTMENT OF WATER RESOURCES ON QUALITY OF MARYLAND'S WATERS, ANNAPOLIS ARMORY, JANUARY 20, 1967

I deeply appreciate the opportunity to talk with you this morning about one of Maryland's major resource problems. Perhaps I understate the subject. All factors considered, water has become this state's preeminent resource problem. In any event, there can be no question that water is one element of our environment that deserves and will continue for a long time to deserve the most careful and objective consideration—whether you have 441 miles of seashore like Anne Arundel County or have the headwaters of the Potomac River located in your county.

At the outset let me congratulate Paul W. McKee and his staff of the Department of Water Resources for the obviously hard work that has gone into the water quality standards we are considering here this morning. I know that all the citizens of Anne Arundel and Calvert County—the two counties considered here today—are looking forward to the day when pollution will no longer be with us.

I would make the observation that this material, provided for in this hearing today, deals primarily with water uses and water quality criteria for specific uses, such as recreation, fishing, industrial water supply, etc.

The problems created by these two elements are significant indeed. But not effective if they are promulgated alone. The list of problems and potential problems could be strung out indefinitely and some of them have to be considered before any effective water pollution control can become a reality in the State of Maryland.

What they all add up to, as matters stand, is that rising water demand and progressive destruction of water resources by pollution are on a collision course. Something is going to have to give. Either water use is going to have to be controlled or the destruction of available water resources by pollution is going to have to be controlled.

It is just as simple as that. And I am not dealing here with theory. I am dealing with fact. The use of water for desirable—even necessary purposes—has already been severely restricted in many locations. Notices that say bleakly "No Swimming—Water Polluted" are today a reality in many areas. In Anne Arundel County we are quickly on our way for similar signs. An example is the Severn River where one apartment project is pumping raw sewage into the river. The destruction of once-productive oyster beds is another. The oyster, one of Maryland's most valuable seafood resources, by its nature of intake and secretion is more readily susceptible to contamination by pollutants. Chief areas of condemned oyster beds are the Severn River, Magothy River and the Rockwell Beach area of the southern end of the county. Picture the forlorn, peeling "For Sale" signs on peeling and blackened waterfront establishments and homes in Masons Beach and Owings Beach of this county. This blight on our citizens' property is caused by the dreaded sea lettuce. The peeling and blackening is a direct result of the reaction of hydrogen sulphide upon any lead-based paint. On a hot summer day the hydrogen sulphide produced by the sea lettuce is so strong to force evacuation of homes and beaches. A very serious side-product of our considerations today and our need for speedy action is that no building permits are available for home sites from the Chesapeake Bay inland 1½ mile on the south bank of the South River directly south to the end of Anne Arundel County because the water table is from 4 to 5 feet and no sewage facilities are available. In Deale, I have seen with my own eyes raw sewage floating in the ditches. Gentlemen this is 1967. What does it take for us to act.

There comes a time when there is no choice, a time when controlling water use—or allowing it to be controlled as a result of neglect or abuse—amounts to setting limits on local, county or state growth and well-being. Ultimately it amounts to setting limits to the total growth and well-being of the State of Maryland.

The seashore I described above is one area where this fatal point has been reached and that area is now reaping the consequences. We all know what happens when there isn't enough clean water for all necessary and desirable purposes, first the desirable uses go. Both sport and commercial fishing come to an end. In the face of growing needs for recreational opportunities, those opportunities are lost or become greatly restricted. At the extreme, people close their homes and move elsewhere. In the meantime, the costs of providing safe water for essential domestic and county purposes go up.

These are some of the costs that ultimately must be paid when too many of us become bemused with the fallacy that water pollution control costs too much money. The simple fact is that water pollution can, in the long run, become far more expensive than its control—more expensive in actual dollars, to say nothing of a host of other costs. The good life, the kind of life we want for ourselves and for our children and polluted water do not mix.

How often have we heard the refrain that a community or an industry cannot afford waste treatment or that we don't want a sewage treatment plant located here. How often, on the other hand, do we hear that a community or an industry cannot afford *not* to treat its wastes? Not very often. Fortunately this is beginning to change. The facts are beginning to get around.

The notion that water pollution control is too costly is an economic fallacy. And there is mounting evidence that the people of the State of Maryland are beginning to see through the fallacy. There is more and more evidence that more and more people would rather pay for clean water than to pay the ultimate costs of trying to live with polluted water. The action of the Anne Arundel County Council in 1966 making available six million dollars is one concrete example of this. The financing of this Anne Arundel County effort will be through a bond issue and federal subsidies but in the long run the people receiving the benefits will pay. The significance of this example is that the measure did not just squeak through—it was approved by the unanimous vote of the Council.

There is a clear community of interest between the State and the County in every aspect of the water pollution control effort, and I emphatically include the two touchiest aspects of all. One is the establishment and administration of water quality standards and the other is the construction of facilities to purify the water to enforce these standards.

Today's meeting was called to discuss these standards. However, the standards provision of the Federal Water Quality Act of 1965 referred to in the State's notice of this meeting covers considerably more than just uses and criteria. The second, and possibly most important phase of the standards provision deals with the plan for implementing water quality criteria. This implementation plan should consist of the ways and means to control, abate and prevent water pollution.

The plan of implementation should consist of the specific control measures for counties, municipalities, industries and other sources of pollution. The plan of implementation

should have a timetable such as the following:

A period for financing treatment works;

Designing the necessary facilities;

A period for construction;

A definite date as to when the treatment facility should be in operation.

Such a realistic timetable for each source of pollution should be developed for every significant source of pollution. The suggestion has been made that a period of no longer than five years be allowed for the construction of all immediate waste treatment facilities. The implementation plan and the timetable for this plan are important at this particular time because our county governments and our industries should be alerted to very specific responsibilities so that they can take the necessary steps as early as possible to arrange financing, hire consulting engineers. The counties and industries should also be given the opportunity to speak at these hearings so that their capabilities for meeting these timetables can be considered. I am aware that all those interested who were able to get a copy of these notices are present here today. Your invitation to me has been passed on to all of the civic associations in District 6C. I cannot help but wonder how many more people and officials would have attended today's meeting if we were considering possible costs and timetables involved. I would definitely suggest that the counties and industries meet with the Department of Water Resources to develop realistic timetables for implementing their abatement requirements. The time schedule of five years suggested for major sources of pollution appears to be realistic; however, I would suggest that known sources of pollution should be handled as soon as possible.

The development of water quality standards by the State of Maryland is a major step toward the ultimate goal of eliminating pollution. I must point out that the development of standards must be accompanied by their planning and action programs. I strongly suggest that the Governor instruct the Department of Water Resources to initiate and review programs of other State Agencies to make sure that they do not contribute to pollution. For example, the pollution abatement program of the State Department of Public Roads or the establishment of such a program if they do not have it. In many cases the construction of public roads can be a source of major pollution through the disposal of soil and excavation resulting in the elimination of earth cover and subsequent soil erosion.

Most of the counties of this state are in the process of developing Master Plans. Water Pollution Control should be a vital element of those plans. For instance, future recreation areas for bathing, boating, fishing, etc., must have a high quality water and the necessary steps to achieve these quality goals must be considered in these plans.

I am today calling on the Maryland Congressional delegation and asking them to take every step necessary to eliminate as a major source of pollution in Maryland waste disposal from Federal installations, such as Aberdeen Proving Grounds, Edgewood Arsenal and the Naval Academy, and that these installations within our state be directed by their departments to provide a realistic plan of cleaning up waste from these Federal installations and that they comply with the State's standards.

In receiving these water quality criteria, I note that they make no provisions for waste discharges from vessels and marinas. They also are a major source of pollution in the Chesapeake Bay and have a direct significance with seafood growing areas and bathing and boating. I recognize that the technology with dealing with the sources of pollution is not highly developed and I would encourage our State Department of Water Resources to lay out a program which will incorporate the latest methods now being developed and are ready for use.

Pollution caused by soil erosion is also very significant and not mentioned in this document. I know that all of you have seen our muddy rivers after a heavy rain. Corrective measures for this type of pollution are not well known; however, I would urge that we diligently seek solutions for this type of pollution and that all research facilities at the disposal of the State concentrate on this problem.

I have already referred once or twice to enforcement. This has to be an integral and expanding aspect of water pollution control effort from the beginning. I know that your standards have to be submitted to the Federal government by June 30, of this year but none-the-less I don't see how it's possible to talk standards without talking enforcement.

Enforcement and water quality standards go like hand in glove. They are the two elements of the Maryland water pollution control program that are of immense significance to state-local relations and to the ultimate outcome of the total water pollution control effort.

As a management-consultant, a self-confessed politician, a member of the House of Delegates, a former Federal official, and a sometime observer of the American scene, it is my judgment that the future role of the State of Maryland and its counties in the water pollution control field will turn largely on these two inter-related elements. Moreover, I believe that of these two elements, water quality standards will become in time the controlling element. Enforcement actions will still be necessary but in a changing dynamic program they will be different in the future.

Raising our sights, I realize, will not be easy. But there is an aspect of water pollution control that has been largely overlooked that might make the task much easier. I think it is fair to say that throughout the development of this program there has been an almost total preoccupation with the costs of water pollution control and that this one factor has loomed so large as to dominate all other considerations, including benefits.

I can readily understand how the members of our General Assembly, our Governor, and others, hard pressed to find money for schools, roads, hospitals, housing, and a host of other pressing needs, have been understandably reluctant to ask for the relatively large sums needed for waste treatment facilities. Except perhaps to the scientific and technical mind, there isn't anything very glamorous about a sewage treatment works in the first place, and besides, the benefit seems to accrue mainly to the people down stream. Manufacturers, struggling to maintain their competitive position are likewise understandably reluctant to add on costs from which they can see no immediate benefit and that, may indeed, put them at a competitive disadvantage.

The result is that water pollution collects some powerful friends. As an individual, the elected official doesn't like water pollution any more than anyone else. As an individual, neither does the industrialist. But a simple fact of life is that individual interests, individual standards and the political or corporate mind do not always follow parallel courses.

To the extent that water pollution control continues to be merely a desirable objective—or even a theoretical necessity—dirty water will continue to have powerful friends among political and industrial statesmen of otherwise impeccable taste.

Perhaps that is why these hearings today are dealing only with interstate waters. It seems to me that if we are truly serious about water pollution in Maryland, standards should be developed for all of our waters. There is no reason why our people living near intrastate waters should not enjoy the benefits of pollution abatement as well as those on interstate waters. Picture the industry which seeks a location free from abatement requirements and locates on an intrastate stream where the state would not have adequate enforcement powers to require waste treatment.

I can, however, foresee the time when industry and government alike will be talking proudly of the money they are spending to make the Chesapeake Bay and its tributaries, the Potomac and all the water in our state sparkle again—and winning legions of friends in the process.

I believe there is no question about the necessity for water pollution control. Water pollution has caused much hardship, much economic loss, much ugliness—but we have been getting by.

The pace of change, however, is quickening. The gap between mounting needs for water for all purposes and the supply of usable water is already dangerously narrow in many parts.

The time is here! Water pollution control must be universally recognized not as a matter of choice but as a matter of necessity.

THE DISTRICT OF COLUMBIA BUDGET

Mr. MORSE. Mr. President, the President's budget message comes closer to grips with the overall budgetary needs of the District of Columbia than any Presidential budget message in recent years.

I am particularly pleased by the President's budget recommendation to improve education in the District of Columbia. The education request comes very close to the fiscal requirements contained in Dr. Carl Hansen's model school budget submitted to Congress last year. The President is to be commended for recommending the funds necessary to improve the quality of education in the Nation's Capital.

I am pleased that the President reiterated his support for self-government for the people in the District of Columbia.

I regret, however, that the President did not recommend substantially increased funds for more playgrounds, swimming pools, and other recreational facilities. Greatly expanded facilities are imperative and urgent, in my opinion, if we are to have a meaningful recreational program for boys and girls throughout the year; especially during the hot summer months.

AIR POLLUTION

Mr. TYDINGS. Mr. President, the crisis the Nation faces from air pollution is now at long last beginning to receive nationwide attention. Newspapers and magazines increasingly are relating the tragic tale of how Americans are filling their skies with pollutants. Almost every day articles filled with information, expressing indignation, and demanding action can be found in the pages of the Nation's press. This week's cover story in Time magazine is devoted exclusively to the problems of air pollution. Such publicity is earnestly welcomed by all of us interested in the battle for clean air for only with such attention will the people of this country

come to realize that a costly and greatly expanded Federal effort is needed to combat successfully the myriad problems of air pollution.

Polluted air is a form of trespass, and the damage it does is vandalism. We would not tolerate this trespass and vandalism if it were overt, if the purveyors of pollution wandered about and deliberately sprayed citizens and their property with acids, filth, and other pollutants. We should not tolerate the trespass and vandalism simply because it is remote.

The Clean Air Act of 1963 and its amendment in 1965 marked the beginning of a long campaign to clean up our air. While these acts are important, of and by themselves, they are insufficient to guarantee the clean air we must have. Further and stiffer legislation is required. As a member of the Subcommittee on Air and Water Pollution ably chaired by the distinguished junior Senator from Maine [Mr. MUSKIE], I believe such legislation is forthcoming. The 90th Congress has the opportunity, indeed the obligation, to pass new laws so that the purity of the air we all breathe is restored and preserved.

Mr. President, I have with me a small, representative selection of articles from the Nation's press relating to the problems of air pollution. A feature article entitled "Can Baltimore Afford Its Dirty Air?" written by James D. Dilt, and published in last Sunday's Baltimore Sun, points out that 25 tons of pollutants monthly fall on each square mile of the city of Baltimore. A lead story in Tuesday's Wall Street Journal emphasizes the "airshed" approach necessary for the effective abatement of air pollution. Last Sunday's New York Times carried an article stressing the need for increased Federal participation in air pollution control. Time's cover story mentioned among other things how Gemini Command Pilot Pete Conrad repeatedly failed to photograph Houston due to the dense smog that usually hangs above the city. A tragic example of the great costs of air pollution is given in the January 12 New York Times, which links a higher-than-average death rate in Staten Island, New York, to pollution of the air. The great damage done to agriculture, estimated at $500 million annually, is told in two articles in the Saturday, January 21, Baltimore Sun and the Tuesday, December 27, 1966, New York Times. Finally, the possible affects of air pollution on weather is carried in a November 20, 1966, article in the New York Times.

For the benefit of all Senators who are deeply concerned with the problems posed by polluted air and who are determined to find solutions to these problems, I ask unanimous consent that the articles be printed at this point, in the RECORD.

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

[From the Baltimore Sun, Jan. 22, 1967]

HIGH COST OF POLLUTION: CAN BALTIMORE AFFORD ITS DIRTY AIR?

(By James D. Dilts)

"There are certain obvious air pollution entities in the city that ought to be attacked," Abel Wolman was saying. "My interest is in seeing which ones. Smoke, for instance—why should you have it? People just have to start saying 'I don't think I want that kind of atmosphere.'"

One of the country's leading authorities on a city's natural resources and their pollution, Dr. Wolman was seated in his Ames Hall office at the Johns Hopkins University where he is professor emeritus of sanitary engineering. As he talked, across the campus in the basement of the university's heating plant, fireman Len Wisner opened a discharge door to take out a few hours' accumulation of ashes from the furnace that burns 35 to 40 tons of soft coal a day, thereby breaking the combustion cycle and sending darker smoke than usual up the 120-foot stack, which over the past hour had discharged roughly 72 pounds of ash along with quantities of sulphur dioxide and nitrous oxides, products of coal burning.

Some of the stuff was no doubt destined to land on the tenth-floor window sill of Mortimer E. Bell, an insurance man in his sixties who has an apartment a block from the university. A few weeks before, he had written a letter to a newspaper calling attention to the "smoke from the university's heating plant (that) has darkened the sky for many years, admittedly to a lesser degree in 1966, but still contributing during the winter to the irritants in the air. . . ."

Yet earlier that morning, before Dr. Wolman arrived at his office, or Wisner opened the ash discharge door, Bell had driven his car out to his York road office. By the time he got back home, he had left roughly a pound of carbon monoxide, an eighth of a pound of hydrocarbons and a little less than an ounce of nitrous oxides in the air.

Bell and the engineers at the Hopkins heating plant would not consider their respective contributions to pollution significant and, as a matter of fact, they aren't. Yet neither, except in rare instances, are those of any other single polluter. But multiply the university's smokestack by several hundred, and Bell's auto exhaust by several thousand, add one public and three or four private dumps in the city where open burning takes place, mix in several auto junkyards littered with smoldering hulks and the result in Baltimore is air that has been described (after Pasadena, Calif.) as the second dirtiest in the country.

But whether this city has the second or only the third filthiest atmosphere in the United States and whether others cheat on the analysis of their own isn't really the point. The point is that there are large numbers of people in downtown Baltimore, at street level, where the pollution is and that by any standard the air they breathe is dirtier than it ought to be.

SOURCE OF POLLUTANTS

Most pollutants get into the air because of burning, a process, unfortunately, that our way of life depends on. Besides the obvious necessity of heating home and office, there is a need for power. The burning of coal produces most of the electricity used to heat our electric stoves and run our vacuum cleaners. Many cities, Baltimore included, dispose of the resultant garbage and trash again by burning. Even the automobile, which is a highly inefficient burner throughout its lifetime, all too often ends up itself in flames when it is discarded.

All of this burning produces varying combinations of smoke—made up of particulate matter, including such stuff as fly ash and soot which is large enough to see and feel—and invisible substances made up of complex chemicals. It is these invisible chemicals, sometimes acting in conspiracy with the particulates that seem to pose the greater hazard to health. In other words, as a city sanitarian neatly put it, "It's not the blackness so much as what's coming out the smokestack."

What is coming out and who are the polluters? They are, in ascending order of tons of pollutants produced: burning refuse dumps, heating furnaces, electric power plants, manufacturers and cars. And they throw out several different materials.

There is still plenty of ashes and soot filtering down from the city skies to annoy homeowners who have constantly to wash their cars and curtains. But other cities have duplicated Baltimore's success in reducing the dust fallout. (Even so, there are recent signs that particulates are once again on the rise, seemingly due to sheer growth in manufacturing, power generation, etc.) Meanwhile, other pollutants have dramatically increased.

THREE-YEAR STUDY

"Third," corrected John B. Brown, at the division of air quality of the State Department of Health, one of the many agencies involved in local pollution control. Brown did not elaborate on his judgment but in his fourth-floor headquarters in the State Office Building, surrounded by air-sampling equipment in various stages of repair, he did explain that he is also the chairman of the metropolitan air quality survey committee, established last June to conduct a three-year, $1,200,000 study (75 per cent of the funds come from the Federal Government) to determine "the state of air quality we have now so we can find out whether more strigent controls are needed."

The State Health Department, with the help of city officials and those in Baltimore and Anne Arundel counties, where pollution units have recently been set up, will conduct the study. There will be six sampling stations in the city (the three present ones will be improved, three others added) and two each in the counties. Some of the grant money is being used to get badly needed instruments and personnel and in acquiring them, the study has fallen somewhat behind schedule. But Brown says he will have some results by June.

However, there are already some figures on the quality of Baltimore's air available at the division of air pollution in the City Health Department. There, with the help of some 32 dust jars placed throughout the city and sampling stations in Canton, at Morgan State College and atop the downtown Fire Department headquarters, dust, suspended particulates and certain gases in the air have been measured for the past several years. It was data from the Fire Department headquarters sampling station, sent to the Public Health Service for interpretation and released in a booklet about a month ago at the National Conference on Air Pollution in Washington, that revealed the fact that Baltimore scored the maximum level in nine of fourteen types of pollution measured, second in the nation.

Elkins W. Dahle, Jr., who oversees the air pollution division, contends that things aren't really as bad as all that. He points out that now only 25 tons of stuff fall out of the air on every square mile of the city every month compared to 1,000 tons back in 1931, a reduction due mainly to people using oil or gas in their furnaces instead of coal. Dahle and others at the air pollution division also claim that Baltimore's poor showing is misleading because other cities may be "fudging the figures." Some of them evidently take their samples high up in the air or out near the city line where it's cleaner and some took no readings at all on certain pollutants.

There is an exotic variety of these: they range from copper to lead, from fluorides produced by fertilizer factories to orange clouds of iron oxide generated by steel plants. But the most worrisome of the major pollutants is sulphur dioxide. It is a product of the combustion of coal or oil, and makes up the bulk of the junk put into the air by

power companies. Open burning, space heating and manufacturing also account for large amounts of it.

Sulphur dioxide production is negligible in the case of the proliferating automobile, the nation's No. 1 polluter. But cars do emit great quantities of carbon monoxide, hydrocarbons and oxides of nitrogen, in that order. The hydrocarbons (organic vapors such as metane and benzene) and the nitrous oxides can combine, if the sun shines on them on a warm day, to produce photochemical smog.

THERMAL INVERSIONS

Baltimore scored heavily, in the P.H.S. survey, in total suspended particulates, hydrocarbons, sulphur dioxide and nitrogen dioxide. Of course, on a clear day, when the wind's blowing hard, this aerial refuse doesn't create much of a problem, for most of it is conveniently carted off by the natural motions of the sea of air above us in whose upper reaches it eventually disperses. But with surprising frequency, perhaps a third of the time over much of the United States (and chronically in Los Angeles) a thermal inversion occurs. Inversions are a matter partly of topography and they happen most often, according to Dr. Wolman, in the low-lying seaside areas—exactly where most cities are.

Usually the air is warmer at the ground and colder up above, which accounts for the atmosphere's ability to clean itself up: the warm air rises, carrying the dirt and gases with it. In an inversion, however, a layer of warm air sneaks over the top and traps a layer of colder air underneath. This may put a roof as low as 500 feet from the ground over a city or an entire region (as it did last Thanksgiving Day along the Eastern seaboard) leaving the pollutants and the population to stew, sometimes for days, in a gigantic pressure cooker. Inversions can occur in any season; in the summer, smog frequently results and it is by no means confined to Los Angeles.

SINISTER EFFECTS

What are the effects of all this? Often the brownish haze that is characteristic of most cities today when seen from the air is not even noticeable to the people on the ground who go right on breathing, putting up occasionally with sooty window sills and watery eyes.

However, there can be more sinister effects of indiscriminately spewing stuff into the air. Most people know of the disasters in the Meuse Valley, Belgium, in the 1930's and at Donora, Pa., in 1948, at London in 1952 and New York the following year and both London and New York again in 1962. All of them had one thing in common: an inversion. Twenty persons died at Donora, ten times the normal rate; there were 4,000 excess deaths in London in 1952. The casualties were mainly older people with lung disease. Sulphur dioxide was noticeably present at both Donora and London.

Although the air pollution disasters proved that inversions trapping pollutants can kill, it has not been established with absolute certainty that small doses of pollution, over a long period, adversely affect health. But all the evidence gathered so far would indicate that they do.

While carbon monoxide can reach dangerous levels in heavy traffic and on crowded freeways and show up immediately in reduced response at the wheel, the cause and effect relationship of specific pollutants in other situations is more tenuous. One disease that more and more scientists are concerned about these days is chronic bronchitis-emphysema, the leading cause of death in men over 45 in England. (Emphysema lessens the lung area used for transferring oxygen to the blood; bronchitis narrows the small branches of the bronchial tree through which air passes. Both make breathing more difficult.) Studies of the disease in England and Japan with regard to air pollution are much farther along than they are in this country, which is more worried about cigarette smoking.

LOWERED RESPIRATORY FUNCTION

In any case, patients suffering from such diseases have been the subjects of a number of studies by William S. Spicer, Jr., head of the division of pulmonary diseases at the University of Maryland. Recently Dr. Spicer studied two groups of Baltimoreans who had chronic bronchitis and bronchial asthma, measuring the effects of certain weather and pollution factors on their breathing.

The two most obvious causes of lowered respiratory function were variations in temperature and the sulphur dioxide level, and the latter was the more significant. (Sulphur dioxide gas alone can irritate the nose and throat; hitching a ride on a piece of particle matter deep into the lung, it can injure delicate tissue.)

Still, Dr. Spicer is reluctant to carry the findings too far. "If you talk about pollution in general, it causes chronic lung disease," he says flatly. "But if you talk about specific pollutants—there the evidence goes awry." There are, it seems, just too many different things floating around to pick one out of the air and say it causes a particular disease.

How much lung disease is produced by pollution? Donald F. Proctor at the Johns Hopkins School of Hygiene and Public Health, who has two grants to investigate several aspects of airborne disease says, "The immediate and obvious effects associated with air pollution are a small proportion of the total injury done by air pollution. It's the top of the iceberg."

SMOKE CONTROL

What is being done to cut down the rain of pollution? In the Baltimore area, with present laws, budgets and personnel, the remedies have been somewhat limited.

The city has about nine men and roughly $58,000 to enforce a smoke control ordinance that restricts the emission of dense smoke and fly ash, but "leaves much to be desired," according to a division spokesman. The law bends over backward to be kind to industry. It provides for fines but when the division last tried taking an offender into court three or four years ago, it lost the case.

There is another city law on air pollution that deals mainly with new or modified installations. Under it the City Commissioner of Health is empowered to adopt rules and regulations for its enforcement. They have not been written nor, according to the commissioner, Dr. Robert E. Farber, are they likely to be, for a while anyway.

Neither have the regulations called for by the State Air Pollution Control Law, introduced in the Legislature in 1963 by two Harford county delegates, W. Dale Hess and John W. Hardwicke. (Hardwicke is no longer a member of the Legislature. He is counsel to the Davison Chemical Company, a post he held when he introduced the bill.)

The State law contains little in the way of enforceable measures; it is really a statement of intent. Under it an air pollution control council was established. It was made up originally of four representatives of industry and Dr. Spicer from the University of Maryland, who argued for broader representation. The council now consists of nine members, four from industry, three from universities and one each from labor and metropolitan government.

The council was empowered to "formulate and recommend to the board (of health and mental hygiene) rules and regulations for the control of air pollution." (The board of health and mental hygiene is the governing body of the State Health Department.) The council was also required to "review the policies and program of the board with respect to air pollution." Was the council then supposed to write regulations or review them? That has been the discussion at monthly meetings for some 3½ years while precious little of either has taken place.

PROPOSED REGULATIONS

Last March, according to Thomas O. Tongue, chairman of the council, a public hearing was attempted on "something similar to regulations." It fizzled. Now some other loose regulations on controlled new or altered facilities have been drawn up; they could become effective in May. (They consist partly of guidelines on limiting such things as sulfur dioxide. For this pollutant, .05 parts per million is considered a critical level, that is, above it, effects on breathing have been measured. The guidelines recommend holding it to .5 ppm, an increase of ten times. In residential Canton over a recent 24-hour period, the count was .9 ppm.)

"I really think the progress we've made since last fall has been quite acceptable," said Chairman Tongue, who is the manager of engineering and development for the Davison Chemical Company. But he added, "If there'd been an aroused public two years ago, we'd have made more progress."

The charge that Baltimore's air is especially dirty has aroused a number of people and it looks as if progress now will be less slow in coming. "There are under consideration," according to James B. Coulter, chief of the bureau of environmental hygiene in the State Health Department, " a set of regulations we could adopt in Maryland on open burning and control of smoke."

The air pollution control council has agreed to accept the proposals when they're advanced (between the council and the board of health and hygiene there is now a workable agreement, established at the insistence of Governor Tawes) but then, says Coulter, "there is a long, tortuous path," until they become effective. Still to be considered is State control of existing facilities, in other words, the present polluters.

The State has about nine men and $95,000 a year to carry out its work. Coulter wants more: specific rules and regulations, a measuring system, an alert and emergency system "and a strengthening of the law to make people at least as valuable as fish."

COMMON PROBLEM

Many officials look to the Federal Government to help them control pollution. The Government's response, embodied in the Clean Air Act of 1963 which provides grants for state and local enforcement programs, is to pitch the ball right back to City Hall and the State House where it unquestionably belongs. For proof, one need only look at Los Angeles which was faced with the prospect of either cleaning up its atmosphere or abandoning it.

In 1947 the city and surrounding counties mounted an air pollution program unequaled anywhere. Laws were passed requiring cars to have pollution-limiting devices and industry reduced its emissions by 80 per cent, the result being that while Los Angeles air now is not always pleasant, people can at least live in it.

It is difficult to overemphasize the intensity of feeling, and the duplicity, that air pollution arouses in people. Virtually no one is willing to discuss the pollutants emerging from his own smokestack but is quick to point out a dirtier one nearby. Said William H. Megonnell, of the Division of Air Pollution of the Public Health Service in a recent speech: "Nobody escapes responsibility for . . . air pollution. It should be equally apparent, since we all live in a sea of air, that we cannot completely escape the consequences of polluted atmospheres. Not so obvious, perhaps, is the fact that each of us will have to pay for abatement and control. It is not exclusively the other fellow's problem; it is yours and mine as well."

Automobiles are the greatest polluters. Blow-by devices eliminating emissions from the crankcase are standard equipment on most models now and by 1968 cars will come equipped with devices to control most of the

stuff coming out the tail pipe. These will not be cheap—$40 to $50 according to one estimate. Are Americans willing to pay for and maintain them? It is the cost of fresh air.

INDUSTRY'S RECORD

Will industry be willing to clean up its smokestacks? Except in the face of strict laws, it record thus far has been dismal, despite the fact that there is plenty of pollution-control equipment available. True, it is expensive, but there is often compensation in the recovery of usable materials. But we can count on the ultimate cost being passed on to the consumer.

Few people are as well qualified to discuss these complexities as Dr. Wolman who for the last 50 years has served as a consultant to cities and agencies all over the world. Says Dr. Wolman:

"I think one of our first official tasks is a better identification of the nature of atmospheric pollution." (Maryland is conducting such a study.) "Then a decision on the part of the groups as to what it ought to be." (To help them, the Federal Government will soon publish criteria of air quality.) "Then a selection of priorities of attack." (Cars are now being partially controlled; manufacturers, the second biggest polluters, only vestigially). And a continuation of the work on the epidemiology of air pollution and disease." (There are several such projects under way here and in other parts of the country.)

"But," adds Dr. Wolman, "we don't have to wait to institute corrective measures." (Stronger state laws will probably be introduced in this session of the Legislature and the city is considering a ban on open burning.)

Perhaps most instrumental in getting these things accomplished are citizens who recognize that 1) the air, in too many parts of Baltimore, stinks and more than that, is probably unhealthy, 2) things can be done to clean it up, and 3) we will all have to bear the expense.

[From the Wall Street Journal, Jan. 24, 1967]

CLEANING THE AIR: MORE FEDERAL POWER, REGIONAL CONTROL LIKELY IN ANTIPOLLUTION DRIVE—"AIRSHED" GROUPS WOULD HAVE WIDE AUTHORITY; A RULING ON DIESEL FUMES POSSIBLE—FOUL AIR IN THE COUNTRYSIDE

(By Mitchell Gordon, staff reporter for the Wall Street Journal)

Sweeping new proposals for the use of more Federal power in curbing air pollution may be proposed to Congress within the next few weeks.

It's expected they will be included in a special Presidential message on land, water and air resources. According to experts who have helped draft the proposals, and who believe President Johnson is convinced of their worth, the following will be asked:

—That the Health, Education, and Welfare Department be given the authority to set national standards limiting pollutants from all sources. Currently, HEW has such standards in force only for major automobile pollutants.

—That regional "airsheds" be established. These would embrace broad areas, covering parts of two or more states, in which pollution is a present or potential problem.

—That regional commissions, comprised of members from the Federal and the appropriate state and local governments, be established to control pollution within the airsheds. These commissions, like those authorized last year for the control of water pollution problems involving two or more states, would have the power to impose uniform control regulations throughout the areas regardless of the position of individual state or local governments.

That HEW be allowed to step in directly and impose its own regulations if any regional commission fails to act to curb pollution to allowable levels within two years.

AN UNPREDICTABLE PRESIDENT

President Johnson, of course, has surprised before those who anticipate his actions, and it's possible that any measures he might propose would differ somewhat from those listed above—particularly as concerns the creation of regional commissions whose power would supersede that of state and local governments in matters pertaining to air pollution.

But air pollution experts, at any rate, believe the President will indeed advocate strong measures. In fact, they expect him to follow through with still more action against the problem—most likely by extending Federal power to regulate automotive and truck pollutants not covered now by HEW restrictions. For example, controls over pollutants emitted by diesel engines may be forthcoming, as may standards restricting the output of oxides of nitrogen by gasoline engines. HEW's current rules limit only carbon monoxide and hydrocarbon wastes emitted by autos.

The President is certain to encounter difficulty in getting some of the major proposals through Congress, however. A spokesman for the special Senate subcommittee on air and water pollution chaired by Sen. Edmund S. Muskie (D., Maine), says: "The states righters will probably put up a big fuss over giving regional commissions authority in this area over the state and local governments."

WITH EXISTING WEAPONS

Whether Congress acts or not on the expected set of new proposals, the Administration almost certainly will mount a more vigorous attack on air pollution under its existing authority. For example, the 1963 Clean Air Act, broadened in 1965, already gives the Government some power to take legal action in interstate pollution disputes.

This power has not been used in a single case to date, much to the chagrin of those who believe the Government must move rapidly and forcefully against major polluters. HEW officials explain that they have had difficulty getting appropriations to finance their clean air activities, and that setting up an effective organization to deal with such a major problem has taken much time. Also, the work that must be done on a single major case is intensive and time-consuming.

But they also admit they haven't been under as much pressure to move as they are today. "The whole tenor is different now," says one. "The department is becoming much more aggressive, with the public and state and local officials demanding we do something."

HEW's existing legal powers may get their first test soon. Secretary John Gardner reportedly is preparing to call for hearings before Federal, state and local officials on the alleged failure of a plant in Bishop, Md., to install equipment controlling odors from its chicken-rendering operations. The smell is bothering residents of Selbyville, Del., just across the state line.

PROSECUTION POSSIBLE

A special commission that included Federal officials had given the plant until last Sept. 1 to take adequate control measures. If the hearings indicate that the plant has indeed failed to take the necessary action, HEW could ask the Justice Department to prosecute.

A much more publicized case involving HEW, and a much graver and more complex one, is air pollution in the New York-New Jersey metropolitan area. Federal officials first stepped into that dispute at the request of Gov. Nelson Rockefeller of New York, who, complained that the huge industrial complex along the north-central part of the Jersey coast was producing enormous amounts of pollutants that drifted over to New York City. Gov. Richard Hughes of New Jersey, while conceding that this was true, contended that pollutants originating in New York were fouling his state's air, too.

The Interstate Sanitation Commission, a body established some years ago largely to tackle just such mutual problems of the two states, has had little success in controlling pollution. It is only an advisory group and has no real enforcement power. So, say critics, the individual states and localities often have ignored the commission's recommendations rather than penalize their own industries or lose out in the competition for new plants. Meanwhile, pollution has continued to mount.

HEW tried to get the parties concerned to arrive at a set of recommendations, and formed an interstate air pollution abatement conference to study the problem—which, as it developed, was considerable. The National Center for Air Pollution Control (NCAPC), an arm of the U.S. Public Health Service, had identified 373 power plants, factories and other pollution sources estimated to be pouring over 1,000 tons of sulfur dioxide into the air annually in the New York-New Jersey metropolitan area.

Last week the conference, which included representatives of both states, New York City, and the Interstate Sanitation Commission as well as Federal officials, issued its recommendations. They included a drastic acceleration of plans for use of low-sulphur fuels such as natural gas and certain grades of fuel oil, and the creation of a bistate commission, with the Federal Government having an equal voice with either of the states. This body would frame regulations and would act as an enforcer, with powers overriding those of the cities and states involved—in short, a group very much like the regional "airshed" commissions the President is expected to call for on a national scale.

S. Smith Griswold, the Federal Government's chief air pollution abatement official and presiding head of the interstate conference group, announced the recommendations. He indicated that if they are not put into effect within six months, as the Clean Air Act prescribes, HEW Secretary Gardner is prepared to set in motion the machinery that could lead to legal action by the Justice Department against offenders.

REGIONAL APPROACH VITAL

Many in the Federal Government view the regional approach as absolutely necessary to a successful war on pollution. "We've tried supporting a purely local approach and we mean to do so even more in the future, but it's senseless to tackle the problem only in this manner when it is a regional one," says a NCAPC spokesman.

Even where the Federal Government has no jurisdiction—namely, in air pollution problems that do not involve two or more states—it is attempting to help local and state governments finance their own programs for control. Since the Clean Air Act took effect in 1963, the Federal Government has spent over $10 million helping state and local governments initiate and improve air pollution abatement efforts.

Currently, Uncle Sam is authorized to put up $2 for every $1 pledged by state and local authorities to begin or improve air pollution campaigns and $3 for every $2 if the agency dealt with represents two or more jurisdictions. Now, under an amendment to the Clean Air Act, Federal funds may also be used to match expenditures by state and local units in keeping the programs running.

Approximately 30 states have put general air pollution control laws on their books, most of them only in recent years. The Air Pollution Control Association, a private nonprofit organization with 4,000 members in industry, government and other institutions, predicts practically all of the remaining 20 will follow within three years. Two states where bills have been introduced recently, Arizona and Montana, had been considered

among the country's few remaining fresh-air havens.

In New Jersey, a state legislator just introduced a bill which would give the governor wide powers in event of a "smog emergency." Under it, he would be able to shut down plants and incinerators, prohibit the movement of vehicles and stop the burning of fuels. Those refusing to comply could be fined as much as $100,000 and imprisoned for up to 10 years.

BAD SMELL IN SAN FRANCISCO

Localities have been active, too. San Francisco, which has long boasted that its air is cleaner than that of smog-ridden Los Angeles, recently had to put into effect a new regulation controlling the emission of gaseous, malodorous solvents from dry cleaning operations, paint-making plants, chemical factories and other sources.

Most state and local edicts have aimed at industry and municipal installations, such as incinerators or dumps where garbage is burned. Now polluters in agriculture areas, too, are targets for control. The Colorado legislature, for example, has two bills under consideration which would drastically curtail the burning of waste materials from farm operations. Only a few states, including California, have similar restrictions.

Despite all the laws and regulations that have gone into effect, despite the spending of hundreds of millions by industry to reduce impurities, air pollution continues to grow. The Public Health Service estimates that about 135 million tons of pollutants are being poured into the air over the U.S. annually, some 70% of it as carbon monoxide and oxides of sulphur. The PHS says the volume is certain to rise in years to come; even if controls on auto emissions prove reasonably effective, it expects carbon monoxide wastes to double by the end of the century. Sulphur dioxide volume is expected to rise to 40 million tons from 25 million now.

POLLUTION SPREAD EXPECTED

The PHS says 120 million people in some 7,300 communities are presently affected by air pollution and that 25% of the U.S. population lives in areas described as suffering "major" air pollution problems. The number of people affected has risen 50% in the past 15 years, says the PHS, and it warns that the increases may be even greater in the next 15 years.

The service says pollution is worst in the nation's five biggest cities, but it notes that a good many smaller towns are now facing the problem for the first time. Ranchers in the little community of Garrison, Mont., for example, are asking for $123,000 in damages from a phosphate plant that they claim has emitted fumes which have caused their animals to lose their appetites, give less milk, produce more malformed calves, and develop bad teeth.

The PHS estimates that air pollution is now costing the country about $11.5 billion a year in abatement equipment, extra expenses for cleaner fuel, damage to crops, buildings and other property, and says the figure may rise to approximately $20 billion by 1975. As recently as 1960, it figured air pollution costs at only $7 billion. None of these estimates allows for the increase in respiratory ailments and other health hazards that accompany air pollution.

[From the New York Times, Jan. 22, 1967]

WASHINGTON TAKES A HAND ON POLLUTION

(By John Pascal)

In a community that systematically deposits two pounds of poison in the air for each of its citizens every single day, it was inevitable that demands would increase for an effective antidote. The recommended antidote came last week, and, like most medicines for a serious ailment, it was potent.

The patient, in this case, was the New York-New Jersey metropolitan area, a region of 16 million people living in an aerial swamp thick with sulphur dioxide, carbon monoxide and other toxins that are the inevitable residuals of a great, furiously productive industrial complex. The pollution from sulphur dioxide, a health-endangering residue from certain coals and fuel oils, was, for example, "the worst, the most critical in the United States," according to the Federal Public Health Service. Pollution from carbon monoxide in the region, the P.H.S. said, was "at or near the top." Fed into the air from thousands of incinerators and industrial smokestacks and millions of exhaust pipes, the pollutants now amount to some 730 pounds per person a year and cost, as one authority calculated it, a total of some $3-billion a year, or $620 a family, principally in property damage and medical bills.

Although both New York and New Jersey and most of their municipalities have been making some attempt to control air pollution in their jurisdictions, progress has been haphazard, often mired down by political considerations, and not nearly rapid enough to bring pollution levels below the accepted standards of safety on a permanent basis.

CONCERN IN WASHINGTON

The New York-New Jersey situation has its parallel in dozens of other major population centers throughout the nation. Their common plight has created a growing concern by Washington and a realization by the Federal and local governments alike that the problem could not be left to the states and cities alone.

It has been clear that unless Washington provided national direction and authority, the nation might face the alternatives grimly enunciated last month by Secretary of Health, Education, and Welfare John W. Gardner: "We can remain indoors and live like moles for an unspecified number of days each year; we can issue gas masks to a large segment of our population; we can live in domed cities, or we can take action to stop fouling the air we breathe."

Spurred on by a growing public sense of urgency, Washington has moved into the battle in a number of ways—by passing the Clean Air Act of 1963, for example, and by ordering that all new automobiles beginning with the 1968 models be fitted with exhaust controls to reduce carbon monoxide emissions. But until last week, the Government did not function on the operational level. It did not take an active hand in formulating local laws to meet specific pollution problems.

Last week, in what air pollution authorities regarded as an important precedent, Washington shifted its approach.

On Friday, after a grueling, often quarrelsome two-week conference on air pollution abatement in the New York-New Jersey metropolitan area, called by H.E.W., S. Smith Griswold, an H.E.W. official and the conference's presiding officer, announced the Federal Government's intention to become an active and equal partner in shaping a solution to the region's air pollution problems. Washington would not only prescribe the antidote to the poison, but in effect stay in the house to administer it and to watch at first hand the patient's recovery.

THIRD PARTNER

Specifically, the Government said it would sit in as the third partner with an equal vote on policy and administration on a powerful bistate agency with full authority to make rules and enforce them.

"It's the first time the Government has come in on the operating level like this," Mr. Griswold said. "There has to be a regional approach to air pollution and the job can't be done without strong Federal participation." Mr. Griswold said that the New York-New Jersey case represented a new pattern for other areas of the country, and added.

"There are 75 metropolitan areas in the country and some of them, like the Philadelphia area, extend into three states. You must get them all to have uniform laws, uniform standards so that there's no haven for anyone who doesn't want to cooperate. We now have staff people in eight of them doing the same kind of preliminary work we did here prior to this conference. In time we expect to get to all of them."

Federal, state and local authorities were in full agreement about the Government's new role, as they were about most of the other conference recommendations. The only major disagreement was over the nature of the bi-state agency. The Federal Government wants a new super-agency. New York and New Jersey insist the job can be done by the already existing Interstate Sanitation Commission if it is strengthened by new legislation. It now has only limited power to make air pollution recommendations and to refer complaints for individual state action. Whatever the final decision, the New York and New Jersey Legislatures will have to enact identical laws for the new compact, and then Congress will have to approve it.

As for the other conference recommendations, they dealt with specific air pollution controls and went far beyond anything either New York, New Jersey or any of their communities have yet proposed.

Among other things, they called for a drastic speedup in the use of low-sulphur fuels to cut down sulphur dioxide pollutants. Consolidated Edison, for example, a major sulphur dioxide contaminator in the area, would have to switch from its present 2.5 per cent to 1 per cent sulphur fuels after Oct. 1, 1969, a full 20 months earlier than required under New York City law.

Even stronger restrictions would be placed on fuel for heating and other nonpower-plant uses. Not only would users of such fuel have to switch to lower sulphur fuels by October 1969 rather than the May 20, 1971, deadline given them by the city, but the 1 per cent sulphur content allowed them by New York City law would be sharply reduced to 0.2 per cent sulphur on coal, and 0.3 per cent on fuel oil.

Also, no existing power plants could be expanded and no new plants built after next July 1 unless the power generating companies gave assurances they had at least a 20-year supply of low-sulphur fuel.

The proposals were generally viewed as stringent, and as Dr. Roscoe P. Kandle, New Jersey's Health Commissioner told the conference Friday, they are going to be expensive "and the public is going to have to bear the cost." But as Mr. Griswold summed up. "The problem is acute. We have to take strong measures. There is no other choice."

[From Time, Jan. 27, 1967]

MENACE IN THE SKIES

On the morning of Oct. 26, 1948, at Donora, Pa., the skies delivered a deadly warning that man had poisoned them beyond endurance.

As workers trudged to their jobs, a heavy fog blanketed the bleak and grimy town. It hung suspended in the stagnant air while local businesses—steel mills, a wire factory, zinc and coke plants—continued to spew waste gases, zinc fumes, coal smoke and fly ash into the lowering darkness. The atmosphere thickened. Grime began to fall out of the smog, covering homes, sidewalks and streets with a black coating in which pedestrians and automobiles left distinct footprints and tire tracks. Within 48 hours, visibility had become so bad that residents had difficulty finding their way home.

Donora's doctors were soon besieged by coughing, wheezing patients complaining of shortness of breath, running noses, smarting eyes, sore throats and nausea. During the next four days, before a heavy rain washed away the menacing shroud, 5,910 of the town's 14,000 residents became ill.

Twenty persons—and an assortment of dogs, cats and canaries—died.

Investigating the tragedy, meteorologists concluded that it had been triggered by a temperature inversion, an atmospheric phenomenon that prevents normal circulation of air. Ordinarily, warm air rises from the earth into the colder regions above, carrying much of man's pollution with it. Occasionally, a layer of warmer air forms above cooler air near the ground; the inversion acts as a lid, preventing the pollutants at lower altitudes from rising and dispersing. Inversions are no novelty, but what happend at Donora shocked public-health officials into an awareness that such layers pose a deadly threat to an increasingly industrialized and pollutant-producing society.

SULKY SUN

On Dec. 5, 1952, a thick fog began to roll over London. Hardly anyone paid any attention at first in a city long used to "pea-soupers." But this fog was pinned down by a temperature inversion, and was steadily thickened by the soot and smoke of the coal-burning city. Within three days, the air was so black that Londoners could see no more than a yard ahead. Drivers were forced to leave cars and buses to peer closely at street signs to find out where they were. Policemen strapped on respiratory masks. The Manchester Guardian reported that London's midday sun "hung sulkily in the dirty sky with no more radiance than an unlit Chinese lantern."

Hospitals were soon filled with patients suffering from acute respiratory diseases; deaths in the city mounted. The British Committee on Air Pollution finally estimated that during the five days that the smog smothered London, there were 4,000 more deaths than would have occurred under normal circumstances. During the next two months, there were another 8,000 excess deaths—most of them apparently caused by respiratory disease—that scientists suspected were a direct result of the killer smog.

Extreme air pollution again darkened London in 1956, killing 1,000, and in 1962, claiming more than 300 lives. In 1953, a ten-day temperature inversion over New York City trapped so much air pollution that 200 excess deaths were attributed to the smog by Dr. Leonard Greenburg, then New York's commissioner of air pollution. Another New York smog in 1963 killed more than 400, and there were 80 excess deaths recorded in New York during a four-day siege over the last Thanksgiving Day weekend. Scientists suspect that thousands of deaths each year in cities all over the world can be linked to air pollution. Says U.S. Assistant Surgeon General Dr. Richard Prindle: "It's already happening. Deaths are occurring now. We already have episodes in which pollution kills people. And as we build up, we're going to have an increasing frequency of episodes."

"TAKE A DEEP BREATH"

Such warnings, added to the widely publicized New York and Los Angeles air-pollution alerts and open bickering between politicians and industry over pollution controls, have made the U.S. suddenly aware that smog is a real and present danger. The belching smokestacks that long symbolized prosperity have now become a source of irritation. the foul air that had come to be accepted as an inevitable part of city living has suddenly become intolerable. "Tomorrow morning when you get up," reads a recent magazine ad placed by New York's Citizens for Clean Air, Inc., "take a nice deep breath. It'll make you feel rotten." Indeed, as the adjoining color pages show, the U.S. city dweller had only to look at his skyline last week to see the startling and ominous inroads that smog has made.

Air pollution has become a world-wide preoccupation. Some 230 miles southwest of Tokyo, for example, school yards in the port city of Yokkaichi are filled with children running and playing games. But their shouts and laughter are muffled by yellow masks impregnated with chemicals to protect them against air polluted by nearby petrochemical plants. In Tokyo, where smog warnings were issued on 154 days last year, policemen in ten heavily polluted districts return to the station house to breathe pure oxygen after each half-hour stint on traffic duty in order to counteract the effects of breathing excessive amounts of carbon monoxide.

"Sitting on the hill of Lycabettus, overlooking the valley of Athens," writes Greek City Planner Constantinos A. Doxiadis, "I can see early Monday morning the first dark clouds building in the lower part of the valley, where the industries are. It grows, it covers the middle and lower parts of the city. Gradually it reaches the eastern part, and by expanding in height it covers the rock of the Acropolis and the Parthenon. By then everybody in the city of Athens has had to breathe the polluted air."

Authorities in the German state of North Rhine-Westphalia are so concerned about the dangers of smog in 15 Ruhr districts that they have posted warning signs that will bar traffic from roads in the event that air pollution becomes extreme. And out in space last September, after other astronauts had repeatedly failed to photograph Houston because of the dense brown disk of smog that usually hangs above it. Gemini 11 Command Pilot Pete Conrad finally shot a picture of the city on one of its better days. Discussing the photograph after his return to earth, Conrad pointed to the reduced but ever present pall over the city. "Notice the air pollution drifting out there," he said, "in case anybody thinks we don't have it."

Smog disintegrates nylon stockings in Chicago and Los Angeles, eats away historic stone statues and buildings in Venice and Cologne. Rapidly industrializing Denver, which for many years boasted of its crystalline air, is now often smogbound. In Whiting, Ind., a concentration of fog and pollution from an oil refinery produced a chemical mist that one night last year stripped paint from houses, turned others rusty orange, and left streets and sidewalks covered with a greenish film.

POLLUTION'S FIRST VICTIM

Air pollution, commonly thought to be a result of the industrial revolution, actually preceded man himself. Nature has long contaminated the air with sand and dust storms, with forest fires and volcanic eruptions that spew tons of particles and gases into the atmosphere. When Krakatoa, a volcano in the East Indies, blew up in 1883, the debris and dust it hurled into the air spread around the globe, darkening daytime skies for hundreds of miles. Krakatoa dust, suspended in the atmosphere, produced spectacularly ruddy sunsets and sunrises the world over for months after the blast.

Nature even produces its equivalent of smog. Over large fir forests, there is a continuous bluish haze produced by terpenes—volatile hydrocarbons that are emitted by the trees. Decaying animal and vegetable matter give off gases. Flowers saturate the nearby air with pollen that causes such allergic reactions as hay fever in man. It was natural air pollution rather than the man-made kind that claimed the man who is probably the first recorded human victim; Pliny the Elder died in 79 A.D. after breathing in an overdose of sulphur oxides emanating from erupting Vesuvius.

Once man mastered fire, however, he was superbly equipped to surpass nature's contribution to air pollution. The burning process—combustion—powers most transportation in the U.S., plays a vital role in its manufacturing, generates electric power, heats homes and buildings, and consumes much of its refuse. But this year it will also pour 140 million tons of pollutants into the air. And as population, industrial production, number of automobiles, and other indices of U.S. prosperity increase, the upward flow of contaminants will increase correspondingly.

COLORLESS CONTAMINATION

The most obvious component of polluted air is the smoke that pours from millions of home chimneys, power-plant and factory smokestacks, incinerators and garbage dumps. It consists of tiny pieces of carbon, ash, oil, grease, and microscopic particles of metal and metal oxides. Some of these particles are so large that they settle rapidly to earth, but many are small enough to remain suspended in the atmosphere until they are removed by rain or wind. Though the particulates, as they are called, are highly visible and often the first target of antipollution officials, they constitute only abut 10% of the pollution in the air over the U.S.

Cities such as Pittsburgh and St. Louis, which after World War II enforced vigorous and successful campaigns to clear smoke from their skies, have now discovered that their drives against pollution have only just begun. A full 90% of U.S. air pollution consists of largely invisible but potentially deadly gases. More than half of the contamination in the air over the U.S., for example, consists of colorless, odorless carbon monoxide, most of it issuing from the exhaust pipes of automobiles, trucks and buses.

The second most plentiful gas pollutant is composed of oxides of sulphur, produced by home, power-plant and factory combustion of coal and oil containing large percentages of sulphur. More than a tenth of air pollution consists of hydrocarbons, most of them emanating as unburned or only partially burned gaseous compounds from automobile fuel systems. Combustion also produces large quantities of carbon dioxide, nitrogen oxides and other gases.

As if these products of combustion were not unpleasant or dangerous enough by themselves, some also undergo complicated chemical changes in the atmosphere that make them even less attractive. In the presence of sunlight, the hydrocarbons and nitrogen oxides emitted largely by automobile exhausts react to produce the sort of brownish and irritating photochemical smog that blankets Los Angeles for most of the year. "Los Angeles smog" is a highly complex soup containing, among other things, nitrogen dioxide, hydrocarbons, ozone (a highly active and poisonous form of oxygen) and peroxyacyl nitrate (commonly called PAN). "London smog," on the other hand, usually contains high quantities of sulphur oxides that react with moisture to produce a dilute but corrosive sulphuric-acid mist.

Though air conditioners can effectively filter pollutant particles out of the air, the troublesome gaseous contaminants pass through unhindered. Thus city dwellers who feel that they have found sanctuary from the smog in sealed and air conditioned offices and apartments are actually in an atmosphere that may be little better than the foul air of the streets.

FOR CLEANING, $600

The unwholesome mess that U.S. citizens and corporations spew into that great sewer in the sky costs them dearly—$11 billion a year in property damage alone, according to the Department of Health, Education, and Welfare. Air pollutants abrade, corrode, tarnish, soil, erode, crack, weaken and discolor materials of all varieties. Steel corrodes from two to four times as fast in urban and industrial regions as in rural areas, where much less sulphur-bearing coal and oil are burned. The erosion of some stone statuary and buildings is also greatly speeded by high concentrations of sulphur oxides.

Heavy fallout of pollution particles in metropolitan areas deposits layers of grime on automobiles, clothing, buildings and windows; it adds about $600 per year in

washing, cleaning, repairing and repainting bills to the budget of a family with two or three children in New York City, according to a study made by Irving Michelson, a consultant in environmental health and safety. Because of fly ash and soot from smokestacks, the main facade of Manhattan's New York Hilton was so badly discolored that it had to be replaced last year, only 3½ years after the hotel was completed. Ozone, a principal component of photochemical smog, discolors and disintegrates clothing and causes rubber to become brittle and crack.

Vegetation, too, suffers from polluted air—even in rural areas that until recently were believed to be out of the range of contamination. Sulphur dioxide causes leaves to dry out and bleach to a light tan or ivory color, kills the tips of grasses and of pine and fir-tree needles.

Scientists are certain that the ozone and PAN in Los Angeles smogs have caused the serious decline in the citrus and salad crops in the area. In one of the many smog experiments they are conducting, they have planted lemon trees in small greenhouses in a grove near Upland. Pure filtered air is pumped into some of the greenhouses, air containing measured amounts of pollutants into others. When the fruit is finally picked, the scientists will compare the quality and yield of lemons from trees in different greenhouses, hoping to learn more about how each component of smog affects the crop. Some effects of the smog are indisputable. Such diverse plants as orchids and spinach can no longer be grown in metropolitan Los Angeles.

In semi-rural Florida, east of Tampa, large amounts of fluorides, emitted from phosphate plants have rained down on nearby citrus groves, ranches and gladiolus farms. Orange and lemon trees that absorbed the fluorides produced smaller yields, and gladioli turned brown and died. A national air-pollution symposium reported that cattle grazing on grass that was contaminated with the fluorides developed uneven teeth that hindered chewing and joints so swollen that many of the animals could not stand. Fluorides have also etched windowpanes, giving them the frosted appearance of a light bulb.

DAMAGE TO PEOPLE

Pollutants that injure plants and erode stone are likely to have a damaging effect on humans too. Motorists who would never contemplate committing suicide by running a hose from their exhaust pipe into the car often unknowingly endanger their lives by exposing themselves to large amounts of carbon monoxide on expressways and in tunnels and garages. Though an hour's exposure to 1,500 parts of monoxide per million parts of air can endanger a man's life, only 120 parts per million for an hour can affect his driving enough to cause an accident. And concentrations of about 100 parts per million have been found in tunnels and garages and on the streets of Chicago, Detroit, New York and London.

Assistant Surgeon General Prindle points out that a heavy cigarette smoker carries a 3% to 4% concentration of carbon monoxide in his bloodstream. Thus it is not surprising, he says, that habitual smokers are the first to turn up at hospitals during periods of extreme air pollution; carbon monoxide concentrations in their bloodstream reach a toxic 25% to 30% level before those of nonsmokers.

Chief culprits in the Donora, London and New York smog disasters were probably sulphur dioxide and sulphur trioxide, which, either in gaseous form or converted into sulphuric-acid mist, can irritate the skin, eyes and upper respiratory tract. Extreme exposure, such as might occur in an industrial accident, can do irreparable damage to the lungs—and even attack the enamel on teeth.

ARSENIC AND HEART DISEASE

Ozone and PAN produce the eye irritation, coughing and chest soreness experienced by many Los Angeles residents on smoggy days. In laboratory experiments, continuous exposure to ozone shortened the lives of guinea pigs. Scientists also calculated that a child born in New York City after World War II has now inhaled the pollution equivalent of smoking nine cigarettes per day every day of his life. Like those in cigarettes, some of the hydrocarbons identified in automobile exhausts have produced cancer in laboratory animals.

The particles in pollution are injurious to humans also. Carbon particles that blacken the lungs of residents of London and New York carry gases absorbed onto their surface. They enable sulphur dioxide, for example, to penetrate deeper into the lungs than it could on its own; without particles to carry it, the gas can be exhaled relatively easily from the upper respiratory tract. Other particulates act as catalysts in the atmosphere, speeding the conversion of sulphur dioxide into more harmful sulphuric acid. Particles of arsenic, beryllium, cadmium, lead, chromium and possibly manganese, discharged into the atmosphere by a variety of man-made processes, may contribute to cancer and heart disease.

Though researchers have not been able to prove a direct cause-and-effect relationship between air pollution and disease, they have found that the incidence of chronic bronchitis among British mailmen who deliver the mail in areas with heavy air pollution is three times as high as among mailmen who work in cleaner regions. Researchers also know that there are more deaths from chronic pulmonary disease in high-pollution areas of Buffalo than in other neighborhoods. Boston policemen working around high concentrations of carbon monoxide seem more susceptible to the common cold.

EVOLUTION OF CONTROL

Alarmed by ever-murkier skies, increasing property damage, unpleasant odors and more frequent pollution alerts, communities, states and the Federal Government have finally begun to mount a systematic attack on air pollution. They have been able to use as a model the pioneering antipollution program of Los Angeles, which evolved out of sheer necessity. Though the city has frequent temperature inversions and lies in a mountain-rimmed bowl that traps the pollutants, Los Angeles had practically no pollution problem until the 1940s, when it began its explosive growth in population and industry.

Almost overnight, the clear air that had played so important a role in drawing moviemakers to Hollywood was replaced by palls of smoke, a brownish haze and offensive odors that made city life irritating and unpleasant. Concerned Angelenos began to come forward with California-size plans to solve the problem. One suggestion was to bore mammoth tunnels through the surrounding mountains, install huge fans in them and literally suck the smog from the Los Angeles basin into the desert to the east. There was one drawback: operating the fans for a day would require the total annual power output of eight Hoover Dams. A proposal to install giant mirrors to focus the sun's rays, heat the air, and thereby cause it to carry pollution up through the inversion also turned out to be impractical; even if the entire basin were a giant mirror, scientists calculated, not enough heat would be generated to do the job.

Then, backed by aroused citizens, Los Angeles County established a control board and vested it with the authority to control any pollution released into the atmosphere from Los Angeles County, an area of 4,000 sq. mi. Running roughshod over objections from many business leaders, the board established regulations to limit the amount of pollutants released into the air by industry, banned the use of high-pollution fuels and the burning of junked cars and garbage. To further limit pollution, the board even ordered that paint containing volatile, smog-forming chemicals not be sold in containers larger than quart size. It reasoned that such a regulation would discourage large users from purchasing high-pollutant paints.

To prove that it meant business, the board brought to court and won conviction of thousands of pollution violators. It was backed to the hilt by Angelenos. In protest against an oil company that was convicted of a pollution offense, 1,500 residents returned their credit cards issued by the firm. On a single day in 1958, the board closed down $58 million worth of incinerators; instead of burning garbage, the county began hauling it as far as 40 miles away to use as land fill. Aided and goaded by the board, Los Angeles oil refineries developed new techniques to reduce sulphur and to trap and recycle malodorous wastes; the refineries became the cleanest and least offensive in the world. Power companies were ordered to use low-sulphur natural gas whenever available, and required to use fuel containing a minimum amount of sulphur the remainder of the time.

LOSING BATTLE

Instead of disappearing, however, Los Angeles' characteristic whisky-brown smog has actually grown worse. The culprits are Los Angeles County's 3.75 million autos, which produce 12,420 of the 13,730 tons of contaminants released into the air over the county every day. (Some of the remainder is contributed by planes; a 4-engine jet expels 88 lbs. of pollutants during each takeoff.) In addition to nearly 10,000 tons[1] of carbon monoxide, autos exhaust 2,000 tons of hydrocarbons and 530 tons of nitrogen oxides daily, enough to form a substantial brew of irritating smog.

At the urging of the pollution-control board, California decreed that cars sold in the state from 1964 on be equipped with a "blow-by" connection to feed unburned gasoline in the crankcase back into the engine manifold. Another law made it mandatory for all 1966 cars sold in the state to have devices that would reduce carbon monoxide emitted from the tail pipe by 50%, hydrocarbons by 65%. A further reduction in tail-pipe emissions will be required in 1970. Taking its cue from experts, the Federal Government has ordered Detroit to make similar improvements on all of its 1968 cars. But California—and the U.S.—are fighting a losing battle against the autos.

Inspections of California cars that have been driven more than 20,000 miles and are equipped with antipollution devices have shown that as many as 87% fail to meet state requirements for the suppression of hydrocarbons and carbon monoxide; the devices generally become less efficient with age and are improperly maintained. Even if the devices work perfectly, however, they cannot keep pace with the rapid growth of Los Angeles' auto population—which is expected to increase by another 2,000,000 vehicles by 1980. "Even if by then the average motor vehicle is producing only one-half of the pollution of today's average car," says County Air Pollution Control Officer Louis Fuller, "motor-vehicle pollution will be greater than it is now."

ELECTRIC CAR RESEARCH

To solve the dilemma, Fuller believes, legal limitations may have to be placed on the movement of autos into heavily contaminated urban areas. Frank Stead, a top offi-

[1] The volume of carbon monoxide produced in one day is computed by multiplying the amount released by the burning of one gallon of gasoline by the average number of gallons consumed in Los Angeles. The weight of this volume of gas is influenced by existing temperatures and pressures, and can be easily calculated.

cial in the state's public health department, has a more drastic solution. "It is clearly evident," he says; "that between now and 1980 the gasoline-powered engine must be phased out and replaced with an electric-power package." The only realistic way of bringing about such a change, Stead feels, is to "serve legal notice that after 1980 no gasoline-powered motor vehicles will be permitted to operate in California."

Californians have not overstated the auto-pollution case. In a speech that had ominous implications for Detroit's automakers, HEW Secretary John Gardner suggested that "we need to look into the electric car, the turbine car, and any other means of propulsion that is pollution-free. Perhaps we also need to find other ways of moving people around. None of us would wish to sacrifice the convenience of private passenger automobiles, but the day may come when we may have to trade convenience for survival."

Detroit has responded by talking up its electric-car research, demonstrating new batteries and fuel cells, and driving newsmen around in battery-powered compact cars. And Ford President Arjay Miller insists that a crash program is on to build an electric car. But most auto officials believe that between five and ten years will pass before moderately priced electric cars can be produced in volume. In Washington last week, to emphasize the need for electric cars, New York Democratic Representative Richard Ottinger drove an electric Dauphine, powered by silver-zinc batteries (developed by New York's Yardney Electric Corp.), about 70 miles on trips around the city.

FINES AND PRISON TERMS

While Los Angeles ponders new strategies in its fight against pollution, other cities—aided by increasing federal technical and financial aid made possible by the Clean Air Act of 1963—have begun to take tentative and sometimes faltering steps in the same direction. To reduce New York City's dirty smog, some 50% of which comes from chimneys, smokestacks and open fires (compared with only 10% of Los Angeles' smog), a regulation has recently been passed to limit the sulphur content of fuel burned within the city. It came none too soon; the U.S. Public Health Service describes the sulphur-dioxide concentrations in the New York-New Jersey metropolitan area as "the worst, the most critical" in the U.S.

In heavily polluted New Jersey, which shares high sulphur-dioxide concentrations with New York, a state assemblyman introduced a bill that would empower the Governor to shut down plants and incinerators and prohit the movement of vehicles and the burning of any fuel during smog emergencies. Private citizens or corporate officers refusing to comply could be fined as much as $100,000 and imprisoned for as long as ten years.

To clear the air in Chicago, the city has launched a campaign to force local steel plants to adopt costly antipollution techniques, and transportation officials are investigating combination diesel-electric buses that would reduce exhaust fumes. An Illinois legislator has gone so far as to introduce a bill that would limit the use of Illinois coal—which has a high sulphur content—in public buildings.

GRADUAL SUFFOCATION

But with these few exceptions, most communities in the U.S. have still to come to grips with the problems. There is still time to do so, but it is dwindling. U.C.L.A. Meteorologist Morris Neiburger points out that the air that now streams across the Pacific from Asia is clean when it reaches the west coast of the U.S. It picks up pollution over the coastal states, loses some over the Rockies, and becomes dirty again as it moves toward the Eastern Seaboard. "Imagine the smog that would accumulate," he says, "if every one of the 800 million Chinese drove a gasoline-powered automobile—as every Angeleno does."

The Chinese autos and the new factories that produce them will quickly pollute the Asian skies, Neiburger fears, dirtying the air currents even before they reach the U.S. Eventually, if air pollution increases beyond the capacity of the atmosphere to cleanse itself, smog will encircle the earth, he says, "and all of civilization will pass away. Not from a sudden cataclysm, but from gradual suffocation by its own effluents."

Other scientists are concerned about the tremendous quantities of carbon dioxide released into the air by the burning of "fossil fuels" like coal and oil. Because it is being produced faster than it can be absorbed by the ocean or converted back into carbon and oxygen by plants, some scientists think that the carbon dioxide in the atmosphere has increased by about 10% since the turn of the century. The gas produces a "greenhouse" effect in the atmosphere; it allows sunlight to penetrate it, but effectively blocks the heat generated on earth by the sun's rays from escaping back into space.

NO APOCALYPSE

There has already been a noticeable effect on earth—a gradual warming trend. As the carbon-dioxide buildup continues and even accelerates, scientists fear that average temperatures may, in the course of decades, rise enough to melt the polar ice caps. Since this would raise ocean levels more than 100 feet, it would effectively drown the smog problems of the world's coastal cities.

The waters, however, need never rise. Within his grasp, man has the means to prevent any such apocalyptic end. Over the short run, fuels can be used that produce far less pollutant as they burn. Chimneys can be filtered so that particulate smoke is reduced. Automobile engines and anti-exhaust devices can be made far more efficient. What is needed is recognition of the danger by the individual citizen and his government, the establishment of sound standards, and the drafting of impartial rules to govern the producers of pollution. Over the long run, the development of such relatively nonpolluting power sources as nuclear energy and electric fuel cells can help guarantee mankind the right to breathe.

[From the New York Times, Jan. 12, 1967]

STATEN ISLAND DEATHS LINKED TO AIR POLLUTION—JERSEY IS CALLED PROBABLE SOURCE AFFECTING LUNG CANCER IN NORTH AREA

(By Peter Kihss)

Higher death rates from respiratory cancer in northern Staten Island probably result, at least in part, from air pollution produced in New Jersey, the interstate air-pollution conference was told here yesterday.

A study financed by the United States Public Health Service was reported by Dr. Leonard Greenburg to show that a death rate for white men 45 years and older at 55.4 per 100,000, as against 40.2 in central and southern Staten Island. The rate for white women was 8.2 in the north and 4.1 in other sections.

Dr. Greenburg, the city's first Air Pollution Control Commissioner from 1952 to 1960, also said that a citywide increase in deaths appears to have occurred from the Thanksgiving weekend weather inversion, which led to a smog alert.

The city, Dr. Greenburg said, had 268 deaths from all causes on the first day of the inversion, which was Wednesday, Nov. 23, and exceeded 250 deaths a day for the following six days. This was the only month of November with seven consecutive days of 250 daily deaths or more in studies going back to 1961, he added.

AVERAGE DEATH RATE

The Staten Island study by Dr. Greenburg and associates at Albert Einstein College, where he has been chairman of preventive and environmental medicine since 1960, reported deaths in the borough from all causes and from all cancer-caused deaths averaged close to rates for the rest of the city.

Newsmen recalled to Dr. Greenburg that all of Staten Island had been covered in New York State complaints about air pollution from New Jersey, while his data would imply that the southern area was better off on respiratory cancer death rates. His response was that one factor might be "different types of pollutant."

The northern section along Kill van Kull lies south of the Bayonne and Elizabeth complexes of mixed industry. New York State has also complained of pollution along Arthur Kill from the Linden, Carteret, Woodbridge and Perth Amboy areas.

New Jersey has insisted at the conference at the Statler-Hilton Hotel that each state's pollution affects the other with shifting winds.

William A. Munroe, New Jersey Health Department representative, commented to newsmen that northern Staten Island had "high-density population—more automobiles and more people keeping warm" than the south.

Dr. Greenburg suggested that cancer deaths in the north section might also be linked to lower-income status, indicated by more persons housed in each room than in the south.

INVERSION DEATHS

New York City's Health Department, queried later about the Thanksgiving inversion deaths, reported deaths from all causes in the five boroughs numbered 269 on both Nov. 23 and Nov. 24, followed by 254 on Nov. 25, 255 on Nov. 26, 263 on Nov. 27, 254 on Nov. 28 and 266 on Nov. 29.

This would indicate 80 more deaths than a seven-day average of 250 a day, not quite 5 per cent for the period. Dr. Howard J. Brown, the city's Health Resources Administrator, said:

"During the period of inversion the number of deaths was higher than was expected at this time of year, but the number was not significantly higher in a statistical sense."

Hospitals Commissioner Joseph V. Terenzio had said on Nov. 28 that "almost with certainty that there was no detectable immediate effect on morbidity [illness] and mortality because of the smog."

A spokesman said yesterday, however, that there had been delays in filing death certificates on the holiday weekend.

Dr. Greenburg told the conference that illness records from hospitals indicated a rise in bronchitis, and in one instance in asthma, during the inversion period.

RESPONSES POLLED

In another report to the conference, Dr. William H. Becker, research director of the Continental Research Institute, told of responses by 2,052 workers on their experiences Nov. 23 through Nov. 27 in the inversion.

Of these, 38 per cent reported one or more of a series of symptoms. Eye irritation was the complaint of 17 per cent of all the respondents; increased coughing, 8.5; difficulty in breathing, 6.8; increased sputum production, 5.2; and wheezing, 3.2.

"There was an ascending positive response each day, which correlated with the ascending level of the air-pollution index and reached a peak on Friday, Nov. 25," Dr. Becker said.

In yesterday's sessions, Dr. Richard A. Prindle, the nation's assistant surgeon general, said most of the country's major sources of sulphur oxide pollution were "still uncontrolled."

He said increased illness had been shown when 24-hour concentrations of the contaminant, produced by fuel burning, exceeded 0.2 to 0.25 parts for each million parts of air. Dr. Prindle added that the Public Health Service recommended a goal that would not exceed a 24-hour average of 0.1 for more than 1 per cent of the time.

SEES MASS SUICIDE

Carbon monoxide, deriving mainly from motor vehicles, was growing, Dr. Prindle said, to the point where "we may find ourselves using it to commit mass suicide."

California and New York State have recommended air quality objectives with an eight-hour average of 30 parts per million for carbon monoxide. Dr. Prindle suggested these "may be too high to afford ample protection for anemic, respiratory or cardiac-impaired persons."

George A. Jutze, deputy chief of field investigations for the abatement branch of the National Center for Air Pollution Control, told of Federal steel plate and sulphur dioxide measurements that showed the following:

"The urban New York environment is slightly more corrosive than Chicago, one and a half to two times that of Philadelphia and Detroit, and at least two times that of St. Louis, Washington and Cincinnati.

"The corrosivity of the suburban Staten Island environment is quite severe, equal to or greater than that of Philadelphia and twice as bad as St. Louis."

Roger H. Gilman, director of planning and development for the Port of New York Authority, said the authority had experimented with "platooning"—sending vehicles through its tunnels a group at a time in heavy traffic to minimize stopping and starting—to hold down exhaust pollution.

[From the Baltimore Sun, Jan. 21, 1967]

AIR POLLUTION HURTS CROPS—BELTSVILLE CENTER LOOKS TO FILTERED GREENHOUSES

(By John S. Carroll)

Scientists at the Beltsville Agricultural Research Center believe that farmers along the Eastern Seaboard may have to grow their crops indoors to protect them from serious air pollution damage.

The January edition of *Agricultural Research*, a Department of Agriculture publication, says tests at Beltsville indicate that filtered greenhouses may become a requisite for profitable farming.

"Carbon filtered greenhouses are now used commercially in some parts of California," the report states. "Research of Beltsville indicates that they may be necessary along the Eastern Seaboard for growing sensitive plants without serious injury from polluted air."

NINETY-THREE PER CENT HIGHER YIELD

The Beltsville research thus far has been concerned primarily with the effects of polluted air on tobacco plants.

In one test, a sensitive variety of tobacco grown in filtered air produced a 93 per cent higher yield than similar plants in unfiltered air.

The report also comments on the overall crop losses caused by polluted air.

"Last year air pollution caused agriculture an estimated $500,000,000 in losses," the report asserts, "and the problem is getting worse."

"Farmers no longer raise spinach in some areas of New Jersey because of air pollution. Weather fleck, caused by the air pollutant ozone, cuts yields and quality of shade-grown cigar wrapper tobacco in Connecticut, Massachusetts, and Florida—the most valuable tobacco grown in this country."

NEW LAB OPENED

"Losses in the $25,000,000 crop in Connecticut and Massachusetts have been as high as $5,000,000 a year. Growers have cut losses to some extent by raising resistant varieties, but even these have suffered damages."

The Beltsville center is undertaking projects to combat these crop losses. A new Plant Air Pollution Laboratory has been opened, under the direction of Dr. Howard E. Heggestad.

Recently, Beltsville scientists discovered that relatively low levels of ozone and sulfur dioxide can combine to injure plants.

[From the New York Times, Dec. 27, 1966]

AIR POLLUTION TOP HAZARD TO CROPS IN SOME AREAS

(By Harold M. Schmeck, Jr., special to the New York Times)

WASHINGTON, December 26.—In some areas of the United States air pollution is already a greater hazard to agriculture than weather or insect pests, specialists said today.

The areas are usually near major cities, but the ill-effects of air pollution have been spreading geographically in recent years.

In the vicinity of Los Angeles, one specialist said, vegetable farmers have been moving gradually farther and farther from the metropolitan area—into country less favorable to agriculture—partly to avoid the damage inflicted on crops by air pollution.

In California the crop damage by air pollution appears to be more than $100-million a year, said Dr. O. Clifton Taylor, a horticulturist of University of California at Riverside.

Dr. Taylor and several other specialists discussed the relationship of air pollution to agriculture and plants in general at a symposium of the American Association for the Advancement of Science.

The association is holding its annual meeting here this week at the Sheraton Park Hotel.

At a news conference the panel members were asked whether air pollution was becoming a greater hazard to agriculture than that posed by weather and insects.

For some specific places, the speakers said, the answer is "yes."

"Right now we have controls for insects at a price," said Dr. Robert H. Daines of the Department of Plant Biology at Rutgers University. "We don't have controls for air pollution at any price."

Farmers in Bergen County, N.J., consider air pollution their biggest problem, said Dr. Daines. Air pollution is particularly damaging to leafy crops such as lettuce and spinach, Dr. Daines noted.

Some farmers in the metropolitan region of Northern New Jersey have discontinued spinach as a crop because of air pollution, he said.

In the early nineteen-fifties only a very few crops were showing the damaging effects of air pollution, Dr. Daines said. Now there are at least 40 such species, he went on, and it is "a really growing problem."

Dr. R. Keith Arnold, Dean of the School of Natural Resources at the University of Michigan, said most research on air pollution effects on plants had been limited to study of one or a few species.

A subject of great concern that has been little studied, Dr. Arnold said, is the effect of air pollution on whole ecological systems involving the entire spectrum of plant life in a locality.

"We have yet to plumb the full depths of the complex interactions of agriculture and air quality," he said.

Research should be expanded to about 10 times its current rate, the scientists declared.

The effects of air pollution on plants varies greatly from species to species, the speakers said. Wheat and corn seem to be little damaged, while leafy vegetables are extremely sensitive to air pollution effects.

Forest trees are also sensitive, said Dr. J. R. Hansbrough of the Forest Service of the United States Department of Agriculture.

FOREST DAMAGE CITED

Air pollutants can damage leaves, kill twigs and small branches, even kill the tree itself, Dr. Hansbrough said. Pine trees, for example, are particularly sensitive to sulphur dioxide from big coal-fired electric power plants, he observed.

There is a region extending in a circle with a 20-mile radius around Kingston, Tenn., he said, in which 90 per cent of the white pines have been killed, presumably because of sulphur dioxide and other pollutants from the Tennessee Valley Authority's big power plant in Kingston. Pines have been killed throughout thousands of acres, he said.

The pines vary greatly in their individual susceptibility to sulphur dioxide and other pollutants. Dr. Hansbrough and his colleagues are grooming pines of varying characteristics to serve as natural indicators of air pollution. Some 600 groups or "clones" of genetically distinct white pines are now being studied for this purpose.

The hope is to find groups of trees that are each susceptible to one specific pollutant. Much the same attempt is being made with other plant species.

Because plants are more susceptible to air pollutants than mammals are, plants could be used as gauges of air pollution of various kinds in a way roughly analogous to the use of canaries by coal miners in former years to give warning of concentrations of dangerous gases.

The others at the news conference were R. G. Menzel of the United States Department of Agriculture at Beltsville, Md., and D. C. MacLean of the Boyce Thompson Institute of Yonkers, N. Y.

POLLUTION IS CITED AS WEATHER FACTOR

SCHENECTADY, N.Y., November 19.—Dr. Vincent J. Schaefer, a pioneer researcher in seeding clouds to produce rain, says air pollution from automobile exhausts may be changing the weather over much of the nation.

Dr. Schaefer, director of the Atmospheric Sciences Research Center at the State University here, said this week that lead particles from gasoline combine with iodine that enters the atmosphere from various sources to produce rain or snow.

Just 20 years after he discovered that seeding clouds with dry ice could produce rainfall, Dr. Schaefer now suggests that the combination of particles from antiknock compounds in gasoline and iodine "could exert a profound influence" on cloud systems.

He said, however, that it would take much more study to pin down the effect of auto exhausts on the weather.

Dr. Schaefer said it was possible to develop "a new method for seeding clouds wherever auto exhaust diffuses into the atmosphere." Only iodine would have to be added.

Iodine already is present in the atmosphere from forests, the burning of coal, oil and natural gas and the processing of natural nitrate deposits.

IDAHO'S MEDAL OF HONOR WINNERS

Mr. CHURCH. Mr. President, the war in Vietnam is taking its tragic toll of young American lives. But it is again proving what our history has always shown—that in time of war, Americans always rise to new heights of heroism.

We reserve for our most gallant the Nation's highest award—the Medal of Honor.

I take much pride in the fact that within the span of 12 days, two Idaho men have received this highest of battle honors, bestowed by a grateful Nation. Yet, the occasion of these awards is bittersweet.

I watched with others from Idaho at the White House on January 19, as President Johnson draped the Medal of Honor around the neck of Air Force Maj. Bernard F. Fisher, of Kuna, Idaho, for his brave deed in saving the life of a fellow pilot. It was a great event for Major Fisher and his family.

The other ceremony will be a somber

one, for the second Idahoan to receive the medal gave his life to save a fellow marine.

On Tuesday, January 31, the Secretary of the Navy will present the Medal of Honor, posthumously, to Marine 1st Lt. Frank Stanley Reasoner, of Kellogg, Idaho. His widow and young son, Michael Lawrence, will accept the award.

Lieutenant Reasoner was a fine officer and a gallant marine. Two months short of his 28th birthday, he was killed in combat while going to the aid of his wounded radio operator.

The official Marine Corps biography of the life and death of this young marine officer tells simply, but dramatically, of the heroism that cost Lieutenant Reasoner his life but saved his combat patrol. I intend to ask that it be printed in full in the RECORD, Mr. President, but I first want to draw attention to the second paragraph. It reads as follows:

A Marine Corps camp in Vietnam has been named "Camp Reasoner" and dedicated to his memory. The hand lettered sign near the gates of Camp Reasoner reads ". . . First Lt. Reasoner sacrificed his life to save one of his wounded marines. Greater Love Hath No Man."

Lieutenant Reasoner was cut down by a burst of machinegun fire as he dashed to the rescue of a wounded comrade. Only moments earlier he had killed two of the enemy company that had ambushed his small patrol. His admonitions to his men inspired them to knock out a machinegun emplacement, capture its wounded occupants, and inflict many casualties on the enemy.

I ask unanimous consent, Mr. President, that the official biography of 1st Lt. Frank Stanley Reasoner, U.S. Marine Corps, be printed at this place in the RECORD.

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

FIRST LIEUTENANT FRANK S. REASONER, USMC (DECEASED)

First Lieutenant Frank S. Reasoner, a one-time enlisted Marine and graduate of the U.S. Military Academy, was killed in action in Vietnam, July 12, 1965, going to the aid of his wounded radio operator.

A Marine Corps camp in Vietnam has been named "Camp Reasoner" and dedicated to his memory. The hand-lettered sign near the gates of Camp Reasoner reads: ". . . First Lieutenant Reasoner sacrificed his life to save one of his wounded Marines. 'Greater Love Hath No Man.'"

On the day he died, the lieutenant was leading an advance patrol of Company A, 3d Reconnaissance Battalion, deep in Viet Cong territory, when he spotted a Viet Cong rifleman. He called to the Marines in the point, who opened fire as enemy sniper fire raked the unit. An enemy machine gun from the front pinned down the patrol. Moving among his five Marines, he saw his radioman had been wounded and was attempting to crawl to shelter, then was wounded a second time and unable to move.

Calling to the wounded man that he was coming in after him, the lieutenant raced toward the radio operator. Five feet from the radioman, the young officer was hit with a fatal burst of machine-gun fire. Minutes before, Lieutenant Reasoner had succeeded in killing two of the estimated company of Viet Cong. Inspired by his actions, his men killed 16 more of the enemy, knocked out the machine gun, and, heeding the lieutenant's last words, got their wounded comrades safely out.

Lieutenant Reasoner was returned to Da Nang by his men, and from there to Saigon, and thence to the United States and burial in Kellogg, Idaho, his hometown. In Vietnam he had received the last rites of the Episcopal Church from Chaplain Hugh F. Lecky, a lieutenant commander in the U.S. Navy, Chaplain Corps.

Frank Stanley Reasoner was born in Spokane, Washington, September 16, 1937, and moved with his parents, Mr. and Mrs. James C. Curry, to Kellogg in 1948. Graduating from Kellogg high school in June 1955, he enlisted in the United States Marine Corps three months before his 18th birthday.

Promoted to private first class after recruit training at the San Diego Recruit Depot in August, he went on to advanced infantry training at Camp Pendleton, Calif. He was designated an Airborne Radio Operator in 1956 upon completing Airman School, Naval Air Technical Training Center, Jacksonville, Fla., and the Communication Electronics School at San Diego. He was next assigned to Marine Wing Service Group 37, 3d Marine Aircraft Wing, El Toro, Calif., and while there was promoted to corporal.

He was transferred to the Naval Academy Preparatory School, Bainbridge, Md., in 1957, then served as a guard at Marine Barracks, Annapolis, Md. He was promoted to sergeant in January 1958, prior to receiving Congressional appointment to the U.S. Military Academy, sponsored by Senator Henry C. Dworshak of Idaho.

Successfully completing the Academy's entrance examinations in June 1958, Sergeant Reasoner was transferred to the inactive Marine Corps Reserve and enrolled as a cadet. While at the Military Academy, he lettered in baseball and wrestling and, in 1962, was designated the Academy's outstanding boxer, winning an unprecedented four straight Brigade boxing championships in four different weight classes. Upon graduation, June 6, 1962, he was awarded a BS degree and returned to the Marine Corps as a second lieutenant. He was promoted to first lieutenant in December of the following year.

Lieutenant Reasoner completed Officers Basic School at Marine Corps Schools, Quantico, Va., in January 1963, then embarked for a three-year tour of duty with the Fleet Marine Force in the Pacific area. He did not return from this tour.

During his entire time overseas, he served as a Reconnaissance Platoon Leader with the 3d Reconnaissance Battalion. Assigned initially to the 1st Marine Brigade, FMF, at Kaneohe Bay, Hawaii, he served with Company B, 3d Recon Battalion, 4th Marines, and moved with his organization to Vietnam in April 1965. On June 20, 1965, he was designated Commanding Officer, Company A, 3d Recon Battalion, 3d Marine Division (Forward), the unit he was with when he was killed. His Marine Corps service totaled six years, two months, and five days of active duty.

Lieutenant Reasoner's wife, Sally, and son, Michael Lawrence, reside with her mother, Mrs. Florence Demico, Box 242, Kingston, Idaho. His parents, Mr. and Mrs. James C. Curry, reside at 609 Chestnut Street, Kellogg, Idaho. The lieutenant also is survived by one brother, Lawrence Michael Curry, and one sister, Janice Allene Curry.

Mr. CHURCH. Mr. President, the heroic act of Lieutenant Reasoner ended in tragedy, but tragedy is not the inevitable result of heroism.

Last week Air Force Maj. Bernard Fisher was also honored with the Medal of Honor for rescuing a comrade. This was a happy time for his family and his comrades, for Major Fisher survived.

Extreme danger was involved in Major Fisher's act; failure was more likely than success. Major Fisher was flying under marginal weather conditions that exposed his airplane to heavy hostile enemy ground fire. He saw a fellow flyer crash-land on a small, enemy-held airstrip. He believed his comrade to be injured, and knew he faced certain capture.

Major Fisher decided to land and attempt a rescue. Under intense enemy fire, he brought his plane down on the debris-strewn runway. He found the pilot, pulled him into the airplane, and immediately took off again. When he landed at his base after the rescue, 19 bullet holes were counted in his airplane.

Mr. President, I ask unanimous consent that the official biography of Maj. Bernard Fisher, U.S. Air Force, be printed at this point in the RECORD.

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

MAJ. BERNARD F. FISHER, U.S. AIR FORCE

On March 10, 1966, Major Fisher was leading a flight of A-1 fighter bombers from the 1st Air Commando Squadron at Pleiku in support of the A Shau Special Forces Camp, then under attack. The tops of the 1500' hills surrounding the camp were obscured by clouds at the 800' level, forcing the pilots to conduct their attack while circling in the valley.

During the battle to relieve the beseiged defenders of A Shau, one of the fighters was badly hit, but the pilot, Major Dafford W. Myers of Newport, Washington, managed to land on the camp's runway, aided by directions from Major Fisher. His aircraft exploded in flames on contact.

Major Fisher observed the pilot leaving the flaming wreckage and hiding within yards of an enemy position. Believing the pilot to be seriously injured and in immediate danger of capture or death, Major Fisher requested a rescue helicopter.

After learning one would not be immediately available, Major Fisher assessed the situation and elected to attempt the rescue himself. Directing his own close air support for the attempt, Major Fisher touched down on the short runway, but realizing he would not be able to stop his aircraft, applied power and circled for another attempt. Throughout this period, Major Fisher's aircraft, operating at altitudes of less than 100 feet, was under intensive enemy fire. On his second landing attempt, he was successful, although the fighter rolled off the end of the runway into rough terrain.

Reaching the proximity of the downed flyer, Major Fisher stopped his aircraft on the battle-strewn runway and assisted the pilot aboard while under direct fire by enemy forces. Some 19 bullets struck the aircraft prior to and during the rescue.

The take-off again required Major Fisher to dodge the numerous shell craters and battle debris littering the short runway. Utilizing the entire length, Major Fisher managed to lift off his fighter with only minimum flying speed. Unable to climb and at marginal airspeed, he flew through additional ground fire, gradually building up speed. He was finally able to climb into the overcast.

Major Bernard Francis Fisher was born on January 11, 1927, in San Bernardino, California, to Bruce L. and Lovina Stoddard Fisher. The family moved to Clearfield, Utah, shortly after his birth. He attended Clearfield Grade School, North Davis Jr. High School at Clearfield, and Davis High School at Kaysville, Utah.

Fisher entered the U.S. Navy V-6 program in March 1945. Discharged from the Navy in March 1946, he returned to Kuna, Idaho, where his parents were residing. He attended Boise Jr. College from 1947 to 1949. Then, as a Fine Arts major, he attended the University of Utah from 1949 to 1951. After

receiving his commission through ROTC, he entered primary flying school as a student officer at Marana, Arizona, on January 19, 1952. He attended Basic Flying School at William AFB; Instrument School at Moody AFB, Georgia; and Day Fighter School in the F-80 at Tyndall AFB, Florida.

In 1965, Major Fisher volunteered for duty in Vietnam. In August 1966, he arrived at his present assignment with the 496th FIS, Hahn AB, Germany.

Major Fisher's father is deceased. His mother lives in Ogden, Utah. He has one sister, Charlene Opal Wells, who lives at Route #4, Ogden, Utah. Three brothers are Richard W. Fisher, of Boise, Idaho, who works for the Meadow Gold Creamery; Robert W. Fisher, a high school teacher at Clearfield, Utah, and Lyman B. Fisher of Ogden, Utah, who works for the Union Pacific Railroad.

Mr. CHURCH. Mr. President, the battle achievements of these Idahoans are a cause of pride for all of us. Their courage and valor have been recognized by the men of the 3d Marine Division, in their dedication of Camp Reasoner; and by the men involved in the heroic rescue performed by Major Fisher, who were present at the White House ceremony.

We who appreciate this heroism from afar must grieve with the family of Lieutenant Reasoner and celebrate with the family of Major Fisher. Remembering that the valor of American fighting men has reached new heights, I ask Senators to join with me in honoring these two brave Idahoans.

THE AMERICAN INDIAN AND THE WAR ON POVERTY

Mr. METCALF. Mr. President, no Federal program in history has meant as much to the American Indian as the war on poverty, directed so ably by the Office of Economic Opportunity. An article published in the Chicago Tribune on December 15, 1966, described the way in which OEO's Headstart and upward bound programs have opened the doors to opportunity for the children of the North Cheyenne Indians in Montana. I ask unanimous consent that this illuminating article be printed at this point in the RECORD.

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

U.S. PROGRAMS CUT CHEYENNE DROPOUT RATE—PROJECTS HELP INDIANS ADJUST TO TIMES

NEW YORK, Dec. 14.—"Because we won a little battle against Gen. Custer they made us go to Oklahoma for a while, and the tribe was down to about 100, but we have built up again."

John Wooden Legs, president of the tribal council of the North Cheyenne Indians in Montana, was talking by long-distance telephone from Lame Deer, the tribe's reservation headquarters in southeastern Montana. The Cheyenne helped the Sioux destroy Custer's troops at the Little Big Horn in 1876.

Wooden Legs spoke of the recovery of the tribe which now numbers nearly 3,000 on its reservation and of government-sponsored projects that are tackling the reservation's educational problems.

MANY DROP OUT

In common with other Indian tribes, the North Cheyenne have had a very large number of children who dropped out of their public or special government schools. These children had problems adjusting to 20th century American life.

But a federal Head Start program for prekindergarten Cheyenne and an Upward Bound project to prepare qualified Cheyenne youngsters for college may have reversed the school dropout trend.

These programs, sponsored by the federal office of economic opportunity, also have been made available to other Indian tribes in the west.

PROGRAMS WIN PRAISE

Both programs drew highly favorable comment from specialists during the recent educational conference of the Association on American Indian Affairs, Inc., New York City.

Wooden Legs, who has been tribal council president since 1955, described the Head Start program, started in 1965, as "a real good program, probably the best."

Head Start began with about 25 children, but this year the number doubled.

In the past, some Cheyenne children entering the first grade of public, reservation, or mission schools couldn't speak English, Wooden Legs explained. But under the Head Start program they are getting a "concrete foundation, and they won't drop out of school later on," he said.

INDIAN HERITAGE STRESSED

The Association on American Indian Affairs, a 44-year-old organization, sees great promise in the Head Start programs provided that the programs continue to emphasize Indian heritage and involve parents.

The Upward Bound program was started in 1965 because so few Cheyenne were prepared for college. Academic deficiencies, cultural barriers, fears of competing with white youngsters, or physical isolation acted as barriers to them.

During the first summer, 37 Cheyenne high school students who had demonstrated potential for college work were taken to Eastern Montana college in Billings where they lived for five weeks and received instruction in English expression, remedial reading, remedial mathematics, and in vocational studies.

Last summer the program was expanded to include other tribes in Montana and Wyoming, with 18 North Cheyennes among the 96 students.

Wooden Legs said high school teachers reported that the Upward Bound program "really helped the students. They are willing to work, and it has done them real good."

Five or six, he said, entered college this fall. Some of those attending the special summer course will not be eligible for college until next year.

WORLD DAY FOR LEPROSY SUFFERERS, 1967

Mr. HILL. Mr. President, on next Sunday, January 29, this Nation will join more than 100 other nations to observe World Day for Leprosy Sufferers. This is one more instance in which the people of the United States make clear their interest in helping the people of other nations bring under control a very serious problem.

Throughout the history of mankind, leprosy has been one of the great cripplers. In some ways the fear and superstition surrounding leprosy has been more difficult to deal with than the medical and scientific problems it has posed.

In today's world, leprosy could be brought under control by the drugs available if our mechanisms of government here and abroad could reach the world's people effectively. Our doctors know how to cope with leprosy, particularly when it is diagnosed early. Our surgeons in this country and many countries abroad have developed highly effective techniques to eliminate or reduce the disabling effects and to repair the scarring effects. Rehabilitation experts have developed special programs, so that the majority of recovered leper patients can work and live a largely normal life.

Yet the task remains far from accomplished. Experts estimate that, of the 10 to 15 million lepers in the world, less than 20 percent are under treatment. They also report that at least 25 percent are in need of reparative surgery.

While the United States has a very small proportion of the world's reported cases of leprosy, we are not entirely free of the problem. Americans afflicted with this disease are estimated at about 2,000. Reports from one section of the country show leprosy to be on the increase there.

We have reason to be proud of the outstanding Public Health Service hospital at Carville, La. It is concerned solely with the care and treatment of American patients with leprosy. Recently the Vocational Rehabilitation Administration announced three grants to Louisiana State University to help mount a concentrated and complete campaign of research, treatment, and rehabilitation among lepers.

Leprosy presents another challenge to the American people in our search for improved health for all humanity. We have made a good beginning medically and scientifically. Organizations such as the Public Health Service and the Vocational Rehabilitation Administration already support research and demonstration programs in leprosy in many countries abroad.

But the stigma of leprosy persists. It presents another illustration of science outrunning public understanding. Therefore, this observance next Sunday of World Day for Leprosy Sufferers gives us an opportunity to help the American people dispel fear and acquire greater understanding of leprosy as another disease which can be conquered. I am proud to serve as a sponsor of this world day and to work with the chairman, Miss Mary E. Switzer, and the many other cosponsors throughout the United States. By this type of educational effort we not only attack the problems of leprosy, but we build the highways to better international understanding.

SECRETARY OF COMMERCE JOHN T. CONNOR

Mr. MAGNUSON. Mr. President, in a few days, a distinguished public servant, John T. Connor, will be leaving his post as Secretary of Commerce to return to private life.

I would like to take this occasion to pay tribute to the fine public service Secretary Connor has performed for the Nation during the past 2 years. In that relatively brief period of time, he has left an unassailable record of achievement in an area which is vital to the success of our modern economy—the establishment and improvement of a healthy, cooperative relationship between business and Government.

Under the leadership of the President, and working together with Secretary of

Labor Wirtz, Mr. Connor has also played a substantial role in helping to forge the partnership of purpose between Government, business, and labor, which has brought our national economy to the record levels we enjoy today.

Those of us who work closely with other branches and agencies of government in developing programs which will benefit the American people are well aware of the pitfalls posed by mountains of statistics and bottomless valleys of murky language.

In my capacity as chairman of the Committee on Commerce, I can state from firsthand knowledge that confusing approaches to public problems are completely foreign to Secretary Connor. His appearances before the committee have been marked by a thorough understanding of the problem at hand, and a clear and incisive viewpoint on solutions. His own point of view, however, has never been so rigidly anchored that he could not objectively consider an alternative approach. Foremost in his mind, at all times, has been the goal of solutions, rather than endless debate over ways and means.

Secretary Connor can take with him, as he leaves public office, the earned satisfaction that under his direction the Department of Commerce has been involved in putting together some of the most impressive legislation in many years. In some instances, these were pioneering pieces of legislation.

There now stands on the statute books an effective beginning designed to protect the American consumer in a number of specific areas.

The Fair Labeling and Packaging Act will help to protect the consumer by requiring full, clear disclosure of what is in a food package and precisely how much it costs. Through the voluntary standards provisions of this act, a great opportunity is opened up for business to demonstrate that it does have a concern and a sense of responsibility toward the consumer.

For the first time, legislation has been passed to help reduce the human and material losses incurred by accidents on our highways. The Traffic and Highway Safety Acts have established the framework for national safety standards for improved automobile design. In addition, we can now begin a systematic effort to study the causes of accidents, and, hopefully, to develop ways of preventing them.

Through these acts, the States have been encouraged to improve their efforts to promote highway safety, to design safer highways, to require adequate car inspection, and to set up standards for the training and licensing of drivers.

The Tire Safety Act holds great promise for better automobile safety. The development of safety standards for the manufacture of tires can go a long way toward removing a potential source of danger to the Nation's motorists.

Secretary Connor played a vital role in the President's balance-of-payments program. In particular, his drive to expand the Nation's exports in markets throughout the world has contributed significantly to the economic health of the Nation.

In the area of economic growth and development, two pieces of legislation stand out. The Appalachian regional development program has become the model for a new kind of cooperation between the Federal Government and the States.

The State Technical Services Act is designed to place the results of advanced science and technology into the productive hands of local industry and commerce. It, too, is an example of the new creative federalism, for it is based upon local leadership, local initiative, and local participation.

Each of these programs would give satisfaction to anyone who had a part in its enactment. Taken together, they represent a great contribution to the welfare of the Nation. They reflect credit upon the Members of Congress, and upon the Department of Commerce, under the direction of Secretary Connor and the leadership of President Johnson.

Mr. Connor has served his country before, in times of peace and in time of war. He leaves public office at this time with a well-justified sense of accomplishment, and with the warmest of best wishes for the future from those of us who have come to know him and who have worked with him.

RESCISSION OF TARIFF INCREASE ON WATCH MOVEMENTS

Mr. MAGNUSON. Mr. President, as chairman of the Committee on Commerce, I want to commend the President for his decision rescinding the 1954 tariff increase on watch movements.

Congress, in adopting the Trade Expansion Act, embraced the principle that an "escape clause" tariff increase should be regarded as a temporary measure to assist a suffering domestic industry to adjust to foreign competition.

Unless extended by the President on the basis of economic evidence supplied by the Tariff Commission and advice furnished by the Commerce and Labor Departments, all "escape clause" actions were to terminate after 4 years—or 5 years in the case of preexisting "escape clause" decisions.

The "escape clause" action on watch movements endured for 12½ years, in spite of the fact that the domestic watch industry has been enjoying record prosperity. It was far and away the oldest "escape clause" action in the history of the trade agreement program.

At a time when we are engaged in vital tariff negotiations in Geneva, the United States could not in good faith maintain high tariffs on watch movements when the domestic industry had plainly made the adjustments contemplated under the law.

The only remaining question was the feeling of some that the contributions which the domestic watch manufacturers make to national defense might be jeopardized by competitive imports of commercial watch movements and parts.

Following an intensive study to which the Defense Department, the Commerce Department, the Labor Department, the Atomic Energy Commission, and the National Aeronautics and Space Administration all contributed, Director Farris Bryant of the Office of Emergency Planning advised the President as follows:

> I have concluded that watches, watch movements and watch parts are not being imported into the United States in such quantities or under such circumstances as to threaten to impair the national security. I have also concluded, based on the studies and judgments of the interested defense agencies, that the domestic watch manufacturers will be likely to continue production of defense materials for the foreseeable future, that the non-horological industry now has and will continue to have a role in the production of essential military timing devices, and that horological-type defense items will continue to be available from one source or another without regard to the level of imports of watches, movements, and parts.

Although the domestic industry plainly would prefer to retain the advantages provided by higher tariffs, the plain fact is that we cannot expect other countries to allow U.S. firms to compete on a footing of equality with their firms if we continue to give "escape clause" protection to an industry in this country after the injury which required such protection has disappeared.

The significance of the President's action from a trade policy standpoint has already been demonstrated by the reaction in international trade circles.

The Federal Council of the Swiss Government promptly said in an official statement that the elimination of the "escape clause" increases "must be taken as an important contribution of the United States to the success of those far-reaching negotiations in which the United States and Switzerland are both vitally interested."

Officials of the European Economic Community were quoted as "very pleased" by the New York Journal of Commerce and one EEC official said "this should enable the market to study the possibility of reciprocating on some American exports."

The watch decision is generally expected to provide a needed shot in the arm for the Kennedy round negotiation in Geneva. U.S. economic interests are vitally involved in these negotiations, and our stake in their success is very large.

The President's decision in the watch case should have practical and beneficial consequences of a very substantial character, and I want to commend the President for taking this important step.

I ask unanimous consent to include in my remarks the text of the White House press release announcing the President's decision and an editorial from the New York Times of January 14, 1967.

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

THE WHITE HOUSE.

The White House announced today that President Johnson has proclaimed the termination of escape-clause rates of duty on imports of watch movements. By restoring the rates of duty prevailing before escape-clause action was taken 12 years ago, the proclamation will have the immediate effect of reducing U.S. tariffs on watch movements by about one-third. The changes in the many particular rates of duty will vary according to the size and type of watch movement. The reductions in rates of duty from the escape-clause levels will apply to watch movements of pin-lever construction

or of jewel-lever construction but containing not more than 17 jewels.

The escape-clause rates of duty that are being terminated have been in force since mid-1954. At that time, President Eisenhower increased the tariffs from the levels established in 1936 in the U.S. trade agreement with Switzerland. The 1954 increases were declared necessary to avoid serious injury to the domestic watch industry as the result of increased imports attributable to the trade-agreement concessions.

The President's decision to terminate the 1954 increases was based on a recommendation by the late Christian A. Herter, his Special Representative for Trade Negotiations, and concurred in by the Secretary of Commerce, the Secretary of Labor, and the heads of other Government agencies. Governor Herter submitted his recommendation to the President upon the completion of a review that his Office and other Government agencies had undertaken following the submission in March 1965 of a Tariff Commission report on the escape-clause case. In that report, the Tariff Commission gave its judgment as to the probable economic effects on the U.S. watch industry of a reduction or termination of the escape-clause rates of duty.

During the period of the interagency review of the escape-clause case, the Office of Emergency Planning, at the request of the President in April 1965 and with the assistance of government defense agencies and the Departments of Commerce and Labor, examined the national security aspects of trade and production in watch movements. As a result of OEP's investigation, under section 232 of the Trade Expansion Act, the Director of the Office of Emergency Planning, Farris Bryant, reported that watches, watch movements, and watch parts were not being imported in a manner which threatened to impair the national security and that horological-type defense items will continue to be available without regard to the level of imports of watches, movements, and parts.

[From the New York Times, Jan. 14, 1967]

MR. JOHNSON'S TARIFF COURAGE

President Johnson's decision to roll back watch and sheet-glass tariffs—despite powerful opposition mobilized by those industries in a Congress he no longer dominates—was an act of political courage with broader world implications than trade in those products would suggest. It affects the atmosphere of the entire Kennedy Round of trade negotiations now nearing completon in Geneva.

The Kennedy Round centers on an American offer of deep tariff cuts to persuade the Common Market to lower trade barriers toward other European countries and the outside world as a whole. Economically, success is vital to the export trade of Britain and many other countries, including the United States. Politically, the unity of the Atlantic Community is involved.

The decision on watches, a major Swiss export, eliminates the danger that Berne will withdraw many of its Kennedy Round offers, a move that could trigger similar action by the Common Market. The partial rollback in glass tariffs is symbolically important because the tariffs were raised in 1962, only a few months after a previous reduction. This circumstance outraged Belgium, and the Common Market as a whole joined in retaliatory tariff increases against several American export products.

Even more significant is the fact that the original American tariff increases for watches and glass took place under an "escape clause" which long had been a psychological impediment to trade liberalization. Europeans had come to suspect that the United States would rescind tariff cuts whenever foreign industries really succeeded in penetrating the American market.

Business requests for escape clause protection were, in fact, rarely granted by Washington. But the frequency of such requests and the lengthy procedures involved often created enough uncertainty to discourage European companies from the huge investment in product adaptation and merchandising needed to crack the American market.

To persuade Europe to enter the Kennedy Round, the 1962 Trade Expansion Act turned toward a new concept, "adjustment assistance" to American business and labor affected by foreign competition. The escape clause itself was made more difficult to use and a Presidential review was instituted that promised to roll back tariffs previously raised under escape clause procedures.

With his action on watches and glass, President Johnson now has kept that promise in all five of the cases on which he has had to rule and given Europe new reason for confidence that the tariff cuts made in the Kennedy Round will not be easily reversed.

ELECTRIC VEHICLES

Mr. MAGNUSON. Mr. President, with each passing day, interest in electric vehicles continues to grow. Sponsors of electric vehicle bills—Senator MUSKIE, Representative OTTINGER, and myself—have all been excited and encouraged by the rapidly changing climate of opinion.

This new optimism is well founded in fact and technology, as well as in history. I invite the attention of Senators to a book entitled "Measures for Progress, a History of the National Bureau of Standards," U.S. Department of Commerce, written by Mr. Rexmond C. Cochrane.

On page 5, the author states, in a chapter entitled, "Main Street, 1900":

For all the islands of light in city and town, the application of electricity most in evidence at the turn of the century was in transportation, propelling the trolleys that went to the suburbs and the vans and drays in the commercial center of the big cities. Electric delivery wagons capable of speeds up to 15 miles an hour trundled along with the throng of wagon teams in downtown New York, while up on Fifth Avenue, electric taxis sped past the horse-drawn stages and weaving crowds of bicycles. As late as 1913, the National Bureau of Standards in Washington did not own a single gas-driven car or truck, depending on electric vans for ordinary express and teams of horses to bring heavy equipment up the hill to the laboratories.

This early scene has faded, but a new generation of electric vehicles will soon appear to help remedy the problems created by internal combustion engines. Air pollution resulting from "tail pipe halitosis" sparks new interest in electric vehicles. Traffic jam technology must yield to new ideas in urban transportation.

Mr. M. L. Feldman, for the Urban Transportation Symposium, Stanford Research Institute, presented a paper entitled "Urban Transportation Alternatives." This stimulating and challenging paper presents many suggestions for the use of first-generation electric vehicles. These are some of the types of vehicles which should be developed under the electric vehicle development bill—S. 453—which I recently introduced.

I ask unanimous consent that Mr. Feldman's paper be printed at this point in the RECORD.

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

URBAN TRANSPORTATION ALTERNATIVES

(By M. L. Feldman)

Good afternoon. It is a real pleasure for me to have an opportunity to address such a large and distinguished audience on the subject of Urban Transportation Alternatives.

I spent an appreciable amount of time debating with myself what the introductory content of my talk should be. I finally concluded that since almost all of you are intimately associated with the urban-suburban transportation problem there was no point in presenting a mass of statistics to prove that a problem exists. Instead I have elected to trot out before you some of the features that I consider paradoxical in our present urban-suburban transportation complex.

I'd like to start by saying that I take issue with the title of the symposium. I don't believe we are looking for alternatives as much as we are looking for supplements. If one can believe what he reads in the appropriate literature and in the newspapers, we have arrived at some sort of an informal agreement between automobile-freeway proponents and rapid transit proponents which states that urban transportation should be an optimum combination of the two. But what is an optimum combination? In Chicago, where 87% of the people entering the downtown section come in by transit, a boy on a bike can easily outdistance a car during rush hours. In New York City, where over 80% of the people enter downtown via transit and commuter trains, the average vehicular speed is 6 miles per hour. How much higher can you go and still have a combination? In other cities with rapid transit, such as Boston, Cleveland, and Philadelphia, there are monumental automotive traffic problems in spite of the expenditure of fabulous sums for the construction of super highways. I contend that these observed conditions indicate that some vital ingredient is missing in our approach to urban-suburban transportation. I agree that we need rapid transit and that we need cars, but even with these in use together we still can't cope with rush hour traffic. I am convinced we need a supplementary form of transportation.

I believe that a large part of our transportation problems stem from human nature and our tendency to take things for granted, even things vital to life. Look at what we do to our fresh air. Haven't we done the same thing to a degree to our urban transportation?

The automotive exhaust problem is not new. The growth of transportation technology has been rapid. In less than a century we have cut the time required to travel around the world from 80 days to 80 minutes. In that same time span we have made zero progress with respect to time to cross Manhattan Island at midtown. I think we tend to expect these technological developments to apply themselves to our problems. They won't. It takes dedicated men and women to bring about the application of these new developments. You people in the Bay Area are forcing some of this with your BART system and your insistence on the best rapid transit that modern technology can provide. This is encouraging. I hope we can see this determination applied to the overall individual transportation problem.

So far, I haven't contributed anything. I've just muddied the water, but I'd like to stir the pot some more.

During our mad rush to accept the automobile as the ultimate in individual transportation we have created many problems besides the much publicized urban congestion one. These problems haven't been completely overlooked, but they have not yet attained crisis status, and ours is a crisis-

based society. That is, we don't act until faced with a crisis. For example, after ducking the issue for years, indisputable research results have forced us to officially accept and publicize the link between cigarette smoking and lung cancer. When do we begin to become concerned about the link between smog and lung cancer? We used to have small urban areas with reasonably good public transportation. Now we have giant urban-suburban complexes with poor public transportation. This has created a serious personal transportation problem for senior citizens and for lower level teenagers (those under sixteen). College campuses used to be attractive and serene; now they are in the same fix as many urban areas because affluent students come equipped with autos. In most residential areas, young children and pets must either be fenced in or watched constantly or a four-wheeled, steel-clad, fume-spewing dragon might get them. When do we start developing solutions to these problems?

Now that I've defined the problem, I'd like to suggest the beginnings of a solution. I submit that the transportation supplement that we need is a transportation device to serve the short-haul transportation need. This is the short-trip travel that now amounts to about 50% of all automobile driving. It is the ten miles a day of urban driving that results from two or three short trips to places such as school, the supermarket, the bowling alley, the cub scout meeting, a friend's house, and the movies. This is the slow-speed, short-distance driving that is bad for automobiles. This is the type of driving that raises maintenance costs, shortens the life of the vehicle, lowers the gasoline mileage and contributes lots of hydrocarbons to the atmosphere.

I propose that we develop a battery-operated electric vehicle to serve this transportation need. This vehicle would be of minimum size consistent with reasonable riding comfort. It would be capable of carrying two adults, seated, with casual space for things such as kids, groceries and packages. It would have a range of 30 to 40 miles. It would have a top speed of about 20 miles per hour. It would be attractive and it would be inexpensive in comparison with the cost of a Volkswagen.

Let me diverge for a moment at this point, to say that I realize that I'd have a better chance of having this proposal receive an unbiased appraisal if I worked for C&H Sugar, Hunt Foods or Scott Paper instead of General Electric. Perhaps I can retain credibility by emphasizing that I am not proposing an electric automobile to replace the gasoline automobile. The automobile plays an important role in our transportation needs picture. It serves the long-distance, high-speed, transportation need admirably.

There is an over abundance of reliable data indicating that it is economically impossible to build a battery-operated electric vehicle that can compete with the automobile on a combined range and speed basis. Quite a few have tried to do so recently, but with absolutely no success, for example, the Henney Kilowatt, the Charles Townabout, and the Stuart Electric. When—or perhaps I should say if, fuel cells mature into commercially attractive power sources, this may change the numbers enough to disprove this statement. I'll be real surprised if this happens soon.

The type of vehicle I have in mind has been on the market for at least ten years and has grown in popularity each year. One example of it is the electric golf cart.

This little workhorse has been used for many tasks other than hauling golfers, and every day the list of applications grows longer. Another example of what I have in mind is the electric shopper-type vehicle that is so popular in Long Beach and is penetrating Santa Barbara. These electric shopper vehicles, built with marginal components and apparently without any sophisticated engineering, have been extremely popular among the elderly people of Long Beach.

Recent technological advances now make it possible for us to design vehicles of this type with greatly improved characteristics. For example, we can now build solid state speed controllers that permit completely step-less speed control with no energy consumed in large resistors. The solid state controller circuitry can be designed to also serve as the battery charger circuit. Technological advances have resulted in the development of golfcart-type lead acid batteries guaranteed for five years of deep discharge service. These batteries are available at a reasonable price. For those looking for bargains, reasonably good lead acid batteries, which give up to 2 to 2½ years of service and longer under partial discharge-use conditions, are available at low prices. Advances in plastics and polymers have provided us with materials for high impact plastic bodies and have made blowout and puncture-proof polyurathene foam tires a real possibility for the wheel loadings we are talking about here.

Now that I've told you what we should develop. I'd like to lay before you some thoughts with respect to where these vehicles could be used and how they could be integrated into our present people-movement transportation complex. These suggestions are based on a desire to see a concept such as an electric individual transporter developed on a planned basis rather than having it evolve in an uncontrolled fashion. One of the most attractive ways of introducing these vehicles would be through the medium of the planned community that so many California developers are building today. I would like to see some of these communities designed around the use of electric transporters.

Instead of installing the maze of streets now required, transporter paths would be provided. Special service roads would be provided for ambulances, fire trucks and other service vehicles. All automobiles and garages would be located at the outer perimeter of the community. Each house would come equipped with its own transporter and recharging pad. This would be my preference as the number one application opportunity for this concept. Once this had been done in one or more communities, these communities could be used as showcases for demonstrating the concept to city and regional planners.

The next step would be to fit these vehicles into an existing community. I'm a worrier, and it bothers me to see motorscooters and bicycles competing for road space with automobiles and trucks. Therefore, I cannot with a clear conscience propose the indiscriminate intermingling of electric transporters with trucks and autos. Instead, I propose that some existing streets be designated electric transporter streets while the others remain gasoline vehicle streets. On those streets where mixing is unavoidable, I suggest imposing a ridiculously low, but strictly enforced, speed limit for gasoline vehicles. Obviously, this is to discourage cars and trucks from using these streets other than for absolutely unavoidable reasons. In some instances it may not be possible to designate enough streets as transporterways to provide adequate mobility for the people using these vehicles. In those instances, special transporterways could be constructed. Construction costs would be low because the small size and low speed characteristics of these vehicles would permit relatively inexpensive designs.

Once we have taken these first two steps we have begun to make a contribution to the solution of the senior citizen and teenager mobility problems. When teenagers have adequate transportation for their short trip needs, it would then be feasible to legislate them out of automobiles for much of their traveling. It would be reasonable to permit 14 and 15 years olds to drive these vehicles.

Motor vehicle bureau employees, when called upon to revoke the driver licenses of senior citizens, could do so with less remorse.

The next application that I'd like to present is somewhat more complex, though attainable with today's technology. This involves the use of electric transporters in systems. Electric vehicles are relatively easy to control remotely and automatically. For example, this has already been done with shuttle trains in New York City. It is proposed for the BART system and G.E. has a rapid transit car traveling under such conditions on its test track in Erie. It is also done in several ways with small individual vehicles in many amusement parks.

The Mark I or first systems, as envisioned, are relatively simple with large headways and low speeds. As experience with such systems is developed, the headways can be reduced and speeds increased. These systems would accept standard battery-operated electric transporters which had been equipped with the appropriate accessory for system operation. When a transporter entered the ramp to the system, it would automatically be switched from its own battery power to system power. Power could be supplied through devices such as an overhead contactor, a third rail or a skid riding in a groove. Mark I systems could be used for purposes such as transporting people around historical sites, large jet airports, fairs and even tourist attractions, such as the mall area in Washington, D.C.

The Mark II system could be used to provide transportation from one residential community to another several miles away, from a residential community to shopping centers, and around the perimeter of large communities.

These systems could then be developed into feeder systems for transporting people to rapid transit stations. This would permit greater spacing between stations and capitalizing on the high speed capabilities of today's rail rapid transit. The vehicles used to get commuters to and from the rapid transit station could also be used during the day to move housewives and others around shopping centers and to transport teenagers after school. Since vehicles on a system would be controlled remotely, they could be moved remotely from one assembly or storage area to another.

Not all the opportunities I have been describing are readily exploitable everywhere. For example, weather conditions in some sections of the U.S. are too extreme to permit the year-round use of the minimum body type of vehicle I have been showing you. However, this minimum body concept is essential during the initial development stages in order to hold costs down. Therefore, I think we initially have to consider this as a moderate climate transportation scheme. But this should not be interpreted as meaning that it must forever remain so. For example, if this concept gains acceptance, the market potential within the semi-tropical sections of the U.S. would be large enough to permit large-scale manufacturing economies. Under these circumstances, the funds to develop bodies better suited to cold climates would soon be available. The heater problem might be solved through a completely novel approach, for example, by using an electric blanket. Many VW owners in the northeast suffer through extremely severe winters with little or no heat and apparently are none the less enthusiastic about their bugs for it.

On the proposed systems heat would be no problem. The absence of fumes would make it possible to enclose transporterways and to heat or air condition these as desired.

The temperature problem associated with batteries is more restrictive than the body problem. Lead acid batteries are temperature sensitive and the available energy falls off rapidly as the temperature drops below freezing. This could be a truly serious drawback in certain sections of the country. Nickel cadmium batteries are much less temperature sensitive than lead acid batteries, but their present cost prices them completely out of consideration and anticipated, near future price reductions aren't expected to make enough of a change to justify their use.

The question of electric transporter ownership offers many interesting ramifications. For years, Victor Gruen has been proposed in various master plans that he has prepared for large cities, such as Paris, Ft. Worth, New York, that the downtown section be closed to automobile traffic and that electric vehicles be used to transport people around the enclosed area. Under these circumstances the city could own the vehicles. Parking meters could be replaced with electric outlets and the vehicles could be equipped with an actuating mechanism sensitive to special credit cards and coins. The recharging problem might be handled by having the activating mechanism issue a partial refund when the relinquished vehicle was plugged into a charging outlet at the end of a trip. For those opposed to municipal ownership, this might be avoided by offering the local transit and taxi companies first crack at providing this service. Under conditions of municipality, transit company or taxi company ownership, the higher initial cost of multi-deep discharge batteries could be justified.

For some applications, for example, planned communities and rapid transit connection service, local utility companies might wish to own the vehicles and to lease them. An east coast utility is now in the process of building some electric transporters in order to determine both the suitability and possible customer acceptance of these vehicles as rental vehicles for use within a summer resort area. The rental of equipment is not uncommon to the utilities; some now furnish electric hot water heaters on a rental basis. One significant advantage of an electric vehicle is the low maintenance requirement of electrical equipment. A dollar figure cannot be placed on this for inclusion in the price to individual customers. However, this advantage looms large and is of dollar value to a fleet operator.

Mixed ownership is possible and should be encouraged and expected. A local utility might be willing to provide electrified, system transporterways in order to capitalize on the increased electrical load. This transporterway would be available for use both by individual-owned, municipal-owned and utility-owned transporters. Users would be charged on the basis of their power consumption while on the system.

I'd like to conclude by saying that some of what I have presented here today has been supported with experimental vehicle studies. We built a vehicle incorporating many of the features I have proposed today. We experimented with it in Schenectady, and then tested the suitability of a solid state controller under actual people-vehicle interaction conditions at the Seattle Fair, where we used the vehicle for VIP transportation around the fair.

Unfortunately, we have not built or experimented with systems or components specifically designed for electric transporter system concepts. Our confidence that such systems can be built is based both on our analysis of these conceptual systems and on studies relating the components required for these conceptual systems to existing components presently used on other types of systems.

DEATH OF DR. M. B. CARROLL, PASTOR, EAST GRAND BAPTIST CHURCH, DALLAS, TEX.

Mr. TOWER. Mr. President, on Friday night, December 31, 1966, Baptists of the State of Texas sustained a great loss in the death of Dr. M. B. Carroll, pastor of the East Grand Baptist Church of Dallas, Tex.

Dr. Carroll was a great leader among Texas Baptists and was a past president of the Texas Baptist Convention. He had been active in the reorganization of the many working programs that Baptists in Texas have undertaken. He was the chairman of the board of directors of the Baptist Standard, which is one of the outstanding Baptist publications of the country.

Dr. Carroll was in constant demand as a public speaker. He was known throughout Texas and throughout Baptist circles generally as a great leader of men. He could best be described as a "man's man." He was a gentleman of eminent tact, and yet he was a man without fear. He was a man of great vision and his life was dedicated to an attempt to be ready for the demands of the future.

Although born in North Carolina, Dr. Carroll was graduated from the Baptist Seminary at Fort Worth, Tex., and he remained in Texas after his graduation.

In addition to the many honors which Dr. Carroll received, his fellow Baptists honored him by electing him as chairman of the important program committee of the Southern Baptist Convention Executive Committee.

All Texans, not only the Baptists of our State, will miss the inspiration and kind leadership of this great man.

THE BALANCE-OF-PAYMENTS PROBLEM

Mr. TOWER. Mr. President, Mr. M. A. Wright, a fellow Texan and president of the Chamber of Commerce of the United States, has made recently some valid points concerning our balance-of-payments problem.

During this session of Congress, the Senate will most likely be asked to act upon the President's recommendations in this area, and I think it most beneficial that the Senate have the evaluation of one of the most outstanding spokesmen in the business community today. Mr. Wright is head of the largest organization representing the business and profession community and chairman of the board of the Humble Oil & Refining Co. with worldwide operations.

I ask unanimous consent that the remarks of Mr. Wright before the Miami-Dade County Chamber of Commerce in Miami, Fla., be printed in the RECORD.

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

THE BALANCE OF PAYMENTS: THE NEED FOR A NEW APPROACH

(By M. A. Wright, president, Chamber of Commerce of the United States, before the Miami-Dade County Chamber of Commerce, Miami, Fla., Jan. 16, 1967)

In recent years, both at home and abroad, an issue of continuing concern among public officials, economists, and businessmen has been the U.S. balance of payments situation. Various individuals and groups have explored in great detail the implications of the persistent deficit in our international accounts. There has been a variety of proposals on how the disparity between America's international payments and receipts can be eliminated. And seldom does our own government implement major domestic programs without first considering the impact on America's international economic position.

In view of the importance of this subject, I would like to offer some thoughts on how the problem developed and how serious it is; give a review of our present efforts to resolve the problem; and comment on how more effective and efficient solutions must be developed.

In simple terms, our country's balance of payments is a record of economic transactions on the part of government, business and individuals with their counterparts in the rest of the world. It is a summary statement of America's total payments to other countries and total receipts from these countries. Included in these payments and receipts are such items as imports and exports, direct foreign investments, interest and dividends, international loans, and military and foreign aid. The balance of payments, in other words, reveals how the United States pays its way internationally.

A deficit in a nation's balance of payments occurs when, except for the so-called balancing items, its receipts from abroad are not sufficient to cover its payments abroad. Moreover, as a deficit suggests a country is spending more than it is earning, the deficit is frequently regarded, though sometimes mistakenly, as a danger signal. Some observers believe that when a nation has a deficit in its international account it is living beyond its means and will eventually deplete its international reserves. This, too, can be a mistaken belief.

With but one exception, the United States has sustained a deficit in its international payments every year since 1950. During the early part of this period, the excess of U.S. payments over receipts was not considered a serious problem, if in fact a problem at all. The political and economic strength of the United States after World War II led it to become the leading international banker, foreign aid provider, military protector and producer of the Free World. We believed that our own security would be enhanced by using our public and private capital to facilitate the recovery of Western Europe and other nations around the world. Our efforts proved so successful that the international community welcomed our deficit and the resulting outflow of dollars. Moreover, because of their confidence in the dollar, most nations preferred dollar claims in their reserve accounts to noninterest-bearing gold.

Beginning in the late 1950s, however, the magnitude of our payments deficit and the international attitude concerning it changed. In 1958, the imbalance between our foreign receipts and our expenditures jumped to over $3 billion, almost three times the average level through the early 1950s. It remained at relatively high levels through 1964. Not until the past two years did the deficit again drop to the $1 billion range.

Even with this recent reduction of the deficit, the U.S. has not been able to remove all the anxieties of the international economic community. Because of the persistence and size of our deficits, some monetary authorities abroad have cast doubt on the United States' ability to keep the dollar strong and to maintain its worldwide commitments without accepting drastic internal and external policy changes.

If our payments situation is placed in proper perspective, much of the alarm currently being generated is not justified. When an individual's spending exceeds his

income, we do not necessarily conclude that he is headed for bankruptcy. Before forming an opinion, we usually examine his financial situation more closely and attempt to determine why the shortage occurred. If he has a strong asset position and has borrowed in order to undertake investments which may later increase his income, we are likely to conclude that he is financially sound. It is his overall situation as to assets and liabilites that concerns us, not the fact that his income and outflow are unequal.

The same consideration should apply to a country's international accounts. In our own case, such an analysis would reveal that the present deficit does not reflect a basic weakness in our overall financial position. On the contrary, America's economic strength remains unequalled by any other nation in the world. The U.S. economy is, in fact, so large and growing so rapidly that the annual increase in our national output of goods and services far exceeds the total annual output of most other countries in the world.

This strength is readily apparent even if we limit our attention to our international economic activity. Our commodity exports, for example, have exceeded our commodity imports in every year since the beginning of this century. In the past five years alone, our net merchandise surplus has averaged about $5 billion per year, hardly a sign of a weak economy. Moreover, at the end of 1965, U.S. assets and investments abroad were valued at above $100 billion, about twice the total foreign assets and investments in the United States. The United States' fundamental economic situation is one of strength.

Our deficit does not reflect a basic weakness in the dollar or our economy. Instead, it reflects our long-term military, foreign aid and investment commitments to the Free World, as well as our role as international banker. There are, however, reasons for seeking a balance in our international payments. As a result of our longstanding deficit, at the end of last year we owed about $27 billion to foreign individuals and institutions. Approximately one-half of this total was held by foreign central banks, thus making it immediately eligible for exchange into our gold should these authorities so desire.

Along with the growth of these short-term liabilities, our official gold holdings have been declining. At the end of 1957, our gold reserves amounted to $23 billion. They are now down to about half this amount. It is clear that if we continued to lose gold at this rate, our gold supply would be exhausted. Thus, even though the United States is the world's largest producer, trader, and consumer of goods and services, continued depletion of our gold reserves could undermine the confidence in the convertibility of the dollar into gold and thereby disrupt the international monetary system.

Recognizing this potential danger, the last three administrations have assigned a high priority to reducing our balance of payments deficit. But most of the policies put into effect so far have been highly selective and have resulted in undesirable restraints or controls, particularly on the free flow of trade and capital. In 1959, for example, economic aid to developing countries was tied where possible to American sources of supply. Two years later, those countries where American military forces were stationed were asked to increase their military purchases from the United States. In 1963 and again in 1965, portfolio investments in foreign developed countries were discouraged by the interest equalization tax. And most recently, a comprehensive voluntary restraint program was implemented to discourage U.S. loans and direct investments abroad.

Some of these measures have met with limited success, but the long-term wisdom of the current strategy leaves much to be desired. Far too often, these programs tend to weaken rather than enhance our fundamental balance of payments position. Many may be costly, stop-gap measures—measures that offer only moderate short-term improvement at the risk of damaging our long-term political and economic objectives.

One example is the tying of foreign aid to U.S. goods. At times these same goods could be obtained elsewhere at a lower price. By requiring the recipients to spend their money inefficiently, we lose their good will and reduce the effectiveness of our foreign aid program. This policy also encourages recipient nations to introduce selective controls or import licensing—thus working at cross purposes with our long-term objective of free trade. In addition, the belief that our goods were not competitive in such instances has, rightly or wrongly, tended to attach a stigma to all goods of U.S. origin, including those that are clearly competitive in foreign markets. This may be one important reason why countries that receive our aid often seem to shun purchases of competitively-priced U.S. products that are not aid-financed.

A question can also be raised concerning restrictions on the amount of foreign purchases that American tourists can bring back duty-free. These restrictions are reported to have caused considerable bitterness and resentment toward the United States. The hardest hit have been those countries where U.S. tourists provide an important source of livelihood and foreign exchange earnings. This is especially true of Western Hemisphere countries, such as neighboring Mexico. Here, the United States—being by far the most important trading partner—would actually stand to lose few, if any, of these tourist dollars. Most of the money spent in these countries would soon return in payment for U.S. goods and services. In any event, even if these restrictions on tourist purchases have enhanced our balance of payments, the resulting loss of good will toward the United States may have more than offset this gain.

The interest equalization tax on foreign securities and loans also seems to have had adverse effects on the world economy. This program, which was designed to reduce the attractiveness of foreign securities to American investors, has caused some serious side effects. Insofar as this tax has actually reduced the outflow of funds from the United States, it has tended to raise interest rates abroad. At the same time—and partially reflecting the higher interest rates—it has tended to depress the value of foreign equities. Perhaps one of the most vivid examples of the sensitivity of the foreign stock values to the various effects of this tax was the sharp decline in the Japanese stock market that immediately followed its announcement in 1963. This measure may have reduced our balance of payments deficit, but it may have done so at the expense of foreign financial markets.

Perhaps the most questionable payments control has been the voluntary restraints applied to direct investment outflows. By encouraging companies to borrow abroad, this program has placed unusual pressure on foreign capital markets and has caused resentment against U.S. companies operating abroad. In addition, it has been a highly inefficient means of improving our international payments. It has impaired, for example, the usefulness of our own money and capital markets to Europeans. As a result, it has also weakened the incentive for these countries to maintain their dollar deposits and other financial assets in this country. Moreover, since the restraint program increased interest rates and equity earnings ratios abroad, we have encouraged foreign investors to shift their investments from the U.S. to other nations. Finally, the voluntary restraint program has caused American companies to borrow abroad at high fees and interest costs, thus shifting earnings from these loans out of the U.S. to foreign banks and investors.

This program, in short, could have a serious effect on our long-term payments position. Dollars invested overseas are, after all, a means of generating future income for the United States. Over the past few years, our private investments abroad have made a substantial positive contribution to the balance of payments. In 1965, for example, foreign investments resulted in a favorable contribution to our international payments of about $3 billion. Even this contribution fails to include the additional exports which are indirectly stimulated by the activities of local U.S. plants and marketing organizations abroad. Thus, government actions that jeopardize the competitive position of U.S. business overseas prevent effective management of assets that are of enormous value to the United States. Further, these programs could substantially weaken our long-term payments position.

Taking all these factors into account, our economy, as well as the economies of our friends abroad, is paying a dear price for our moderately reduced balance-of-payments deficit. This does not, however, suggest that the U.S. business community should withdraw its support from the Administration's current policy. Recognizing the impact of our commitments in Southeast Asia, American businessmen have responded to the government's request, and in some cases even exceded their guidelines. Total net capital outflows, for example, fell from about $7 billion in 1964 to less than $4 billion a year later. Under the current critical conditions, it is necessary for business to continue to comply with the present national policy.

Because of the inconsistencies stemming from the present controls, however, the business community should insist that improved programs be adopted for the future. Instead of proliferating, intensifying and perpetuating selective controls, we must develop more positive programs which promise a long-term solution to our balance-of-payments situation.

If we continue to rely on short-term expedients, our resolve in pursuing more fundamental solutions may be weakened. To the extent that our present balance-of-payments programs have increased our government's willingness to tolerate the inflation of the last 18 months, the ultimate cost of these programs has been greatly increased.

It is increasingly evident that the time has come to develop new approaches to this problem. The time has come to adopt programs that are compatible with our national and international goals. We can begin by asking some basic questions. For example:

Is our program of selective controls leading us and the rest of the world in the direction that is most desirable?

Over the long run, what kind of international political, economic and financial arrangements are in the best interest of the United States and the rest of the world?

Are we managing our nation's affairs in a way most likely to help us achieve our internal and external objectives?

It is evident that any program aimed at solving our payments deficit must recognize the vital importance of American exports. In 1965, if our exports would have been just 5 percent greater, the deficits in our balance of payments would have been eliminated. Moreover, such an increase in exports would have had the same immediate effect on our international payments as a 40 percent reduction in our direct investment outflow, a 55 percent reduction in our travel expenditures abroad, or a 110 percent increase in foreign travel expenditures in the U.S. These figures clearly suggest that

if we are to reduce our deficit, we must begin by working together to improve our export performance.

The American business community has an urgent and immediate responsibility in this effort. We must do an even better job of eliminating inefficiencies and reducing costs of production so our goods will be more competitive abroad. All of us, both as individual companies and through our trade associations, must do a better job of promoting and selling U.S. goods in foreign markets. The return on these efforts could be substantial. In addition to increasing the market for our goods and services, success in this program would permit the gradual removal of the undesirable selective controls.

But the most necessary and fundamental condition for expanding U.S. exports—a condition towards which government fiscal and monetary policy must lead the way—is a restoration of price and wage stability to the American economy. Over the past two years, excessive demand and inflationary pressures have had a marked and adverse impact on our trade balance. As our incomes have risen and as prices have edged upward, our competitive position in international markets has steadily deteriorated. As a result, our surplus of commodity exports over commodity imports—once a very bright spot in the balance-of-payments picture—has been trending downward. Compared with a trade surplus of nearly $7 billion in 1964, the surplus declined to about $5 billion in 1965, and fell below $4 billion in the year just completed. If this trend is to be halted and hopefully reversed, a balanced monetary and fiscal policy must again restore noninflationary conditions to the American economy.

In dealing with our balance-of-payments problem, we have now for several years followed a path of stopgap, selective measures. In the current circumstances, we cannot immediately change paths and start anew. But as businessmen, we can and should discuss quite frankly the shortcomings of our present approach and try to throw light on the fundamental weaknesses of the present programs.

Each of us should evaluate the effects of these programs and offer constructive alternatives.

I am confident that through business participation a new and better approach to the problem will be realized.

THE MERCHANT MARINE BUDGET

Mr. BREWSTER. Mr. President, like the other Members of this body, I have had a brief opportunity to examine the budget for 1968. As a representative of the Port of Baltimore and of a State where the maritime industry is of great importance, I naturally turned to the merchant marine budget request for 1968.

There is, in my judgment, no other term to describe this request than totally inadequate. For new construction, a request of $139 million has been made. The budget report estimates that this will be sufficient to produce 13 ships.

Thirteen ships—when the Nation is falling farther and farther behind the Soviet Union and the other shipbuilding nations of the world. Thirteen ships—when we need dozens of new ships just to carry military materiel to Vietnam, 98 percent of which goes by private vessel.

The budget request indicates to me that, once again, the administration has failed to come up with a new and forward-looking merchant marine program. Instead, we will have the same old, tired, and inadequately financed program.

It is regrettable that the only voices in Government on behalf of our merchant marine comes from Congress. The executive branch must provide some leadership—and it has not done so thus far.

Let me briefly review a few aspects of the maritime situation. This country carries about one-twelfth of its foreign commerce in American bottoms. And we wonder why our balance of payments is so out of line.

This country ranks 13th in world shipbuilding—after Spain and Yugoslavia, not to mention the Soviet Union. I do not know when the country will wake up to the fact that we need to maintain a strong shipbuilding capacity. Apparently it will not be this year.

This country no longer has the finest and most advanced ships in the world. Many of the vessels now in use on the Vietnam run are appropriately called rust buckets—World War II ships so old and dangerous that I shudder to think of our men sailing on them.

In my opinion, we need 30 to 40 additional ships a year. That figure has been recommended by independent studies of the situation. It is recommended in an informal Navy Department memorandum which is now circulating.

As I outlined in a speech to the Senate last week, the history of the United States demonstrates that merchant marine power is a key factor in economic and military strength. We have allowed our fleet to disintegrate to a point where it ranks far behind those of our friends and our adversaries.

During the coming weeks, I intend to explore in depth, with the Senate, some of the problems facing our merchant marine. I intend to propose several bills to strengthen our fleet. And I hope to focus the attention of Congress on the urgency of the present situation.

THE 49TH ANNIVERSARY OF UKRAINE'S INDEPENDENCE

Mr. DOMINICK. Mr. President, January 22 was a day of nostalgia for Ukrainians throughout the world, for it marked the 49th anniversary of Ukraine's independence—that short-lived phase in Ukraine's history between 1918 and 1920 which ended when Soviet Russia cold-bloodedly victimized Ukraine and "annexed" it.

All of us realize that the reason we are in Vietnam is our support of national independence. As President Johnson said, "the right of each people to govern themselves and to shape their own institutions" is a basic principle of our foreign policy.

And it is just as important for us to recognize that right in other countries as it is in Vietnam, and certainly we should sympathize with the 45 million people of Ukraine who once knew independence and lost it to the imperialism of the Soviets.

The Ukrainian Congress Committee of America has urged several steps which would indicate to the world our interest in, support of, and determination to add Ukraine to the community of free nations. These steps are:

(1) support of a resolution for a Great Debate on US-USSR policy; (2) open and fair hearings on the US-USSR Consular Convention; (3) a poltrade policy toward the Red Empire; (4) a Special Committee on Captive Nations; and (5) reaffirmation of our support of all Captive Nations in their struggle toward eventual liberation from Soviet Russia.

Although we may not need a special committee on this subject, it seems to me worthwhile to consider the effects in the cause of freedom of the administration's policy to trade and aid the Soviet bloc countries which are still exercising dictatorial controls over the captive people, are still fomenting subversion and terrorism in other countries of the world, and are still the main supplier of weaponry to North Vietnam in our present struggle.

Mr. President, I urge all Senators to recognize Ukraine's 49th independence anniversary, the desire of its people for freedom of self-determination, and the need to consider our own policies in the broad terms of their effect on people already tyrannized by communistic control.

UKRAINIAN INDEPENDENCE DAY

Mr. LAUSCHE. Mr. President, it gives me great pleasure to join with my Senate colleagues in observance of a signal event in Ukrainian history—January 22, 1918, the day which marked the culmination of centuries-old dreams of national independence from Russia. On that momentous occasion, in the city of Kiev, the Ukrainian National Republic was born.

In the 49 years since that wonderful day, the Ukrainian people have known many hardships and much sadness. Only a few short years after attaining independence, the Russian bear once again engulfed the beautiful little land. During the Second World War, the Ukrainian people bore the indignity of the scorched-earth policy, and afterward suffered terrible economic consequences from its effects. In the early 1950's, Ukrainian nationalist guerrillas fought against the forces of communism in the West Ukraine and Polish Slovak Carpathian borderlands.

Yet all Ukrainians can proudly say that their national character is not one that bows before adversity. They have been called upon many times to prove their courage in the face of great odds, their perseverance in the face of long hardships, and they have never failed the test.

Thus, Mr. President, on this day it is fitting that we pay tribute to the genius of the Ukrainian people and to their never-ending quest for national sovereignty. As Americans, we must ever remember that as long as any nation remains subjugated to another, as long as any man is denied the inalienable rights of life, liberty, and the pursuit of happiness, our task is not done. It is my privilege to salute the beautiful land of the Ukraine and to join with her valiant sons throughout the world in commemoration of this great event.

THE PORT OF HAIPHONG

Mr. McGEE. Mr. President, Columnist Holmes Alexander in a recent column about President Johnson supplies some rather effective answers to those who would suggest that our current Vietnam policy should include the destruction of the port of Haiphong or other forms of spectacular escalation.

I ask unanimous consent that Mr. Alexander's column of January 23 be printed in the RECORD.

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

L.B.J., 1967—THE WAR

(By Holmes Alexander)

WASHINGTON, D.C.—From the Oval Office, the Fish Room, and the Cabinet Room, where President Johnson meets with his advisors, the Vietnam War has the aspect of a human life.

And because LBJ is so intensely a human being, the very same man whom so many in Washington have known to be utterly untouched by the pomp and portentousness of the presidency, it isn't remarkable that he thinks and talks in the common language of mortality. Lyndon Johnson knows that he, and all men, must die, but the day and the hour of any decease cannot be fixed. So it is with this nerve-testing, life-taking war. End it must, and in victory, but not even the President can say when.

The perversity of newsmen who keep asking him, "When? When?" is an annoyance. Nobody on earth so yearns for the end of the blood-letting as does LBJ—not the beatniks, not the Doves, not the volunteer strategists who tell him publicly and privately how to wrap up the victory and bring it home.

Fifteen months ago, in mid-1965, the President had as crucial a decision as any chief executive of the nation ever faced: It was get in—or get out! It was to turn the distant struggle into an American war, with massive commitment, or call it quits. And with all the casualties, all the criticism, all the remaining uncertainty as to duration, it can't be doubted that LBJ did what the country would want him to do.

But the country doesn't pay him, and his duties don't require him, to predict. And after listening to many predictors, calculators and exhorters, the President has learned a great deal about margins of error. If these men had been his business counsellors, the rancher of the Pedernales would be broke! Destroy the port of Haiphong and sink a couple of Russian ships! How would it shorten the war by ten minutes? Wheel up the battle cruisers and blast the coastal targets of North Vietnam! Any escalation of that magnitude would have political repercussions, perhaps beyond military gains.

But out of some trial and error, out of the experience and intuition of important participation in three wars, based on a meeting of minds with Generals Westmoreland and Wheeler, President Johnson now has a master plan.

It could go by the initials M & M: "maximum result from minimum cost." What it amounts to is a war of attrition. The grand strategy has been in effect since November. General William Westmoreland, as theater commander, is now moving into the once-impregnable enemy strongholds and is systematically destroying them. The communists need bases just as much as we do, but theirs are more important to them than ours are to us, since ours can be replaced.

With relentless pressure on the Vietcong and the North Vietnam forces, coupled with selective bombing of supply lines, we are exterminating men and materiel at a rate that is grinding the enemy into submission. General Earle Wheeler, Joint Chiefs of Staff chairman, recently returned from his eighth trip to the front. He told reporters as he presumably had told the President two days before:

"Our combat units . . . have suffered not a single major reverse, and the enemy everywhere is harassed and on the defensive."

The end of the conflict is unpredictable at the White House for the best of reasons—namely, that we are winning and, in the circumstance of limited warfare, it is the loser who decides when to give up. Yet it would be an informed guess that Ho Chi Minh has begun to wonder about his own basic decision: to stay in a losing fight or to pick up the standing offer to negotiate.

Meanwhile, President Johnson's ordeal often seems more than a man should have to bear. He can daily read and hear (a) that he is bombing nothing but orphanages and hospitals, or (b) that he is chasing motorcycles and trucks with million-dollar aircraft.

In fact, he does have a master plan, a grand strategy, and it is small wonder if it irks him how little is written or said about it.

RHODESIA

Mr. THURMOND. Mr. President, the Greenville News of Greenville, S.C., has published a series of three editorials on the Rhodesian matter.

These editorials are entitled "Rhodesia: United States Should Look Again"; "U.N. Proposals Are Hypocritical—I"; and "U.N. Proposals Are Hyprocritical—II." The positions taken and the conclusions reached in these editorials are the result of much careful deliberation on the part of the editors and others associated with this newspaper. These editorials call for a return to realism and reason in U.S. dealings not only with Rhodesia but toward all the countries of the continent of Africa.

Great Britain should never have taken this matter to the United Nations, since it is clear that the United Nations has no jurisdiction over it as it is a purely internal matter. In addition, the complicity of the United States in urging Great Britain to submit the matter to the United Nations and in urging the United Nations to invoke economic sanctions against Rhodesia is reprehensible.

There always exists the possibility that the United Nations will take even sterner action against Rhodesia and this may include even military action. To quote from one of these three editorials:

A long bloody war could result, perhaps involving the use of American troops.

The United States should bow gracefully out of any involvement in this issue and use its influence and prestige to reverse the United Nations action so far taken.

I commend these editorials to the study of Senators and ask unanimous consent that they be printed at the conclusion of my remarks in the RECORD.

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

[From the Greenville (S.C.) News]

RHODESIA: UNITED STATES SHOULD LOOK AGAIN

The Rhodesian crisis in the United Nations should cause the United States to take a long, hard look at what is happening to the toeholds of civilization in the still dark continent of Africa.

In nation after nation (if some newly "freed" areas really can be called nations) civilization has receded, to be replaced by either anarchy or tyranny.

This has happened in those states which suddenly turned over the right to govern themselves to millions of uneducated, unprepared people, some of whom still live in pre-civilization conditions.

Some regressions to savagery took place under United Nations auspices, even to the point of military force, as in the Congo.

To the dismay of many Americans, the government of the United States generally has been on the side of unbridled, premature political freedom for people lacking the human resources necessary to handle self-government.

It appears the United Nations, with the United States concurring, is about to make the same mistake all over again in the case of Rhodesia. There, a relatively small White population has built a stable, prosperous nation in the midst of savagery, and now is hard at work trying to upgrade millions of unprepared people to the point of governing themselves.

Admittedly, it will be a long, slow process, even a painful one for all concerned. Admittedly, also, the process may have started late. That is largely Britain's fault.

The alternative, as proposed by the reckless, backward states of Africa would be even more painful.

At best it would be a repetition of other tragic episodes. It would force the flight or slaughter of thousands of civilized people suddenly engulfed by millions of uneducated, untrained near-savages, inflamed by slogans of "uhuru" or "freedom now."

The civilization now flourishing in Rhodesia would die beneath either an iron dictatorship or in a bloody anarchy perpetrated by people who don't know that freedom means responsibility before privilege.

Great Britain, which is asking the United Nations for stern sanctions against Rhodesia to force her to yield to the black majority, could find itself involved in a bitter trade war with South Africa. That civilized nation is not going to yield, without fighting, to heavy African pressure to turn its orderly, prosperous country over to an unprepared pack of warring tribes.

Already the British pound has weakened in international markets over the prospects. Conceivably Britain could go broke in a head-on trade clash with South Africa as a result of the Rhodesian affair.

Any enforcement of UN sanctions against Rhodesia or against South Africa for non-compliance could result in armed intervention in either or both peaceful nations.

Since resistance would be certain, particularly in the case of South Africa. A long, bloody war could result, perhaps involving the use of American troops.

It is doubtful that many Americans would stand for the idea of their sons fighting against civilized people in either nation. It is doubtful that they would continue to condone use of their tax money to support UN meddling and outright aggression.

Therefore, a big blowup over Rhodesia could arouse a serious effort in this country to force the United States to pull out of the UN, leaving that already weak body—and Africa—in a shambles.

It is time, past time if not quite too late, for the United States to re-examine and re-evaluate, both in terms of right and wrong and its own and the UN's proper role and capabilities, the American position on African affairs generally. We'll have more to say about that soon.

U.N. PROPOSALS ARE HYPOCRITICAL—I

In an editorial last Friday, before the UN debate began, we suggested that the United

States should re-examine, re-evaluate and, most probably change, its entire policy toward Africa and the settlement of its ancient, enduring and nettlesome problems.

Since Great Britain—with United States support and with frenzied black African demands for something more drastic—has asked the UN Security Council for limited mandatory sanctions to be applied to trade with Rhodesia, we are more than ever convinced that the United States is playing the wrong role in the wrong place.

In view of the attitude taken by most of the nations involved, including Great Britain, towards the policies being followed by the United States in the Far East, and considering the fact that the UN allows a "majority" of millions of all races to live in enslavement under Communist subjugation and tyranny, the proposed action is totally hypocritical.

Moreover, it is most unlikely that the halfway measures proposed by Britain, which is anxious to avoid disrupting its trade agreements with the Union of South Africa, will succeed. If the UN follows through, stronger steps will have to be taken, steps that almost surely will lead to war.

By going along, the United States will have taken the first step toward participation in that war. Step by step, as it did in Vietnam, this country will become involved, deeper and deeper. And it will be a war against white men who have built a civilization on a savage continent and are willing gradually, but not abruptly, to share it with the blacks who have contributed only their inefficient labor to it.

Reluctantly, the American people support the war in Vietnam as an idealistic and political necessity. Their attitude toward a war of outright intervention in Africa may be something else again.

It is not as if this were the only alternative for the development of Africa. It is that it is the warlike way, when there is available an admittedly slower, but constructive rather than destructive, way to accomplish that which Great Britain says is her purpose.

Let us strip the Rhodesian situation of its ideological and political hyperbole and idealistic unrealism and see what is involved.

Bowing for reasons of political expediency to the black African racist demand for "uruhu" (freedom now), the British Labor government of Harold Wilson demanded that Rhodesia, which is ruled by about 250,000 whites with only limited participation by 4 million blacks, immediately grant total democracy to the blacks.

The government of Premier Ian Smith insisted that this could not be done immediately. Years of preparation would be necessary, he told Whitehall.

Under continued pressure from Britain and from black-dominated nations of the British Commonwealth of Nations, Rhodesia followed the example of the Union of South Africa—which may be the key to the whole future of southern Africa, especially if the UN persists in following the British requests—and seceded from the Commonwealth.

Since then, over a year ago, the Wilson government has tried to force Smith out of office with the view to turning the government over to the blacks.

The power of Britain has been insufficient. She now is asking UN help, knowing that the United States will have to bear the brunt of whatever is done, financially and otherwise.

U.N. PROPOSALS ARE HYPOCRITICAL—II

Insisting that the United States must stand for "democracy" in Rhodesia, American UN Ambassador Arthur Goldberg is backing the British request for mandatory economic sanctions against that African state.

Under the UN agreements the United States has signed, President Johnson can take whatever steps are necessary to enforce this policy without any further authority from Congress.

But not even the cutting off of trade in most items with Rhodesia will satisfy the black Africans. They demand also, immediately, an oil embargo. In fact, what they want, and what they said they wanted at a meeting of Africa states last year, is a blood bath in southern Africa—white blood, that is.

If the oil embargo is voted, or if the sanctions are to be effective, ships of the United States fleet will have to blockade shipments to Rhodesia. And the route for these shipments to landlocked Rhodesia is via ports of the Union of South Africa, or Southwest Africa, former German territory now under a South African protectorate.

To further complicate matters, the UN is trying to force South Africa to turn Southwest Africa over to UN control. (It is noteworthy that the UN would rule Southwest Africa until it is capable of self-rule, yet it would turn Rhodesia over to the blacks immediately.)

Great Britain is anxious to avoid a confrontation with South Africa, which is the reason for not proposing the oil embargo. Without trade with that country, England would fall. In that event, the United States would be left holding the bag for the UN—again, and to no worthy avail.

What Britain and Ambassador Goldberg propose for Rhodesia will not result in "democracy," any more than democracy prevails in even the most piously praised black African states.

Britain is trying to bring a defiant nation of the Commonwealth to its knees because of the threat to British trade.

To the average black African "uruhu" does not mean self-government, because he doesn't understand that. To him it is a way to get his hands on the wealth, the industrial and agricultural development, built by the whites from the days of the earliest settlers with their own hands and know-how.

Why should the United States serve either of these causes?

In Vietnam, the United States is fighting a war to protect a minority, the free South Vietnamese, against an overwhelmingly ruthless, bloodthirsty and terroristic multination Communist majority. But Great Britain and other countries in on the present move trade freely with the nations which are supporting the Communist cause.

But none of these nations, individually or through the UN, supports the United States in Vietnam.

The United Nations has yet to take the first step toward freeing from the militant Sino-Soviet dominated Communist minority the millions of persons living behind the Iron Curtain in Eastern Europe and the Bamboo Curtain of Asia.

If Ambassador Goldberg is planning to export democracy through the UN, he is starting at the wrong place, and in the wrong way. The problems of southern Africa should be solved by peaceful, not warlike, means.

If ever there can be a solution which will enable the white Africans to retain what they have built up, and the black Africans to rule and build for themselves, if they are capable, it will have to be the slow way—through education, economic development and true "democratic processes."

There is nothing "democratic" about the UN as now constituted. Naked "Black Power," sadistic communism and self-seeking anti-Americanism are running rampant in its councils.

AUTOMOBILE INSURANCE

Mr. BREWSTER. Mr. President, one of the more perceptive articles which has appeared recently on the subject of automobile insurance was written by James Ridgeway and published in the New Republic of January 14, 1967.

Mr. President, I ask unanimous consent that the article be printed at this point in the RECORD.

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

MORE ON AUTO INSURANCE

(By James Ridgeway)

The states have granted automobile insurance companies one price hike after another over the past five years, so that they might continue to insure the general public. But the companies are locked in a deadly competition for the relatively small number of preferred risk drivers—perhaps 30 million of the nation's 100-million drivers—and they are canceling or refusing to renew policies for growing numbers who are not in the preferred risk category and are viewed as "suspect." These are the people who are forced to buy insurance from the fly-by-night, high-risk operators who hang about the fringes of the insurance markets.

To get an idea of how difficult it is for people to buy insurance, here are a few cases that have come to members of Congress in the past few months:

In December, Nationwide Mutual Insurance Co. canceled insurance of a South Carolina man. Asked why, the company said, "Investigation reveals that your automobile coverage was terminated due to circumstances surrounding a parking ticket which your wife received recently." The woman had protested the ticket to the police, because, she said, the meter was broken. Nonetheless she paid the fine. (In this case, the best guess is that by protesting the ticket, she gave the company an opportunity to define her as an unsuitable customer.)

State Farm Mutual Automobile Insurance Co. dropped an Alexandria, Virginia, resident because of "loss history." The man was involved in one accident during the fall of 1965; the other driver was charged by the police and his insurance company had reimbursed State Farm for repairs. In addition, there had been one $6 charge against the policy for towing the car out of deep snow and two charges totaling $4 for mechanics. This man was 43, had been driving since 1938 and had never had a moving charge brought against him. Unable to see why he should be canceled, he protested to the Virginia regulatory agency, which got in touch with State Farm. State Farm then reversed itself and said it would renew the policy if the owner would drop the road-service provision. Apparently the $10 in towing and mechanics' charges constituted a "loss history" which was too much for State Farm.

"Have you ever had to turn down a request from a friend, a customer or business associate?" begins a letter to a New Jersey man from Sentry Insurance, of Syracuse, New York. "If so you know it's not an easy thing to do. Unfortunately, we too occasionally are faced with this problem—telling a policyholder that we cannot continue his insurance protection." The letter went on to announce cancellation of the man's auto insurance policy because it no longer met Sentry's "underwriting requirements." When pressed for details, Sentry replied, "All insurance companies are permitted to set certain standards of underwriting and apply these standards to the policies that they accept or renew. It is not our intention to appear arbitrary, but under certain circumstances, misunderstandings occurred where our specific reasons for retirement have been given, resulting in embarrassment to either the insured or the companies or both. For this reason we prefer to follow the general practice of insurance companies and ask that we be excused from giving the reason for cancellation."

This didn't mean anything to the New Jersey man and he further pressed the company for an explanation. This time he got a tart reply: "I am sorry that my first letter did not satisfy you. I hope I can do better this time, but unfortunately I must reiterate my comment in my previous letter concerning the confidential nature of our file." The letter went on to say there was a record of losses in 1963, and in 1965 (about $150 for repairs to the car) and a speeding violation.

"There are other factors that enter into underwriting decisions which must number in the hundreds," the Sentry letter said. "It would be impossible for me to list them all here but I am sure that you can think of a few yourself. For instance, how a car is used, where it is used, who uses the car, the age of the drivers, and many others would enter into an underwriting decision. Not all of the underwriting factors apply in any one case but when our underwriting information reveals that a particular policy does not meet with our present requirements we have no choice but to not renew the policy."

Servicemen and young veterans have a difficult time getting insurance. A veteran recently wrote the Michigan Insurance Commissioner: "I have just come home with an honorable discharge after serving four years in the Navy, I have had a driver's license since I was 16 years old. I had insurance on my car when I left for the service. A few days ago I bought a new car and immediately applied for insurance. However AAA Insurance Co., Detroit, and Michigan Mutual Auto Insurance Co. of Traverse City have refused me insurance because they class me as a bad risk. I have taken driver's training and have never had an accident."

"I'm 46 years of age and have worked at the same plant for better than 19 years," wrote a West Virginia car owner. "I received my driver's license two years ago and bought a car. Nationwide carried me for six months and then sent me a cancellation notice, no explanation at all. When I couldn't find out why they canceled me, I secured insurance with Insurance Co. of North America. In the meantime, I bought a new '66 Dodge through a local bank. To make a long story short I've received a notice of cancellation from this company. I've never been in a wreck, never been arrested, and I do not have one point against my license. No teen-ager drives this car. I just don't understand why they can do this."

Charles W. Gambrell, South Carolina's insurance commissioner, says that rate increases in his state have not resulted in wider markets, but instead have made the cancellation problem worse. In South Carolina, insurance companies are required to disclose the "guides" agents follow in writing policies. Gambrell said 83 percent of the companies doing 65 percent of the business in the state refuse to write new business with over-age drivers, that is, drivers between 62 and 70. Sixteen percent of the companies won't do business with divorced people. The theory is that a divorced person, especially a woman, is emotionally unstable and likely to run around a good deal, thereby increasing the chances of an accident. If a divorcee did get into an accident and it wasn't her fault, no jury would believe her. So it's better not to insure divorcees at all.

Gambrell said guides for different companies doing business in the state list the following categories of poor risks, or as the trade calls them, "suspect": garbage collectors, amusement park workers, bartenders and tavern owners, bowling alley or dance hall atendants, pawn shop proprietors, watchmen, farm laborers, professional athletes, entertainers and people who live at the YMCA. Gambrell said these guides probably apply throughout much of the country and are in many instances simply veiled discrimination against Negroes.

BLACKOUT IN APPALACHIA

Last April, Orman Vertrees, a reporter for the *Seattle Post-Intelligencer*, got hold of an agent guide, then in its fifteenth printing. It warned agents away from selling auto insurance to people in the "lower laboring classes," including those who worked for aircraft companies and as longshoremen. The guide told agents one could determine a good customer by looking at the children's haircuts. If the man is called "Shorty" or "Scotty," he might not be conservative enough to get auto insurance. If his wife works in a "reject qualification," for example, as a waitress, that lessens chances of getting insurance. Since then, a committee of the Washington state legislature has urged that insurance companies be made to state grounds for cancellations before issuing the policy, and then state the reasons when cancellation is made.

Narrowing the market for auto insurance can have a startling effect. Recently the National Bureau of Casualty Underwriters, the rating bureau that represents the big stock insurance companies, asked for a rate increase in Kentucky. At the rate hearings called by Commissioner S. Roy Woodall, Jr., testimony showed that of 1,150,000 private passenger cars registered in the state, 35 percent are uninsured. In arguing for higher rates, the National Bureau said its member companies couldn't afford to do business at current levels. The cost of claims was rising so fast, the bureau argued, that member companies were forced to reduce risks by canceling policies, some of them held by people who under more ordinary circumstances would be considered good customers.

Both the state insurance department and the Louisville Auto Club, however, claimed business was not so bad as the National Bureau made it out to be, and that insurance companies were making 7.6 percent profit, instead of the usual 5 percent. (It is interesting to note net income before tax for all stock property and casualty companies in the US rose to an estimated $1.03 billion for 1966, up from $561 million in 1965.)

As the auto insurance market got tighter in Kentucky, state officials reported finding "blackout" maps in the offices of some companies. These maps show marked areas of Louisville, mostly poor sections, where insurance is not to be sold. Moreover, state officials claim there is an effective blackout for all kinds of casualty insurance in the depressed Appalachian region.

Probably the simplest way to stop the capricious cancellation policies of the insurance industry would be for Congress to insist that cancellations be based on sizable loss experience alone. This might be accomplished by amending Senator Thomas Dodd's bill setting up a Motor Vehicle Insurance Guaranty Corp., which aims to protect insured motorists against their insurance company becoming insolvent.

In first discussing the automobile insurance business in the December 3 issue, I dealt rather sharply with accounting practices. This brought heated retorts from insurance people who felt this journal had been sucked in by ambulance-chasing lawyers of the American Trial Lawyers Association. But they must not have understood the article, for while it was an attack on the insurance industry, it was also an attack on ATLA for having backed down on a small group of lawyers who are working for reform.

Senator Magnuson's Commerce Committee hopes to begin an investigation into auto insurance practices later this year, and in doing so, it might well look into some other ideas for making auto insurance more equitable and less expensive. Professors Robert E. Keeton and Jeffrey O'Connell have worked out a basic protection scheme, which would have insurance handled rather like Blue Cross payments, regardless of who is at fault. This would do away with much of the lengthy legal work, speed up payment and reduce costs by 15 to 25 percent, mainly by getting the lawyers out of the picture.

Because of the strong lobby of insurance agents, it is impossible to buy group automobile insurance in the country. Group insurance has helped to reduce the cost of life and accident and health insurance. Here savings would be made by doing away with the agent network. The agent often gets 20 percent of the premium as commission. In a group of 1,000 people paying premiums of $150,000, agents would stand to make $30,000 in commission. On the group basis, however, one agent might make about 2.5 percent (the rate paid a life insurance agent for a group policy). Thus, commissions would be reduced from $30,000 to $2,500. In addition, the group would get lower rates if its members weren't involved in accidents, which would work as an incentive to safer driving.

Neither of these proposals, however, deals specifically with the main issue of a narrowing insurance market, a problem which is not likely to be solved without federal regulation of the market.

Mr. BREWSTER. Mr. President, another item on this subject should be included in the RECORD. One of the cosponsors of the bill is the chairman of the Commerce Committee, the distinguished Senator from Washington [Mr. MAGNUSON].

Senator MAGNUSON has been for some time concerned with the insurance situation. He has instructed the staff of the committee to study the matter in depth, and he has indicated his intention to push hard for this legislation.

A recent editorial in the Washington Teamster recognized the Senator's work in this area. I think that it deserves the attention of the Senate, as another indication of Senator MAGNUSON's concern for the consumer. I ask unanimous consent that the editorial be printed in the RECORD.

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

[From the Washington Teamster, Jan. 20, 1967]

MAGNUSON AND INSURANCE

Almost everybody who has driven a car for long has had an unhappy experience with an insurance company. A casual question in a lunch hour gathering will start a round of accounts illustrating the speaker's belief that he was mistreated. A woman tells how hard it was to collect for damages after a man from Alaska drove his car through a red light into hers. Another says his insurance was cancelled after he got his first speeding ticket in ten years, and that one for going ten miles an hour over the speed limit on an arterial. He remembers that letters to the company brought no satisfaction; the firm didn't feel it necessary to explain why his insurance was cancelled. The company has a book full of vague phrases it uses on cancellation letters; he had to guess that the cancellation resulted from the ticket.

No one except an insurance salesman or someone else in the business will say that service is as good as it is pictured in the TV commercials. To get satisfaction, a customer often has to call in a lawyer. Only the voice of the lawyer, talking the language of the business, will force some companies to get a move on. That part of the story doesn't get told in the TV commercials. Well, it's probably because the company can't tell everything in a minute.

It is obvious that the public believes something has to be done to make the automobile insurance companies live up to the promises they make in their sales pitches. It is apparent too that the criticism has reached the point where some lawmakers are going to take the action called for.

There is encouraging evidence that Senator Warren G. Magnuson is ready to fight hard for reforms in the insurance business. His name already is on one bill that would advance needed change in insurance-company responsibility.

Under terms of Senate Bill 3919, Senator Dodd, Clark, Hart and Magnuson introduced last October, insurance companies would be required to insure themselves against going broke and leaving customers dangling with worthless policies. The bill would establish a Federal Motor Vehicle Insurance Guaranty Corporation. It would do for insurance companies what Roosevelt did for banks in the depression. Bank customers know they aren't going to lose their savings today even if the bottom falls out of the business. There is a sign on the door saying that all deposits are insured up to $15,000 by the federal government. As long as the government has money, the savings are protected. A cynic can mumble about the national debt, but he would have to acknowledge that as long as the government controls money through the federal reserve board, the money is as safe in a bank as under a brick in the basement.

With the Magnuson bill in effect, a driver would not have to fear that he would be unable to collect on claims because the other driver's company is bankrupt. Claims of bankrupt companies would be paid from the fund built up by contributions from insurance companies.

Bankrupt companies in Illinois, Florida and Texas attest to the need for the legislation.

Still there is need for more than is in S. 3919. The version introduced last fall does not cover cancellations, for example. But the bill does provide a basis for protecting a driver against arbitrary actions. Since the legislation empowers the government to examine the finances of companies, there would be available the kind of information examiners need to determine whether cancellations are warranted. A company that says it is forced to cancel policies of certain drivers because it can't afford the risk would be subject to investigation. A company pleading that it has been losing money on car insurance would have to be prepared to face a challenge.

There is evidence that the companies are making more money than the public has been led to believe. A New Republic writer, James Ridgeway, recently wrote that companies in Kentucky were making 7.6 percent profit, instead of the usual 5 percent. Even with this profit, companies argued that they had to reduce risks by canceling policies.

With information on income and expenditures available, the government insurance corporation would be in a position to judge the justification for premium increases. It would also be able to do something for the people now excluded from coverage because of their age or occupation.

Insurance companies won't like to change their practices, but the good of the public justifies rules making them do what they are supposed to do.

Senator Magnuson undoubtedly will find himself pressured to weaken the legislation. He has faced such pressures often before, however. Numerous monuments testify that he has the courage of his political convictions. The public would look upon a reformed car insurance industry as additional evidence of Senator Magnuson's capacity for getting done these things that need to be done even over the protests of powerful private interest groups.

WILLIAM J. CROCKETT, DEPUTY UNDER SECRETARY OF STATE FOR ADMINISTRATION

Mr. METCALF. Mr. President, before he leaves the Federal service at the end of this month, I should like to join in paying tribute to an outstanding public servant, William J. Crockett, Deputy Under Secretary of State for Administration.

Last week, our distinguished majority leader [Mr. MANSFIELD] cited Mr. Crockett as a "key executive" who has exhibited "exceptional personal characteristics of courage, perserverance, fairness, understanding, and aplomb," in dealing with difficult tasks. And the distinguished Senator from Wyoming [Mr. MCGEE] commended Mr. Crockett as "a most dedicated American, a public servant whose efforts in a post of great trust and responsibility are greatly appreciated, not only by the Members of this body but by fellow workers in the Department of State and by his superior officers."

While I did not get to know Mr. Crockett as well as my colleagues on the Appropriations and Foreign Relations Committees who have had frequent discussions with this dynamic administrator, I have learned much about his unyielding, forward-looking drive from some of his associates.

He demanded from those about him constant innovation and change in his persistent efforts to modernize and improve the administration of one of the oldest—and certainly one of the most important—departments in our Federal Government. Under both Presidents Kennedy and Johnson, and with the support of Secretary of State Dean Rusk, he labored to bring the Department of State and its administration into the 1960's.

This kind of successful operator is bound to incur opposition from those wedded to the status quo, and Mr. Crockett was not without his critics. Suffice it to say that time will show that Mr. Crockett built on the records of his predecessors and produced achievements unheard of in the administration of the Department of State and the Foreign Service of the United States.

Bill Crockett has been on duty 24 hours a day, 7 days a week. He has been devoted to the President, to the Secretary of State, and to the Department and the Foreign Service. He is leaving to enter private industry. He has assured the President that he will be available to help again if called upon. I join with my colleagues in wishing him well. I have the feeling that because he is a strong advocate of the Department of State and the Foreign Service, we shall be hearing more from him.

CRIME INCREASE IN DISTRICT OF COLUMBIA

Mr. BYRD of West Virginia. Mr. President, almost every edition of the Washington, D.C., newspapers can be counted on to provide substantial news of daily crime occurrences in the Nation's Capital City. Consider the reports of occurrences within the District carried in the Tuesday, January 24, editions of the Washngton Post and the Evening Star, as examples of the daily newspaper fare on crime.

The Washington Post listed in a single grouping four instances of theft in various areas of the city: "Manager of Theater Punched and Robbed"; "Northeast Restaurant Robbed of $70"; "Young Clerk Bound, Gagged by Robbers"; and "Robber Takes $146 From Pizza Parlor."

But the afternoon edition of the Evening Star really provided the day's shocker by heading on its front page, "Purse Snatcher Strikes—Police Chief's Wife Robbed on Northwest Street." It seems that on Monday evening, Mrs. John B. Layton, wife of the District's police chief, was robbed of her purse containing $40 on a Northwest Washington street between 8:30 and 9 p.m. while returning home. Although it was stated that this mother of four children "fell to the pavement when her assailant wrenched the purse away," she apparently was otherwise uninjured.

I fear that Police Chief Layton must be nearing a saturation point on crime in the District, when he finds it apparently unsafe for his own wife to be out alone on the Washington streets in the early evenings.

I am happy that Mrs. Layton escaped injury. Many other victims were not so fortunate. I hope that Chief Layton and his aids will apprehend the criminal and bring him to speedy justice. However, in the light of the steadily rising crime rate in the District, I fear that tomorrow's newspapers are likely to provide fresh examples of the lawlessness which yesterday's headlines publicize.

I ask unanimous consent that the newspaper items which I have cited be printed at this point in the RECORD.

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

[From the Washington Post, Jan. 24, 1967]

MANAGER OF THEATER PUNCHED AND ROBBED

Two men punched and robbed the manager of the DuPont Theater of $1953 which he was about to place in the night deposit box at the National Bank of Washington, police reported yesterday.

Frank H. Moss, 52, the manager, was struck in the face and knocked down late Sunday night, police said, but did not require hospital treatment. Both the theater and bank are in the 1300 block of Connecticut Avenue nw.

[From the Washington Post, Jan. 24, 1967]

NORTHEAST RESTAURANT ROBBED OF $70

Two men robbed Wilson's Ranch House Barbecue, at 519 H st. ne., at gunpoint at midafternoon yesterday, forcing night manager John Magibe, 22, to turn over $70 before they fled.

[From the Washington Post, Jan. 24, 1967]

YOUNG CLERK BOUND, GAGGED BY ROBBERS

A 16-year-old clerk at Foodway Markets, 3215 23d st. ne., was bound and gagged and left in a storeroom about 7:15 a.m. yesterday by two men who took $150 from the cash register, the store's gun and door keys.

Police said Gregory Lipscombe, the clerk, was forced at gunpoint into the room.

[From the Washington Post, Jan. 24, 1967]

ROBBER TAKES $146 FROM PIZZA PARLOR

A man with his hand in his pocket walked into the Pizza Box, 450 Lee hwy., Arlington, Sunday night and muttered to an employe, "If you want to live, give me the money."

George Young, who was behind the counter, did not hesitate. He handed over $146 from the cash register.

[From the Evening Star, Jan. 24, 1967]

PURSE SNATCHER STRIKES—POLICE CHIEF'S WIFE ROBBED ON NORTHWEST STREET

Mrs. John B. Layton, wife of the District's police chief, was robbed of her purse containing $40 last night on a Northwest Washington street. The bag was found this morning.

Mrs. Layton, a 53-year-old mother of four, fell to the pavement when her assailant wrenched the purse away but was uninjured, investigating officers said.

Layton said today the incident occurred at 8:45 p.m., moments after his wife had alighted from a D.C. Transit bus at 4th and Van Buren Streets NW.

Mrs. Layton, who had been in downtown Washington, planned to pick up her car, which she had parked on Van Buren Street, and drive to her home in the 1800 block of Redwood Terrace NW.

As she walked toward the lot, the chief said, a young man tugged the purse from Mrs. Layton's grasp and she fell.

Layton said "a couple of fellows on the far side of the street" responded to his wife's cries for help. But by the time they reached her the thief had sprinted away.

The thief was described as a Negro about 20 years old, 6 feet tall, weighing 225 pounds and wearing a grey-yellow trench coat.

The purse was recovered, emptied of money but with important papers apparently intact, by an unidentified motorist this morning before 9 a.m., police said.

It was found beside the road at the intersection of Sherrill Drive and Branch Drive in Rock Creek Park, a considerable distance from the scene of the theft.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

LEGISLATIVE REORGANIZATION ACT OF 1967

Mr. SYMINGTON. Mr. President, I ask unanimous consent that the Chair lay before the Senate the unfinished business.

The PRESIDING OFFICER (Mr. MONTOYA in the chair). Without objection, the Chair lays before the Senate the unfinished business, which will be stated.

The LEGISLATIVE CLERK. A bill (S. 355) to improve the operation of the legislative branch of the Federal Government, and for other purposes.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SYMINGTON. 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. SYMINGTON. Mr. President, I ask unanimous consent that the rule of germaneness be suspended.

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

VIETNAM AND THE EFFORTS TO DENIGRATE AMERICAN AIR POWER

Mr. SYMINGTON. Mr. President, in recent weeks and months there has been "growing criticism" of the performance of Air Force and naval airpower in the Vietnamese war.

As a result, it is being increasingly asserted that air operations against North Vietnam are, first, expensive and second, ineffective.

After three trips to the Vietnam theater in the past year, it is clear that such criticism of this application of air power is not justified; also that the current failure to achieve the success characteristic of previous air operations results from unprecedented rigidity in the regulations and rules of engagement that have been laid down, and under which our pilots are forced to operate. These rules are complicated to the point where maximum effectiveness and efficiency are impossible.

Upon my return from Vietnam last year, I reported to the Senate that a fighter pilot, taking off in a single-seated fighter-bomber to attack North Vietnam had to, first, watch the weather, second, watch for probable enemy air intercept, third, evade ground-to-air attack—AAA and SAM's, fourth, then deliver his bombs precisely on target, whereas, fifth, at the same time he was forced to remember seven pages of detailed instructions as to where geographically he could not go, and what military targets he could not attack.

In recent months, various efforts to denigrate air power in the minds of the public have been on the increase. One group of critics now state these air attacks are ineffective. Another group asserts they are immoral.

In the Vietnamese theater last month, civilians as well as the military were asking: "Why does the Government first put our airpower in the ring, tell our pilots to put up a 'good fight,' but then by means of all these restrictions, in effect, then tie one of their hands behind their backs."

At the same time it is known by all concerned that the enemy is increasing steadily the sophistication of their "ground and air" defenses.

Typical quotes from these pilots are:

I fly over barges that have been unloaded from ships and see on their decks the trucks, ammunition and POL which later I attack with questionable success in the jungles of the Ho Chi Minh trails. Is not a North Vietnamese barge loaded with weapons and ammunition a legitimate military target?"

Another quote from my trip last year:

I am a regular officer and therefore expect to risk my life as part of my job. But why should I do it "several times a week" on long missions, in a multi-million dollar airplane so as to knock out an "empty barracks" or an "empty bus," or a buffalo pulling an irrigation wheel in a rice paddy.

This pilot was later killed on his 77th mission over North Vietnam while attacking one truck.

Another quote:

We are so bound up in target limitations that often we attack targets which would not have been looked at even in Korea.

Another quote:

On four of our last five missions I have flown directly over the airfields of Phuc Yen, some "twelve miles" from Hanoi on my way in to attack targets of questionable importance only five miles from that city. Each time we saw MIG–21s on the field of Phuc Yen; in fact watched them take off so as to attack us from the rear while we continued on to the approved target nearer Hanoi.

Our planes have no "tail gun" capacity. The MIG–21 can "out-maneuver" us. Surely an airfield loaded with military planes is a military target. Therefore, we "cannot understand" why we are forbidden to attack those MIGs, on that field. This is not theoretical. Recently MIG–21 activity has been increasing.

It is a fact that our Government has instructed the Joint Chiefs to utilize air strength with even greater constraint than was imposed in Korea; and as "previously mentioned," this unprecedented constraint is why both Air Force airpower and naval airpower are coming under increasing criticism.

Most people "do not understand" why the application of this arm of our overall military strength is subjected to fluctuating political decisions to a point never before known in military history.

I noticed the newspaper reports this morning of further restrictions imposed as a result of this proposition.

While these fluctuating decisions continue, and against the advice of all previous military leaders, we are now waging "a major ground war" on the mainland of Asia, at a cost to the American taxpayer of "tens of billions of dollars."

Upon returning from the Vietnam theater a year ago, I reported to the Senate my growing doubts about the wisdom of trying to achieve peace by attacking the least meaningful military targets most, the more meaningful targets less, and the most meaningful military targets, "not at all."

With relatively slight variations, this policy continues; and as a result, published articles with thoughts such as the following are on the increase:

It has been widely concluded in public discussions that air power has been given its head in Vietnam, that an all-out air war has been mounted and that it has not borne any "notable fruit".

The Administration has made it clear on numerous occassions that the primary purpose of the out-country bombings are: (1) to stem the infiltration of men and materials southward, and (2) to make the price of the war so high the North Vietnamese will want to go to the conference table.

Continuing with this quote:

Neither of these objectives has been achieved and there is little hope that they can be under present ground rules. The Defense Department reports say that the infiltration rate has about tripled since the bombings of the North began in earnest about "eighteen months" ago and Ho Chi Minh's government shows "no signs" of changing its position and negotiating an end of the war.

Continuing:

A recent Newsweek headline is typical. It reads: "The Air War: Less Than a Success". The accompanying story questioned not only the effectiveness of the out-country effort, but the rationale behind much of the "in-country" air war as well. Lyle Wilson, writing for United Press International, said public confidence in the Air Force is fading. He characterized USAF efforts in Vietnam as "prat-fall" and said the Service's performance, along with Navy and Marine Air, "is a shocking disappointment" . . . when it is unable to overcome a little country with fewer resources than the State of New Mexico.

Continuing the quotes:

Others, with "far less belief in air power," are calling for a cessation of the bombing because (they say) there is "no hope" that it can achieve the Administration's objectives. Consequently, it is described as useless. Critics of this persuasion also contend that aircraft basically are less accurate weapons than any employed by "ground troops;" and that dropping at such "a furious rate" at North and South Vietnam inevitably means "mass slaughter" is involved.

They ridicule any contention by anyone that these air wars are restrained. Some even say air warfare is intrinsically evil and immoral.

That is the end of that quotation in a recent publication.

And so it goes, with some "well meaning," and others not so well meaning, critics attempting to denigrate the military value of airpower itself. Others question the use of airpower from a moral standpoint. They do this primarily by criticizing the "unintentional killing" of North Vietnamese civilians during air attacks against strictly military targets.

I also wonder why those who criticize the unintentional killing in North Vietnam have so little to say about the intentional killing of tens of thousands by the Vietcong in South Vietnam, not to mention the close to 7,000 Americans who died for their country there.

But to those who take the time to visit the theater and talk to the people involved, it becomes clear that if it is wise for the United States to continue to wage this war on the Asian mainland on any basis it should be done in recognition of our "qualitative advantages" instead of on the basis of our "quantitative disadvantages."

Whereas today we control much of South Vietnam during the day, sustained from the north, the North Vietnamese and Vietcong regulars, and even more, their guerrillas, often return to the villages to take control at night. Not only, therefore, should the superb Air Force and Marine support of ground troops continue—so as to prevent as much as possible waging this war on a "one against one" basis, on the ground, in the jungles—but also, again if we are to continue this war—we should use our superior airpower to eliminate the meaningful military targets in North Vietnam. Otherwise, there is relatively little chance of any permanent success in the overall effort.

In conclusion, if we are to continue, I again urge the elimination of these abnormal and unprecedented restrictions which tie the hands of our Air Force and naval pilots to the point where the United States can only continue to lose, unnecessarily, not only more airplanes, but what is vastly more important, more of our finest young Americans.

For unless these present arbitrary and abnormal restrictions are lifted, these unnecessary losses can only increase, primarily for two reasons. First, there has been a marked increase in the sophistication of the ground-to-air defenses of North Vietnam; and an increase both in the number and quality of pilots and MIG-21 planes, the latter a fine air superiority fighter, only exceeded in performance in that category by the new Soviet day fighter, the SU-7.

In summary, against all previous military advice, the United States is now waging a gigantic land war on the mainland of Asia, at a cost for construction, maintenance and operations of tens of billions of dollars annually; and what is more important, thousands of lives.

In addition, because of the great and growing cost of this war, it will not be possible to continue, at least on a proper scale, many of the domestic programs which are so essential to the progress of this country.

For the above reasons, as well as others, if we do not start fully utilizing our technological superiority, on a conventional basis, it would be better to terminate hostilities as against continuing them on the present quantitative basis.

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

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Texas [Mr. TOWER].

Mr. TOWER. I wish to associate myself with the remarks of the distinguished Senator from Missouri [Mr. SYMINGTON], and to commend him on a very excellent presentation. Senator SYMINGTON has been, I think, this body's outstanding and most articulate advocate of the effective use of our air and naval superiority in performing a proper role of interdiction in North Vietnam.

I wish to ask the Senator a question. Does the Senator believe, or is it not his conclusion, as a result of his visits to Vietnam, that we could fly fewer sorties, endanger fewer lives and machines, use less ordnance to more effectively do the job that we should be doing there, if we could liberalize the rules of engagement or liberalize target selection.

Mr. SYMINGTON. The Senator is right. Not only that, but a good many more civilians are killed unintentionally in North Vietnam—when we bomb the less meaningful targets such as trucks moving along the roads, and other moving targets, which they are allowed to attack in certain areas of North Vietnam—than we do when we attack the meaningful targets such as, for example, the POL storage system.

Mr. TOWER. Does not the Senator believe, too, that most military supplies of bulk importance move by sea and, therefore, the port of Haiphong is, properly, the most vital funnel through which the supplies to North Vietnam flow?

Mr. SYMINGTON. That is correct.

Mr. TOWER. It would appear, then, that the effective thing—I am not arguing whether this would be done or not—I happen to think that it should—but I think it would be an effective step, then, to put that harbor of Haiphong out of operation, would it not?

Mr. SYMINGTON. Let me say to my able friend from Texas that it is the unanimous opinion of the Joint Chiefs of Staff that this harbor should be taken out if possible. There are political considerations about the harbor which are unique as against many of the other targets—several, anyway——

Mr. TOWER. I meant from the military standpoint only, not the political.

Mr. SYMINGTON. Yes. There is no question about the fact that a very large proportion of everything moving down the Ho Chi Minh trail to kill Americans in South Vietnam comes through the harbor.

Mr. TOWER. Does not the Senator from Missouri believe, or would he comment, that actually the purpose of using air power for effective interdiction—that is, to destroy the enemy's ability to logistically support a war effort—is the ultimate goal in order to bring the war to the earliest possible conclusion to save human lives in the long run?

Mr. SYMINGTON. The Senator is correct, and also because of the gigantic costs involved. That is why some of us, including the able Senator and myself, do not understand why our pilots in these expensive airplanes are not allowed to hit meaningful targets.

Mr. TOWER. Again, I should like to thank the Senator from Missouri for his excellent presentation and to express the hope that he will continue to make his voice heard on this matter.

Mr. SYMINGTON. I thank the Senator from Texas, who is a true authority in this field. I am grateful to him for his support of my position.

Mr. PEARSON. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am happy to yield to the Senator from Kansas.

Mr. PEARSON. The Senator from Missouri is rendering a great service to the Senate and, indeed, to the Nation. When the administration first announced the bombing north of the 17th parallel in North Vietnam, it said it did so for three reasons.

One, to give a sense of satisfaction, as it were, to the people of South Vietnam so that the source from which all of their suffering and evil came would also suffer some of the hardships of war.

Second, to force Hanoi to the negotiating table to show that there is a price to pay for aggression.

Third, to interdict the flow of men and supplies down the Ho Chi Minh trail to South Vietnam.

Thus, the bombers went forth.

Today, Hanoi is no closer to the negotiating table than before. The men and supplies that flow south through the jungle areas are now up, I understand, to 4,500 men per month infiltration.

Thus, it continues.

The satisfaction that the South Vietnamese people must feel is caught up in the very problem which the Senator from Missouri has just described so well.

I would think that there are many people in America today who are wondering about this, as well as about many other things connected with Vietnam: The policy of the administration that

does not seem to succeed. It comes back to what the Senator said, "Is it a failure on the part of our air arm? Can they not implement the policy of the administration?"

I think here is an answer to one of the hundreds upon hundreds of questions the American people are asking as to why the policy of the administration regarding the bombing of the north is not a success.

I commend the Senator from Missouri for so succinctly and precisely putting his finger on the point.

Let me add this one thought. The distinguished Senator from Colorado [Mr. DOMINICK] is now in the Chamber. Yesterday, we sat together in committee listening to the recitations of the rules and regulations placed upon our pilots who are doing the bombing in North Vietnam. I turned to him—and I would not have the glibness of this comment detract from the seriousness of the subject about which I speak—but I turned to him and I said, "I doubt if you and I could fly this war, as we did in the last one, because we could not remember all those rules and regulations involved with all the other very arduous work that one must do."

Again, I associate myself with the comments of the distinguished Senator from Missouri, as well as those of the distinguished Senator from Texas.

Mr. SYMINGTON. I thank my colleague from Kansas for his contribution to this discussion. He was a pilot in World War II and thus he knows only too well the problems involved when one is limited to the extent which has been mentioned previously this morning.

Mr. BYRD of Virginia. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am happy to yield to the Senator from Virginia.

Mr. BYRD of Virginia. I congratulate the Senator from Missouri for what I consider to be one of the clearest descriptions of the dilemma confronting our young fighting men who are forced to fight a war under artificially imposed restrictions.

I concur in the Senator's views that so long as we draft Americans and send them to Vietnam to fight, we are obligated to give them full support and not impose unreasonable and handicapping restrictions.

I think that the Senator from Missouri has rendered a service today to the Senate and the Nation in pointing out many of the handicaps under which our pilots and our fighting men are operating in Vietnam.

I congratulate the Senator.

Mr. SYMINGTON. I thank the able Senator from Virginia for his contribution. It is a privilege to serve with him on the Armed Forces Committee and it is also a great privilege to remember the contributions that his father made on that same committee during the long years he was in the Senate.

Mr. DOMINICK. Mr. President, will the Senator from Missouri yield?

Mr. SYMINGTON. I am happy to yield to the Senator from Colorado.

Mr. DOMINICK. I thank the distinguished Senator from Missouri. I also want to thank him for going on a program with me recently in my own home State discussing some of these same problems which have been brought particularly close to home these days.

Much like the distinguished Senator from Missouri, I also have received some letters from returning fliers. The Senator quoted portions of his letters, and I should therefore like to add a few letters along the same line.

I do not feel at liberty to give the name of the writer of the letter I hold in my hand but it comes from the son of a good friend of mine. This boy is a pilot, in this case, in the helicopter force in South Vietnam, and he has been engaged in flying helicopters and operating in the so-called pacification zones. He has received, I believe, some 15 air medals and has been put in for the DFC with bronze star, with "V" for valor.

He reports on the fact that four of his planes have been shot down and reports—and I want to be sure I quote this correctly, "We are not allowed to shoot at anyone even if he is firing at you." This is in the pacification zone. This was written, I might say, apparently just about the time the rules were changed. This was the third of October 1966. His letter was forwarded to me on the date of October 12.

He then goes on to say that after the meeting the previous evening, the rules had been changed but that the pilots and the helicopters going into the area where they had lost four ships the previous week, and three more in another area that day, were now told they were free to fire after they had been shot at first.

It is the old situation of where one is trying to fly and do a job and he is not permitted to do it, because of rules that have been established, I presume by the civilian authorities here—I guess the best way to put it is to say the civilian authorities in Washington—who say, "You are not permitted to fire until you are shot at first."

I received another letter in July of last year which goes into considerable detail with respect to the situation in North Vietnam. This man had been released from active duty after 115 combat strike missions, the great majority of which were over North Vietnam. One of the points he makes in his letter is that the aviator has been made to feel angry and unsupported. He says that they watched day by day the construction of SAM missile sites. They were not permitted to bomb them while it was militarily wise to do so. Then when they were completely constructed and heavily defended, they were ordered to bomb them, with high losses.

I am reading from that letter. I have had others of the same import.

It is discouraging, as the Senator has pointed out, to hear critics say that the Air Force and air power are not working, without taking into consideration the very great restrictions under which the air power and the Air Force are being operated.

It seems to me that the remarks of the Senator from Missouri have brought out the facts so clearly that they are well worth study and reading by anyone. I want to congratulate the Senator for his leadership in bringing these matters up again and again.

Mr. SYMINGTON. I thank my colleague from Colorado, who is a member of the Armed Services Committee and also has expertise in this field, because he was an outstanding pilot in World War II.

In further reference to what was said by the Senator from Colorado and other Senators this afternoon, one can only wonder why there is this sudden sharp attack on aviation. It seems probable that it comes as a result of the fact that both of the nuclear weapons that were dropped in anger were dropped from airplanes. There developed the slogan "Ban the Bomb." As those of us familiar with aviation know, in the future, the chances of a nuclear weapon being dropped from an airplane as against coming out of a silo or from the tube of a submarine are very small indeed. God forbid that either happens. Nevertheless, the "Ban the Bomb" slogan was carried to "Ban the Bombing." All of a sudden, there was an attempt by those, apparently unmindful of the security of the United States, to appear to make the word "airplane" an unthinkable word, synonomous with "atomic bomb." I see in these growing efforts to denigrate air power a growing problem, especially as related to its importance to the security of the United States. Therefore, I am grateful for this colloquy.

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

Mr. SYMINGTON. I yield to the Senator from Texas.

Mr. TOWER. Does the Senator agree that in this day and age we must avoid what might be considered a narrow global or strategic mentality, and think in terms of perhaps conventional and brushfire wars and the necessity to maintain a whole spectrum of deterrents? Does not the Senator agree that in any conventional war situation, there is certainly no substitute for air power?

Mr. SYMINGTON. The best answer to the question of the Senator from Texas is that the strongest advocates of air power I have met in recent months are our able and dedicated leaders of our armed services in the Army and Marines in South Vietnam. There are very few roads that are not interdicted, at night especially, by the enemy. There are no railroads. There is no way to transport materiel to our men throughout South Vietnam except by air power. In addition, there would be no chance of bringing aid to the Special Services, what we know as the Green Beret boys, unless we had the ability to give them support by air if and when they are attacked, as they often are.

Therefore, as opposed to these attempts to denigrate air power by critics who say that air power is ineffective in South Vietnam, our generals in Vietnam, General Westmoreland and General Walt, and other high-ranking officers over there, who are doing a good job there militarily, would be the first to say they could not function without the support of air power.

Mr. TOWER. I was particularly impressed by the facts that the Senator from Missouri has introduced into the RECORD. I also had the privilege of being on the deck of a carrier on Yankee Station and talking to pilots who had made strikes against North Vietnam.

This is the finest class of airmen we have ever known, and I would have to include the distinguished Senator from Colorado [Mr. DOMINICK], and the distinguished Senator from Kansas [Mr. PEARSON]. I include myself when I say that this is the finest class of fighting men, bar none. I have stood on the deck of a Navy carrier off Yankee Station and talked to a Navy pilot whose face was contorted with frustration because he had lost his wing man going in to attack a heavily defended target.

I wish every Member could talk to these pilots who fly over Vietnam. They would be convinced of the profound validity of what the distinguished Senator from Missouri has said today.

Mr. DOMINICK. Mr. President, I want to associate myself with the comments which the distinguished Senator from Texas has just made. Having been a flyer, having been in some fairly difficult situations myself, I cannot conceive of a more frustrating type of situation to be in than to be told you must fight for your country, but you must fight with one hand tied behind your back. I cannot conceive of any more difficult position.

Mr. President, will the Senator from Missouri yield further?

Mr. SYMINGTON. I yield.

Mr. DOMINICK. I had some remarks that I was going to make during the morning hour, together with an accompanying letter, from a man in the Army who, I think, points out so clearly the morale of our forces. I think it is worthwhile that I make these remarks at this time.

Most of us in the Senate have at one time or another found ourselves in uniform fighting for our country: some in World War I, some in World War II, some in Korea, some in World Wars I and II, some in World War II and Korea.

Still others have put on uniforms and gone into the armed services of our country to help maintain and perfect our defenses against outside attack even though the country was not actively engaged in hostilities, a job perhaps not as perilous but equally necessary to our security.

These military experiences inevitably involve sharp changes in living patterns. Often discomfort, dirt, and danger have been the hallmarks of existence in the military, and I am sure that each of us at these times has asked himself, "Why? Why are we doing this?"

This question is even more pertinent to our troops in Vietnam, because many news columnists and editorialists have savagely attacked our involvement as a waste of people and principle.

The other day I received a letter from a young Coloradan, Pvt. Gordon Walker of the U.S. Army, whose family is waiting for him to return home after military service. Private Walker gave such a heartwarming answer to the editorialists, the columnists, the pickets, and others who are almost professionally attacking our purposes in Vietnam, that I asked for and received his permission to insert his letter in the RECORD.

Bless this country and our State, that we can still produce young people equal to those who have fought in other struggles for freedom, and equal to those now slogging through the jungles of Vietnam in the same cause.

Mr. President, I submit his letter together with his letter of consent.

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

U.S. ARMY,
January 11, 1967.

DEAR SENATOR DOMINICK: Thank you so much for so thoughtful a reply to my letter of a couple of weeks ago. It was a gratifying thing to know that you were so interested in my views.

You asked if you might use the letter for entrance into the CONGRESSIONAL RECORD after Congress reconvened and I thought that to avoid any possible repercussions on that score, I would write my agreement for you.

That letter is now yours and you certainly may do with it as you please for whatever good use you may have.

By the way, my company commander and brigade colonel have both seen your reply to me and have asked if I might ask for a copy of the letter for their records. Would it then be possible for you to send me a carbon of my letter? I would be very grateful.

Thank you again and God bless you.

Yours very truly,
PHILIP G. WALKER,
Private, U.S. Army.

3RD PLT., CO. C, 3RD BN., 2ND BDE (BCT),
Fort Bliss, Tex.

DEAR SENATOR DOMINICK: I hope that you have time from your very busy schedule to read a thought or two from a young man who would like to put in his say about service in the military in general and the U.S. Army in particular.

I know that in the past few months there has been an odd movement all over the country in regards to our place in the world community of war. Certainly most of this regard has been focused on the part that we are playing in the struggle now going on in South Viet Nam. Many small groups and a few of the large ones have spoken out critically about our activities in that area. Let's make the position clear and set the ball rolling in a less wobbly manner.

The other day, while I was home on leave for the holidays, my three-year-old girl asked me, "Daddy, why do you go to war?" It occurred to me at the time that this is exactly the question that all of the groups and individuals have been asking for all these months. Certainly the answer is not a clear-cut one just as the battle lines in Viet Nam are not clear-cut. Moreover, the question has not received an adequate reply since the demonstrations go on. But one day the answer must be extant or the struggle here at home may force us into making a mistake that we cannot afford to bear the cost of at this time.

"Daddy, why do you go to war?" Can I tell her that there is a militant group of people who align themselves behind and plot for the overthrow of our precious way of life? Can I say that nearly every week in a hundred ways, a hundred men die to keep that curtain from falling on the stage in Southeast Asia? How do I explain that for nearly two hundred years young American men have marched off to fight in places that they could not even pronounce simply because it was the right thing to do. No, Senator, I can't say these things. She could not understand any better than could the children who march with placards on their shoulders and burn their American responsibilities in little piles on the ground that was paid for in blood. My little girl simply is asking a question. She may not understand, but she listens. Others just don't understand.

My answer to her was put in three-year-old language. It was said in such a way that she would comprehend. "Bambi Ann," I said, "I must go away because I want you to have a good dinner tomorrow, so that you can sleep warm in a soft bed tonight and so you will always have a nice dolly to hug and squeeze." My little girl has all of those things today because 400,000 of my comrades are out buying them for her this day. I will not shirk my chance to help pay for her things. I will not burn her heritage along with my draft card. I will not march her away to chains and bondage by marching along with a protest sign. I will not subscribe to the adage that "It is not the Earth the meek inherit, but the dirt."

Senator Dominick, tell the people, all of them, that my little girl and all the other little girls in our country, will not be sold out by the bearded boys who scream "Peace"!, when a million of their American brothers carry a rifle and answer, "Where"?

Tell the people that all of my little girl's tomorrows ride with me and a hundred thousand like me, today, in camps all across the continent. We are not here because we like it. We do not take up arms because it is our choice. But rather, we are there because the hands that are taught to kill today, will be home to tuck all the little girls into bed tomorrow.

Make no mistake about it. The people with whom we fight in those jungles are our enemies. And they will be our executioners if they have the opportunity. I will not retreat. My fellow soldiers will not retreat. I know that you will not retreat. Now if only those who will not listen would only put aside their fears and accept their heritage like a man, then perhaps there would be nothing to fear.

I suppose that if the world were made out of gold, men would still go on killing each other for a handful of dirt. Until the glitter of world domination is gone from the eyes of those behind the curtains. Until the walls of bigotry, hate, greed and oppression have crumbled to dust, men like myself will go on fighting for the protection of that part of the world where those things grow least of all. My land, my life, my hearts delight. My America!

Yours very truly,
Pvt. PHILIP G. WALKER,
U.S. Army.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum, and I ask that Senators be notified that this will be a live quorum.

LEGISLATIVE REORGANIZATION ACT OF 1967

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

The clerk will call the roll.

The assistant legislative clerk called the roll, and the following Senators answered to their names:

[No. 8 Leg.]

Aiken	Clark	Hart
Anderson	Cooper	Hatfield
Baker	Cotton	Hayden
Bartlett	Curtis	Hickenlooper
Bennett	Dirksen	Hill
Bible	Dodd	Holland
Boggs	Dominick	Hollings
Brewster	Ellender	Hruska
Brooke	Ervin	Jackson
Burdick	Fannin	Javits
Byrd, Va.	Fong	Jordan, N.C.
Byrd, W. Va.	Fulbright	Jordan, Idaho
Cannon	Gore	Kennedy, Mass.
Case	Griffin	Kuchel
Church	Hansen	Lausche

Long, Mo.	Moss	Sparkman
Long, La.	Mundt	Spong
Magnuson	Murphy	Stennis
Mansfield	Muskie	Symington
McCarthy	Nelson	Talmadge
McClellan	Pearson	Thurmond
McGee	Pell	Tower
McGovern	Percy	Tydings
McIntyre	Prouty	Williams, N.J.
Metcalf	Proxmire	Williams, Del.
Mondale	Randolph	Yarborough
Monroney	Russell	Young, N. Dak.
Montoya	Scott	Young, Ohio
Morse	Smith	

Mr. LONG of Louisiana. I announce that the Senators from Indiana [Mr. BAYH and Mr. HARTKE], the Senator from Hawaii [Mr. INOUYE], and the Senator from New York [Mr. KENNEDY] are absent on official business.

I also announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Alaska [Mr. GRUENING], the Senator from Rhode Island [Mr. PASTORE], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I further announce that the Senator from Oklahoma [Mr. HARRIS] is absent because of the death of his grandmother.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Iowa [Mr. MILLER] are absent on official business.

The Senator from Kansas [Mr. CARLSON] and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The PRESIDING OFFICER. A quorum is present.

Mr. JAVITS. Mr. President, if the Senator from Oklahoma is agreeable, I should like to call up my amendment 32 and ask that it be stated.

The PRESIDING OFFICER. An amendment is pending.

Mr. JAVITS. Mr. President, I have the permission of the Senator from Pennsylvania [Mr. CLARK].

Mr. HOLLAND. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. HOLLAND. Mr. President, what is the pending business?

The PRESIDING OFFICER. The pending business is amendment 7 to S. 355.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the Senator from New York be permitted to present his amendment at this time. He has discussed the matter with the Senator from Pennsylvania who is willing to stand aside until the amendment of the Senator from New York has been acted upon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered. The amendment of the Senator from Pennsylvania is temporarily withdrawn.

AMENDMENT NO. 32

Mr. JAVITS. Mr. President, I send a modification of my amendment No. 32 to the desk and ask that it be stated. It is a very simple matter and I point out that Senators may follow it from the printed copy.

The PRESIDING OFFICER. The amendment as modified will be stated.

The legislative clerk read as follows:

On page 80, line 3, insert the following new subsection:

"SEC. 336(a) In order to insure that debates of the Senate may be heard in all parts of the Senate Chamber and in the galleries thereof, the Majority and Minority Leaders are authorized and directed to take such action as may be appropriate for the installation and operation within the Senate Chamber of a suitable electrical public address system approved by them.

"(b) To the extent authorized by law, the expenses incurred for the installation and operation of such public address system may be defrayed from the contingent fund of the Senate."

Mr. JAVITS. Mr. President, as is clear from the amendment, we are not dealing with this matter in any hostile way; neither the Senator from Oklahoma nor I.

The question involved is simply: Does the Senate wish to have, if we can find one—I am sure that electronically we have advanced to that point—a suitable public address system so that we can be heard in the galleries and by our distinguished friends of the press, and so that we can hear each other, which is mighty important, and so that we can hear the Chair, which is very important.

I have decided that the best way in which to accomplish this—I have discussed it with Senator MONRONEY; not that he necessarily consents, but I have his views—is to vest in the majority leader and minority leader the choice of a system. All we would be doing, if we adopt this amendment, would be to say to them that we desire such a system. If they can find a suitable system which will be congenial to them and congenial to the rest of the Senate, then we could deal with the matter again in an appropriation bill; because all this measure would do would be to ask them to go ahead and pick a system. The funds for the plan would have to be incorporated in an appropriation bill, and we could turn it down at that time if necessary.

It seems the consensus is that instead of getting a report from the majority leader and the minority leader and then going at it in another authorization, we ought to authorize the idea, if this is what we wish, and then let them pick a system, and deal with it finally in the appropriation process.

Now, as to the merits of the proposal itself: In the first place, we have been going on in this manner for many years, long beyond the time when other people with similar problems have been going on in the same fashion.

For example, in the other body, as all of us who have served there know, there are effective public address systems at the seats of the majority leader and the minority leader, in the well of the House, where many of us have spoken who were Members of the House, and at the Speaker's podium.

It is true that we are a much smaller body, but, Mr. President, I should like to point out that matters have often gone awry here because Members could not hear or the galleries could not hear the Members or we could not hear the Chair. It is a little embarrassing to a Member and he always feels uncomfortable when somebody asks him to speak up. Some Members are happier and feel better if they do not have to speak up. They like to pursue their normal tone of voice.

On some occasions when Vice President Nixon was in the chair, he spoke so quietly that many of us could not hear him; and we were uncomfortable about asking the Chair to speak up.

A number of Members have had occasion to correct on the floor a misconstruction of what they said or a misstatement of what they said, which was put out by the press, through nobody's fault, except that the people in the gallery just did not hear it.

We also have the rather unfortunate practice where we are latched down to a mimeographed speech; and if we do not give it to the boys and girls in the gallery, we probably are not reported, because often they cannot hear or are unable to make notes because we do not speak quite clearly. The give and take of debate often is not reported because we are not being heard adequately for a report.

I should like to relate one instance in which a serious question arose. Our beloved President pro tempore [Mr. HAYDEN] made a ruling on a rule XXII committal motion on January 14, 1965, which apparently was misinterpreted, and it took some straightening out, because he just was not heard.

I should like to point out that in the Supreme Court of the United States there is an analogy with our situation. The Supreme Court—perhaps many of our Members know this—now has a public address system of its own, with an individual microphone in front of each Justice, which he can turn off or on as he chooses. If he does not wish to hear what is going on, or if he does not wish to speak into the microphone, he switches it off. The lawyers at the stand, arguing before the Court, also have a microphone, so that the judges may hear them, if they choose. The Justices can keep their public address system on or turn it off.

Certainly, the state of the art has advanced enormously. I first introduced this concept in 1957, exactly 10 years ago. So that nobody can say that we are moving too precipitately in this Chamber. I first introduced this concept 10 years ago. At that time, the state of the art might have been such that a microphone on each Senator's desk would have been unsightly. But, today, microphones can be small and are so sensitive, so selective, that they can be toned up or down and can be turned off by the simple flip of a switch at the Senator's desk.

I am confident that a microphone can be contained in this recess on our desks which has a rather old-fashioned container, to be used with quill pens, and is completely archaic. Nonetheless, here it is—a charming ornament, but a perfectly proper recess into which, with modern technology, a sensitive microphone could be inserted.

I am honored, Mr. President, that the minority leader has joined in this matter with Senators HARTKE, MORSE, MOSS, MURPHY, SYMINGTON, CLARK, and our beloved Mrs. SMITH, who have joined with me in putting this matter before the Senate.

This is an opportunity for us to express ourselves. I do not know what will happen to this bill. I hear all sorts of things about it. Whatever we do on the

bill may not necessarily survive a motion to recommit the bill. But I believe that this is a housekeeping matter of our own, and I rather agree with Senator MONRONEY, who said he would like to know—he is not necessarily fighting this matter pro or con—how the Senate feels about this matter.

If we feel that the time has come that we want the public address system—the exact system to be selected by the minority leader and the majority leader, the two Members in whom the Senate has the most collective confidence—then I am confident that we will get this system. Whether we obtain it by this bill or by some other action of the Senate, I am sure that, the Senate having expressed itself on this subject at long last affirmatively, the matter will be taken care of properly.

I assured Senator MONRONEY, when I spoke with him this morning, that this is such a unique matter of housekeeping, that it does not represent any particular precedent as to the other rather numerous amendments to this bill. This is a very clearly defined unique matter of internal housekeeping for the Senate. A good time to handle it is in connection with this bill, because our minds are concentrated in part II of this bill, on Senate business and Senate organization. But it is not necessarily any precedent for what the Senate may do on many other amendments to this bill which Senator MONRONEY will be facing, as we approach a different aspect of the subject.

I ask unanimous consent that the Senator from Delaware [Mr. WILLIAMS] be added as a cosponsor of the amendment, as modified.

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

Mr. HOLLAND. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER (Mr. SPONG in the chair). Does the Senator yield?

Mr. JAVITS. I yield.

Mr. HOLLAND. The first question: Am I correct in my understanding that this does not change the formal Standing Rules of the Senate?

Mr. JAVITS. It does not.

Mr. HOLLAND. Am I correct in my understanding that the printed text of the Senator's amendment, which would have committed the carrying out of this matter to the Committee on Rules and Administration, has been rewritten so as to leave the working out of this matter to the two leaders—the majority leader and the minority leader?

Mr. JAVITS. The Senator's understanding is correct.

Mr. HOLLAND. I want to say to the distinguished Senator that I think this is a reform that has been long needed in the Senate. I have had many complaints from people who have come here, that they had been unable to understand what was being said by various Senators and by the Presiding Officer, and unable to know what was being disposed of; and that they had gone away with a sense of deep dissatisfaction because of that fact.

So long as this is not a change of the rules, so long as this does leave the matter to the two leaders to work out on any basis they find it can be worked out satisfactorily, at which stage it would, as the Senator said, come back before the Senate for appropriation, I strongly hope the measure will prevail.

Mr. JAVITS. I am grateful to the Senator from Florida [Mr. HOLLAND] for his support.

Mr. President, I might point out that because it is the majority leader and the minority leader I struck out the word "required" in line 5 and inserted "appropriate"; and struck out in lines 6, 7, and 8 any specificity about the plan and inserted "a suitable electric public address system approved by them," to wit, the majority leader and the minority leader, to carry out the spirit with which I presented this matter.

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

Mr. JAVITS. I yield.

Mr. MUNDT. I wish to raise one question with respect to the response of the Senator from New York to the question of the Senator from Florida [Mr. HOLLAND]. It seems to me that what the Senator from New York [Mr. JAVITS] told the Senator from Florida [Mr. HOLLAND] is not quite in conformity with the bill as I read it.

As I understand the matter, changes have been made that do not appear in the text. I believe that this is something which deserves a study. I like the idea of the two leaders giving it the study. I believe that this is a sharp departure from the past, and before action is finalized it should come back to the entire membership for approval. I thought the Senator from New York said this would come back to us for final decision after studying the recommendation through the Committee on Appropriations.

Mr. JAVITS. I shall restate the plan which I have in mind.

Mr. MUNDT. I thank the Senator.

Mr. JAVITS. If we adopt this resolution or amendment—it really is a resolution—whatever happens to the bill, I am sure that the majority leader and the minority leader will honor what we want to do. They will then be requested and directed to find a suitable system which they approve. When they have found such a system, it can be taken by them to the Committee on Appropriations for an appropriation.

We will next be able to pass on it if they have approved the system. The Committee on Appropriations would provide for it in an appropriation bill; then, it will be before us to take it or leave it, by either leaving it in the appropriation or striking it out.

Mr. MUNDT. This is where there should be additional tailoring. The Senator said that it would be to the extent authorized by law. The expense for the installation and operation of such a public address system may be from the contingent fund of the Senate, which means that the money cannot come from the Committee on Appropriations. I would like to have the usual procedure followed rather than the confused procedure in the text.

Mr. JAVITS. The Senator would prefer the usual procedural plan, talking about "such funds."

Mr. MUNDT. Yes, that would do what the Senator said.

Mr. JAVITS. I thought that this would do, but I am perfectly willing to agree to that.

Mr. MUNDT. Has the bill been amended?

Mr. JAVITS. I shall amend it in a formal way.

Mr. LONG of Louisiana. Mr. President, as the Senator from New York perhaps well knows, the General Assembly of the United Nations has an extremely sophisticated and perfected system of loudspeakers and translators. A person can even sit in the galleries and hear any speech that is being delivered in five languages. He picks up the receiver by the side of his chair and he tunes to whomever he wishes and hears the speech in any language he wishes to hear it delivered to him. That system could be useful in a number of instances in the Senate. From time to time we have foreign dignitaries who do not speak our language, and it would be perfectly appropriate, when they address the Chamber, for a translator to deliver the message in our language as the speech is addressed to us. It is my judgment that if we do experiment with this matter we will probably find it worthwhile.

What is the reaction of the Senator with respect to the possibility of having other outlets in the building so that when a person is at the luncheon table at noontime he can hear what is being said with respect to a matter which he opposes, or with respect to a matter which he favors?

Mr. JAVITS. Big Brother is watching us. We could have television screens in our offices. I have been here long enough to know that one needs to get a pretty good consensus before trying something that is new. I think I have a pretty good consensus to leave the choice of the system to the majority leader and the minority leader. I think that the Senator from Louisiana [Mr. LONG] has a little standing with them. His ideas will be most refreshing. I would say that the ideal would be of interest to me as a modernist, but they will be making the decision. If they feel that the system can be extended to our offices so we can hear there, too, that is all right with me, but I would rather not have that in the legislative history because I honestly feel that the best plan is to leave it to these two Senators.

Mr. LONG of Louisiana. I have no objection to that feature. I wish to make it clear for the RECORD that the Senator does not object to experimenting with a number of things which we might do with electronics. This is an electronic age, in some respects, and we might as well see what we can do with it. I was hopeful that we would make more use of the electronics with the work of this committee than we have. It was my thought that perhaps we might have a voting machine here so that when we have finished debating some measure the vote might be taken immediately, as is done in some State legislatures, rather than to require 12 to 15 minutes to call the roll.

Mr. JAVITS. I thank the Senator.

I yield to the minority leader.

Mr. DIRKSEN. Mr. President, I think we ought to update the Senate Chamber. I recall when I was in the House of Representatives 30 or 40 years ago there were no loudspeakers and there were no committee tables. There was great difficulty hearing Members who were off in one corner of the Chamber, especially when there was a substantial number of the total membership of 435 on the floor. The matter was agitated in the hope that amplification could be had and at long last a casketlike box appeared under the ceiling of the House of Representatives. It is still there today. I do not know whether they bounce beams off of it or what they do, but they have these gadgets at the committee table, and at least they can hear the people who go up there to speak.

I think the distinguished Senator from New York [Mr. JAVITS] pointed out that quite often the press does not hear accurately and it is not their fault. Then, they have to chase down a quotation and if they do not find the author of the quote they may wrongly quote him, and then he will be full of bile and umbrage and nobody is at fault.

I think that the public who comes here is entitled to hear. Families of Senators sit in the Members' Gallery and so often they will complain of the fact that they could not quite hear what the discussion was about on the floor of the Senate. They and all of the public who honor us by their visits are entitled to hear. That is another question.

I would assign still another reason. I thought at one time every Senator's desk was equipped with a snuffbox. I understand they have the snuffbox down near the door and it is glued down or something or other so Senators can get some snuff but cannot take away the box as an antique or a souvenir.

But I do not know what these gadgets are. I have a whole flock of blotters in this drawer. Then, there is this sand shaker. I never used it in 16 years in the Senate. This is the first time I have shaken any sand from it. It does not look good to me as it is. It is black and if it is used on ink, I do not know what kind of a result will be had.

I am confident that we can get a gadget that will fit into the place occupied by this sand shaker. That will be all that will be necessary. A Senator would be able to pick it up in his pocket and "waltz" around the Senate and violate the rules by leaving his desk, but he will still be heard. Such a device would not interfere with whatever electronic devices may be installed at other desks.

There is one more reason, and this is by way of a confession.

As one grows older, his vocal cords lose a little of their dynamite, a little of their resonance. The voice becomes a little thin, sometimes a little squeaky. Well, even a squeaky voice or a thin, piping treble is entitled to be heard on this floor as well as a resounding bass.

Therefore, if these gadgets will help to convert a piping treble into something profound that will go up into the ambiance, I am for it.

Thus I hope, since the Senator has submitted this to the majority and minority leaders, that we will be willing to spend a little of the public's money to get the best gadgetry we can. If we do obtain it, I believe that we will be thanked.

I should add to that this one thought: We punctuate the air with many speeches, and hurl an assortment of rhetoric at one another. Well, it is rather relaxing and restful to modulate the voice a little into the upper register and then let it sink into the cellar, or let it be musical at times, or let it thunder like a burst of oratory from Daniel Webster. To a person like that, it is restful, but we cannot do that very well in this Chamber. But if we had one of these little gadgets—oh, what we could do then, particularly if we injected some poetry into our speeches. I think it would add not only eloquence but also persuasiveness to our speeches.

So, all hail to my good friend from New York. We will give it a try and see how it works out.

Mr. President, I hope it is not a violation of the rules to pour this sand from the top of my desk into the wastebasket.

Mr. CLARK. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. CLARK. As a cosponsor of this proposed aid to the Senate, I should like to express my delight at the spirit of sweetness and light which has descended upon the Senate during the last few moments.

Such a show of unanimity is, indeed, wonderful to behold. The sight of the Senator from New York and the Senator from Illinois walking hand in hand down the road to useful reform of the procedures of the Senate is one which delights my heart.

I am happy, indeed, to follow in their train and I express the fervent hope that the same spirit of unanimity will prevail in the Senate when certain of the changes which I intend to propose are called to the floor for a vote.

I congratulate the Senator from New York on the extraordinary skill and diplomacy with which he has brought together so imposing a coalition in support of his most useful amendment.

Mr. JAVITS. Mr. President, I desire to modify my amendment.

I modify my amendment by striking subsection (b) thereof and insert in lieu thereof the following:

(b) The expenses incurred for the installation and operation of such public address system shall be considered in the legislative appropriations bill.

I ask that my amendment be so modified.

The PRESIDING OFFICER. The amendment is modified accordingly.

Mr. MONRONEY. Mr. President, the Joint Committee on the Organization of Congress considered suggestions that had had been made by a number of witnesses to provide for loudspeakers and microphones in the Senate Chamber. Discussion largely revolved over the intimate character of Senate discussion, its low-key reasoning, and attempts to justify and explain the various measures on more of a person-to-person basis than on a public address basis. The consensus of the committee was that we would be better served by not having a microphone placed on each Senator's desk, and loudspeaking equipment placed throughout the Chamber and the galleries, particularly the press gallery. Today there seems to be a strong unanimity of opinion, however, beyond the decision of the committee.

I believe that the amendment offered by the Senator from New York, giving authorization to the Appropriations Committee to approve a sound system for the U.S. Senate, leaving the final decision on whether money would be appropriated and whether the recommendation of the majority and the minority leaders would approve the system, would leave this open for the final decision of what kind of equipment to obtain, and whether any is available which could be placed in the Senate Chamber without violating the decor which has so long existed here.

I do not feel that the minority leader has any need ever to worry about the sound of his voice, its soft and strong characteristics which carry so well when heard resounding throughout this Chamber. I can say this, too, about many other Senators who, I believe, can be heard distinctly. But, I must admit that in the galleries it is sometimes very difficult to hear what is going on.

For that reason, since this is an authorization for the Appropriations Committee to consider the appropriation, I believe that the other members of the joint committee from the Senate would be happy to accept the amendment of the senior Senator from New York and others.

Mr. MUNDT. Mr. President, will the Senator from New York yield?

Mr. JAVITS. I yield.

Mr. MUNDT. I think that the language of the suggestion of the Senator from New York comports with the definition and delineates the action as stated by the distinguished Senator from Oklahoma. I see no reason for anyone to object to initiating this study.

Let us come up with the facts and have a good look at it.

Mr. JAVITS. Well, I think that the amendment goes a little further than that, in all respect, let me say. The amendment makes the decision that we want it and authorizes the majority and minority leaders to carry out the decision. It will give us another chance at it through the appropriations process.

Mr. MUNDT. We must be sure we do not get a "pig in a poke."

Mr. JAVITS. This is the authorization now.

Mr. MUNDT. That is right.

Mr. JAVITS. Under the circumstances, I should like to ask my colleague from Oklahoma this question:

I never like unnecessary rollcalls but as I feel that this is a decision which the Senate should make in a considered way, that it really does want such a system, does not the Senator from Oklahoma feel that rather than just taking the amendment—sometimes they go down the drain in conference—that we should have a yea-and-nay vote on it and see how a majority of the Senate feels about it on the record? This is a historic determination to be made by the Senate.

Mr. MONRONEY. I agree that we

should have a yea-and-nay vote, because it is an intimate matter on which Senators can express their choice.

I would hate to see the Senate get a system such as is now being used in the House of Representatives, where the amplified voice is boomed into the ear drums as one enters the Chamber. That would not fit in with the kind of debate engaged in in this Chamber.

In the House, with Representatives sitting close to each other, when one Member addresses the Chair, he then comes down into the well and looks out upon 434 Members and the vast expanse of the House Chamber.

Our decision is to go forward and get the very best design submitted which would work out well in the Senate Chamber. It will then be submitted to the leadership on both sides of the aisle and then, with the vote of the Appropriations Committee, bring it in. I am sure that the Senate would then have the right, as it always does on appropriations, to vote yea or nay on the proposal.

Let me say, however, that as I read the amendment, it is an authorization. We do not commit ourselves, as the Senator from South Dakota has stated, to buy a "pig in a poke" and thus automatically tie ourselves to a system which would be incompatible with Senate debate.

Is that the distinguished Senator's understanding?

Mr. JAVITS. That is correct. The Senator will agree, I am sure, that we would have had a substantive decision.

Mr. DIRKSEN. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MUNDT. Mr. President, I wonder if the Senator is prepared to read the revised amendment so we will know what is involved.

Mr. JAVITS. Mr. President, I ask unanimous consent that the clerk may read the amendment as modified.

The PRESIDING OFFICER. The clerk will read.

The legislative clerk read the amendment of Mr. JAVITS, as modified, as follows:

On page 80, line 3, insert the following new section:

"SEC. 336. (a) In order to insure that debates of the Senate may be heard in all parts of the Senate Chamber and in the galleries thereof, the majority and minority leaders are authorized and directed to take such action as may be appropriate for the installation and operation within the Senate Chamber of a suitable electrical public address system approved by them.

"(b) The expenses incurred for the installation and operation of such public address system shall be considered in the legislative appropriations bill."

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New York, as modified.

Mr. BYRD of West Virginia. 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. BYRD of West Virginia. 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. MURPHY. Mr. President, since being elected to this distinguished body 2 years ago, it has become increasingly apparent to me that there exists a great need for the installation of a public address system in the Senate Chamber. There have been times during these 2 years when important legislation was before the Senate, and I have been unable to hear clearly the discussion and debate that were taking place.

Mr. President, with the wonders of electricity that are available to us, it is inexcusable that a Senator should ever be unable to hear all the Senate proceedings. True, a Senator can leave his regular desk and move across the Senate floor in order to be nearer the Senators who are at that moment engaged in a colloquy or who are making an important speech. But even if this were always possible, it just seems to me that this is a needless inconvenience to the Members of this body.

Although the installation of a public address system is completely justified because of the importance that each Senator hear every single word of the debate involving the great issues of our day, there is in my judgment another equally cogent reason for the Senate's use of a public address system.

Mr. President, in 1960, 15 million persons visited Washington, D.C. By 1970, it is anticipated that this number will increase to 24 million yearly, and by 1980 it is expected that 35 million Americans will arrive in the Nation's Capital. Included in this group, Mr. President, are more than 750,000 students who each year make a pilgrimage to the Capital as part of their education in order to learn more about the Federal Government and the Nation's history.

I have spoken to many of these constituents from my State, who have had occasion to sit in the Senate galleries and attempt to follow the debate. Their story is always the same—they left the Chamber discouraged and disillusioned, in no small part due to the fact that they could not hear and understand the debates.

Mr. President, this not the impression that I for one want the citizens of California to form regarding the greatest legislative body in the world.

I must not neglect another group of individuals to whom the installation of a public address system will be most valuable. As my colleagues can well foresee, it will play an important role in assisting the working press in its important function of keeping the American people fully advised and informed.

These are the reasons why I believe it is so important that the amendment offered by Senator JAVITS today, and which I cosponsored, be adopted.

Mr. President, if the Senate will indulge me on a personal observation—although my voice has greatly improved, I still find that the use of my little amplifying system is a great help in making certain that my words can be heard by my good friends and colleagues on the other side of the aisle. I, of course, am deeply grateful for the kindness and cooperation that I received from my Senate colleagues, particularly the always agreeable majority and minority leaders, when I was permitted to use this amplifying box last year and possibly established somewhat of a precedent.

Mr. JAVITS. Mr. President, I understand that there is some question whether the words "and directed" on line 4 change the intention that we have: that, first, we shall make our decision; second, that the majority and minority leaders shall pick the systems; third, that we shall have another "crack" at it in the appropriation bill.

Therefore, I ask unanimous consent that the words "and directed" in subsection (a), line 4, of the amendment may be deleted.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The question is on agreeing to the amendment of the Senator from New York, as modified.

The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. LONG of Louisiana. I announce that the Senator from Indiana [Mr. BAYH], the Senator from Louisiana [Mr. ELLENDER], the Senator from Indiana [Mr. HARTKE], the Senator from Hawaii [Mr. INOUYE], the Senator from New York [Mr. KENNEDY], the Senator from Montana [Mr. MANSFIELD], the Senator from Oregon [Mr. MORSE], and the Senator from Mississippi [Mr. STENNIS] are absent on official business.

I also announce that the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from South Dakota [Mr. MCGOVERN], the Senator from Rhode Island [Mr. PASTORE], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Florida [Mr. SMATHERS] are necessarily absent.

I further announce that the Senator from Oklahoma [Mr. HARRIS] is absent because of the death of his grandmother.

I further announce that, if present and voting, the Senator from Florida [Mr. SMATHERS] would vote "yea."

On this vote, the Senator from Oregon [Mr. MORSE] is paired with the Senator from Rhode Island [Mr. PASTORE].

If present and voting, the Senator from Oregon would vote "yea" and the Senator from Rhode Island would vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT] and the Senator from Iowa [Mr. MILLER] are absent on official business.

The Senator from Kansas [Mr. CARLSON], the Senator from New Hampshire [Mr. COTTON], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

The Senator from Vermont [Mr. AIKEN] and the Senator from Iowa [Mr. HICKENLOOPER] are detained on official business at the White House.

If present and voting, the Senator from Iowa [Mr. MILLER] and the Senator from Kentucky [Mr. MORTON] would each vote "yea."

The result was announced—yeas 50, nays 27, as follows:

[No. 9 Leg.]

YEAS—50

Anderson	Hart	Murphy
Baker	Hatfield	Muskie
Bible	Hayden	Nelson
Boggs	Holland	Pearson
Brewster	Hruska	Percy
Brooke	Javits	Prouty
Byrd, W. Va.	Jordan, Idaho	Randolph
Case	Kuchel	Scott
Clark	Long, Mo.	Smith
Cooper	Long, La.	Spong
Curtis	Magnuson	Symington
Dirksen	McIntyre	Talmadge
Dominick	Metcalf	Thurmond
Fannin	Monroney	Tydings
Gore	Montoya	Williams, Del.
Griffin	Moss	Yarborough
Hansen	Mundt	

NAYS—27

Bartlett	Hill	Mondale
Bennett	Hollings	Pell
Burdick	Jackson	Proxmire
Byrd, Va.	Jordan, N.C.	Russell
Cannon	Kennedy, Mass.	Sparkman
Church	Lausche	Tower
Dodd	McCarthy	Williams, N.J.
Ervin	McClellan	Young, N. Dak.
Fong	McGee	Young, Ohio

NOT VOTING—23

Aiken	Gruening	Miller
Allott	Harris	Morse
Bayh	Hartke	Morton
Carlson	Hickenlooper	Pastore
Cotton	Inouye	Ribicoff
Eastland	Kennedy, N.Y.	Smathers
Ellender	Mansfield	Stennis
Fulbright	McGovern	

So Mr. JAVITS' amendment, as modified, was agreed to.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. COOPER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The question recurs on amendment No. 7 of the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I ask unanimous consent that amendment No. 7 may be set aside temporarily in order to give the manager of the bill an opportunity to bring up and dispose of three noncontroversial amendments, and that thereafter amendment No. 7 may become the pending business.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

AMENDMENT NO. 35

Mr. MONRONEY. Mr. President, I thank the distinguished Senator.

I call up amendment No. 35 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

Beginning with line 9, page 7, strike out all to and including line 23, page 7, and insert in lieu thereof the following:

"(d) Section 133 (d) of that Act is amended by adding at the end thereof the following new sentences: 'The vote of the committee to report a measure or matter shall require the concurrence of a majority of the members of the committee who are present. No vote of any member of any such committee to report a measure or matter may be cast by proxy. Action by any such committee in reporting any measure or matter in accordance with the requirements of this subsection shall constitute the ratification by the committee of all action theretofore taken by the committee with respect to that measure or matter including votes taken upon the measure or matter or any amendment thereto, and no point of order shall lie with respect to that measure or matter on the ground that such previous action with respect thereto by such committee was not taken in compliance with such requirements. Whenever any such committee by rollcall vote reports any measure or matter, the report of the committee upon such measure shall include a tabulation of the votes cast in favor of and the votes cast in opposition to such measure or matter by each member of the committee. Nothing contained in this subsection shall abrogate the power of any committee of either House to adopt rules (1) providing for proxy voting on all matters other than the reporting of a measure or matter, or (2) providing in accordance with the rules of that House for a lesser number as a quorum for any action other than the reporting of a measure or matter.'."

Mr. DIRKSEN. Mr. President, I reserve a point of order.

Mr. MONRONEY. Mr. President, my amendment represents an effort of several days to compromise a difference pointed out by the distinguished Senator from Pennsylvania and others with respect to the matter of proxy voting that was included in the joint committee's recommendations.

The original report provided that proxies would not be considered in the reporting of a bill or in other business transacted before a committee. This was objected to most strongly by a number of distinguished Senators, some of whom are committee chairmen. They pointed out that this could unduly delay the process of considering a bill, adopting amendments, taking up minor points, and reaching decisions on the legislation up to the final markup of the bill.

In order to resolve this matter, we worked for several days to get language which is now satisfactory to the distinguished Senator from Pennsylvania and, I believe, to others from whom I have heard. This would provide that the present committee procedures under the Senate rules which permit one-third of the membership as a quorum and accept proxy voting up to the final decision to report the bill would not be disturbed.

My amendment would come into operation at the time of reporting and that point only. On the final reporting of any measure no vote of any member shall be cast by proxy.

We feel that the transition of a measure from the committee to the floor of the Senate is one of the most important stages of the bill and that the rules under the Reorganization Act of 1946 required that a quorum be present. Our amendment provides that no proxy voting be allowed in reporting the bill.

The votes of Senators in committee, as we can all agree, are on a ratio of almost 10-to-1 in importance to their votes in the Senate itself.

We do not permit proxy voting in the Senate under the Senate rules. Therefore, we feel on this final decision, after the bill has been considered and been marked up and amendments made, the committee can set a day and time certain at which the members would be present in person to cast their votes, and that the votes of absentees, while they can be announced in favor of or against the measure, would not be counted as a vote to report the bill to the floor.

I believe this meets the objection of the distinguished Senator from Pennsylvania.

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

Mr. MONRONEY. I yield.

Mr. CLARK. Mr. President, I thank the Senator from Oklahoma for his cooperation in working out this change in the provision dealing with quorums and proxy voting in the original bill he introduced.

I think the amendment, as he has presently explained it to the Senate, really does little more than to continue the procedures on quorums and proxy voting which now apply in a number of committees.

I would like to be crystal clear and I therefore ask the Senator to turn to page 2, line 12, and see whether his understanding is the same as mine.

It reads:

Nothing contained in this subsection shall abrogate the power of any committee of either House to adopt rules (1) providing for proxy voting on all matters other than the reporting of a measure or matter.

I understand that the Senator agrees with me that, within a subcommittee, a bill can be reported to the full committee by proxy voting.

Mr. MONRONEY. That is my understanding.

Mr. CLARK. I continue to read from page 2, line 15:

(2) providing in accordance with the rules of that House for a lesser number as a quorum for any action other than the reporting of a measure or a matter.

That would preserve the right presently existing in the Senate rules which permits the setting of a quorum at as low a figure as one-third of the members of a subcommittee, or, indeed, a full committee, if that particular committee desires to do so. This privilege would continue with the single exception of when a bill is about to be reported to the floor from the full committee.

Mr. MONRONEY. The Senator is correct.

Mr. CLARK. Mr. President, I find myself in full accord with the Senator from Oklahoma. I thank the Senator for his cooperation.

Mr. MONRONEY. I thank the Senator from Pennsylvania for his cooperation.

Mr. HOLLAND. Mr. President, I notice with interest the sentence:

No vote of any member of any such committee to report a measure or matter may be cast by proxy.

As the Senator knows, in the Committee on Appropriations, which is a large committee, requiring a considerable number of its members to be present to constitute a majority of the full committee, a quorum of 14 has been required up until this time, and 14 will be required from here on, in spite of the reduction of the membership of the committee by one.

Mr. MONRONEY. The Senator is correct.

Mr. HOLLAND. This practice has prevailed. Assume that a Senator has stayed at the markup session during the

discussion of the full bill, but finds himself compelled to go elsewhere a few minutes before the final vote and assume he has been allowed to declare his final vote and to record it, but he leaves before the actual final vote is put, because someone else is speaking at the time or wishes to be heard. I ask this question: Is that practice still to be approved if this amendment of the Senator is adopted?

Mr. MONRONEY. If I understand the Senator's description, this would not be in line with the purpose of nonproxy voting at the final reporting stage. If it were the meeting of the full Committee on Appropriations and a quorum of 14 were required by the committee's rules for the transaction of the final business of the full committee, I believe that the Senator would have to prevail upon the member to remain until the vote could be had.

As a matter of fact, I believe that the operation will not be too difficult for the various committees, in setting a time certain and a day certain on which the final vote will be had. It will be a high priority action in reporting an appropriation bill or any other final report from the committee and would, I believe, be deserving of the member's time to be present for that occasion.

Mr. HOLLAND. Mr. President, do I correctly understand from this statement of the distinguished Senator that he regards the practice that I have just described—wherein the vote was actually recorded by the member when he was present, though a few minutes before the final consideration of the bill, when he was not leaving any proxy with anyone—as the use of a proxy?

Mr. MONRONEY. No, perhaps I was not clear. I would not regard that as the use of a proxy. I would regard it, perhaps, as a questionable vote having been cast before the vote of the committee is formally taken. This would go to the question of a quorum being present at the time of the vote.

We must have our rules for voting, and I believe that we could easily adapt to these rules.

As the Senator knows, in some committees we have fallen into the habit of members making a quorum by coming by at the beginning of the meeting and moving on to another necessary committee meeting, and still counting them as having been present in forming a quorum.

I believe that the requirement against proxy voting would require the member to be present and voting, the same as when we vote on the floor.

I believe that a Member's vote in a committee is 10 times as important, in the legislative process, as the Member's vote in the Chamber.

It is a matter that I believe we would adjust to very easily and very readily; and it would be much better to have a set of rules that would be enforced at this very critical point before the bill in the committee would move to the floor, by the approval of a majority of the committee.

Mr. HOLLAND. Mr. President, will the Senator yield for one more question and further comment?

Mr. MONRONEY. I yield.

Mr. HOLLAND. If I understand the Senator's position correctly, it is that a practice such as I have outlined—wherein a Member is actually present and listening to the discussion on the question of the markup of the bill, is called elsewhere a few minutes before the final vote and asks to be recorded at that time upon the final vote, either for or against—would not be allowed under the rule and would be regarded as proxy voting.

Mr. MONRONEY. I would not say it is proxy voting. I would say that the question is when the vote is taken, which would subject it to some question. The rule would not apply, any more than the rule of a quorum would apply if the member were to leave before the vote was officially taken. As the Senator knows, that has been a standing rule of the Senate for the past 20 years.

Mr. HOLLAND. Mr. President, in actual practice, as the Senator from Florida has observed, very frequently the practice he has outlined here has had to be followed in order to get a majority vote of the full Committee on Appropriations; and it certainly satisfies the requirements of the rule that the Senator is present, that he votes, that he has heard the discussion upon the bill, that he has participated in all the numerous votes that have gone before that, and is therefore ready to cast his final vote.

I think that any narrower interpretation than the practice which has been followed would subject some committees—certainly, the Committee on Appropriations—to very great difficulty in reporting out a final bill.

The distinguished chairman of the full committee is here, and I have not had the opportunity to discuss this matter with him. However, that seems to me to be a rather clear conclusion, because we have had to resort to that practice repeatedly, and I thought it was justifiable.

Mr. HAYDEN. That has been the practice; there is no question about it. Actually, if a Member announces how he stands and then leaves before the vote, I cannot see any great harm resulting.

Mr. MONRONEY. So that our legislative history is clear, I would say that it is up to the presiding officer of that committee to determine when the vote begins and when it ends. If the quorum is present at the vote and this member casts the vote, there would be no question about it. I believe that the critical matter is to have a majority actually participating in the reporting of the bill.

I know from experience that some committees—not the Committee on Appropriations—become quite careless in recording votes on reporting bills to the floor, even though a quorum is not actually present.

Mr. HOLLAND. I remember that in the last 2 or 3 years we have had an instance when one member of the Committee on Appropriations raised the point of order on the floor that a majority of the committee was not actually present at the time of the vote. The point of order was sustained, and we had to take the matter back to the committee and report it out again.

To meet this kind of situation, this other practice has grown up, and I see no possible objection to it; because the Senator involved has attended, he has voted on all the preliminary votes, and he knows how he stands on the report of the full bill. Then he asks the Presiding Officer if he may leave the vote there, because he has been called elsewhere. The Presiding Officer tells him yes, he can. That has been considered as the participation by that particular Senator in the final reporting of the bill.

The Senator from Florida does not see any objection to that practice, which has become almost necessary because of the huge size of the committee and because we are frequently called to various places at the same time, as the Senator from Oklahoma well knows.

I would hesitate to adopt any rule which would impair the usefulness of the practice I have just described.

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

Mr. MONRONEY. I yield.

Mr. CASE. Is it not a clear statement that the proposed rule would not change the legality or illegality of the practice described by the Senator from Florida? We are talking now about a proxy and the proscription of a proxy for use on the final vote to report a bill or to reject its recommendation. Whatever the legality may be of the practice suggested by the Senator from Florida, it would not be affected here, except as that legality might be reinforced by the argument that it was in effect a proxy and valid as such. We are not permitting proxies.

Mr. MONRONEY. We are not talking about a proxy.

Mr. CASE. Whatever it may be, we are not changing the legality of it.

Mr. MONRONEY. That is true. I still believe that under the rules of the Senate, this is a questionable practice.

Mr. CASE. I agree with my chairman. But I am saying that I do not believe that what we do on this proposal would affect the legality or illegality of that practice.

Mr. MONRONEY. I do not think so at all; but I believe that this is a matter that is up to the Presiding Officer, as the parliamentarian of that committee, to determine whether it is in the voting time or not.

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

Mr. MONRONEY. I yield.

Mr. DIRKSEN. I believe that there is a little ambiguity in this amendment, because the first sentence provides that a vote to report a measure shall require the concurrence of a majority of the members of the committee who are present.

Mr. MONRONEY. Yes.

Mr. DIRKSEN. That does not require that a majority of the committee be present.

Mr. MONRONEY. No.

Mr. DIRKSEN. Only a majority of those who are present.

Mr. MONRONEY. The Senator is correct.

Mr. DIRKSEN. The last sentence in the amendment provides that no committee can change the rule with respect to making a lesser number a quorum for

any action other than reporting of a measure. So, the two do not quite square. All that is needed is a majority of a majority.

Mr. MONRONEY. A majority of the quorum.

Mr. DIRKSEN. That is not what the last sentence provides.

Mr. CLARK. I thought the last sentence did provide that when there is a majority of the quorum it can vote the bill out of committee.

Mr. DIRKSEN. Is that a wise provision? There may be one third of the committee of 15. Five members may be present. The first sentence provides that three of five members can report that bill.

Mr. CLARK. I would not get that meaning.

Mr. DIRKSEN. It does so provide.

Mr. MONRONEY. The original section was section 133(d) of the Reorganization Act of 1946, which states that no measure or recommendation shall be reported unless a majority of the committee is present.

Mr. DIRKSEN. That is in conformity with the last sentence, but it is not in conformity with the first sentence.

Mr. CLARK. I think that the Senator from Illinois [Mr. DIRKSEN] has a point.

Mr. DIRKSEN. A majority of those present could vote to report the bill.

Mr. CLARK. That would be the majority of the quorum, or the majority of the majority.

Mr. DIRKSEN. It does not say majority.

Mr. CLARK. I think that the Senator from Illinois has a good point.

Mr. DIRKSEN. Senators will probably find that a point of order will be made at some time.

Mr. CLARK. On this amendment?

Mr. DIRKSEN. On this point. The Parliamentarian will have to determine whether the first sentence or the last sentence takes precedence.

Mr. CLARK. Unless the Senator from Oklahoma [Mr. MONRONEY] amends the language as the Senator from Illinois [Mr. DIRKSEN] suggests.

Mr. MONRONEY. Is that line 15 on page 2?

Mr. DIRKSEN. The vote of the committee to report a matter "shall require the concurrence of a majority of the members of the committee who are present."

Mr. CLARK. Which could be a minority of the committee.

Mr. DIRKSEN. Certainly.

Mr. LAUSCHE. How could it, when the first sentence provides:

> No vote shall be taken with respect to any measure, or any amendment thereto, by any such committee unless a majority of the members thereof are actually present.

Mr. CLARK. That is a majority of the quorum, a majority of the majority.

Mr. LAUSCHE. Unless a majority of the members are present.

Mr. CLARK. As the Senator from Illinois [Mr. DIRKSEN] has said, there could be five members, and three would be a quorum; two could vote to report the bill, and there would be less than a majority.

Mr. LAUSCHE. Does not the first sentence of section (d) mean that there must be a majority of the committee present?

Mr. CLARK. But to vote out a bill only a majority of that.

Mr. LAUSCHE. But the next sentence states:

> Any action by any such committee with respect to any measure, or any amendment thereto, shall require the concurrence of a majority of the members of the committee who are present.

It says "a majority of the members of the committee who are present" but the preceding sentence says there shall be no vote taken unless a majority of the committee is present. Then, the next sentence provides:

> No vote of any member of any such committee with respect to any measure, or any amendment thereto, may be cast by proxy.

I would construe that language to mean a quorum requires the majority of the members of the committee to be actually present.

Mr. MONRONEY. The Senator is correct.

Mr. LAUSCHE. And, unless there is a majority of the committee, a vote could not be taken.

Mr. MONRONEY. To report the bill.

Mr. LAUSCHE. To report the bill. Then, it is provided that no proxies shall be allowed. That means the member must actually be there. He cannot vote by proxy.

Mr. MONRONEY. The Senator is correct.

Mr. LAUSCHE. Is the Senator from Illinois [Mr. DIRKSEN] trying to prove that a vote can be taken on the bill with less than a majority of the members present?

Mr. DIRKSEN. I would make the first sentence of the amendment conform to the preceding paragraph in the existing rules so that there is no question about its clarity, and so that it will not be the predicate for a point of order at some future time. I do not mind, but the staff should take a look at it to make sure.

Mr. LAUSCHE. I ask the Senator from Oklahoma [Mr. MONRONEY] to assume that this situation prevails. Less than a majority of the members are present and a vote is taken on reporting the bill.

Mr. MONRONEY. That cannot be done.

Mr. LAUSCHE. That cannot be done?

Mr. MONRONEY. No.

Mr. LAUSCHE. There must be a majority of the members present?

Mr. MONRONEY. To report the bill. This is provided for in existing law that has been in effect for 20 years.

Mr. LAUSCHE. I was going to say that on the two committees on which I serve a quorum is the presence of the majority of the members.

Mr. MONRONEY. That is what the present law provides for final reporting of the bill. It does not apply to the bill in its early markup stages; or until it is ready to be transferred from the care of the committee to the care of the Senate.

Mr. LAUSCHE. That is the practice that we followed in both of the committees on which I serve.

Mr. MONRONEY. And throughout the Senate.

(At this point, Mr. MUSKIE assumed the chair.)

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

Mr. MONRONEY. I yield to the distinguished Senator from Florida.

Mr. HOLLAND. Was this matter considered by the committee which is so ably headed by the Senator from Oklahoma [Mr. MONRONEY]?

Mr. MONRONEY. The matter was discussed at length. We considered prohibiting all proxy voting. Then, we ran into questions that were raised by various chairmen that this would delay and sometimes prevent the enactment of desirable legislation if they were compelled to have a majority quorum and to deny proxy voting in the original markup stages. To reach an agreement with Senators, and particularly chairmen, we worked out the compromise which is here before us.

Mr. HOLLAND. The question I am asking is: Why was not this measure dealt with in the report of the able committee?

Mr. MONRONEY. We did deal with it in the report. However, we did not know of the very strong feeling of the chairmen of some of the committees that this would delay and impede the reporting of bills because of the difficulty of having a quorum present in the subcommittees or in the early stages of the full committee in the tentative markup of the bill.

Most of the chairmen with whom we discussed the matter agreed that it would be a proper procedure if they could shape the bill, agree to various amendments and changes, and on a day certain and time certain have the membership there to vote with a quorum present, no proxies, on the bill being reported.

Mr. HOLLAND. The matter was not dealt with in any way in the report of the committee?

Mr. MONRONEY. Yes. Proxy voting was dealt with.

Mr. HOLLAND. That is dealt with in the existing law, is it not?

Mr. MONRONEY. No, there is no prohibition against proxy voting. It was in connection with reporting a bill that we thought it necessary to have this in the act.

Mr. HOLLAND. I thank the Senator.

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

Mr. MONRONEY. I yield.

Mr. MUNDT. I wish to add, perhaps for the edification of the Senator from Florida [Mr. HOLLAND], and for the RECORD, that as far as the Senator from South Dakota is concerned, my understanding of what occurred is that the proxy voting determination of our joint committee is as reported in the bill. The committee report was based on the bill. After that occurred, trouble began developing from subcommittee chairmen and others who felt that the proxy regulation was too tight. I am one who favors the provision in the bill. I think that we did the appropriate thing, but there are realistic problems involved. So, we have here a compromise position.

The chairman has heretofore agreed, and he proposes by his amendment, as I understand it, to modify the proxy prohibition, as reported by the joint committee and included in the report, to conform to what he believes to be the best solution under the circumstances on the floor of the Senate.

I was a great advocate in the joint committee, and we argued it for many days, to apply a no proxy rule through amendments and subcommittees. I do not think it is good legislative practice to permit any one Member to cook up an amendment in which he greatly believes, spring it on the committee, and then say to them, "I have solicited enough proxies so that I can vote this thing through if all of you vote against me." I have seen it happen.

I have seen it happen in the subcommittee. I do not believe that is good practice, but we could crawl toward such a goal as fast as we can. I am disappointed that the chairman believes this is the best we can do, but it is better than we had before. It will insure the fact that there will be a yea and nay vote, if someone should ask for it. Of course, proxies will not be counted on final passage, so there is a court of last appeal if some "hanky-panky" has occurred in a subcommittee whereby someone by a vote of proxies has been able to pass an amendment with a vote of the absentees over the opposition of those there. Thus, at least there is a court of last appeal, as I understand it, when it gets to the Senate, because there will have to be a yea and nay vote. If that is the best we can do, I will support it. I wish we could do better. I hope I have explained it correctly.

Mr. MONRONEY. The Senator's explanation is satisfactory and I thank him for his comments.

Mr. President, if there are no further statements to be made, I urge adoption of the amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

AMENDMENT NO. 36

Mr. MONRONEY. Mr. President, I call up my amendment No. 36 and ask that it be stated.

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

The ASSISTANT LEGISLATIVE CLERK. On page 14, line 3, strike out the closing quotation marks and the concluding period.

On page 14, between lines 3 and 4, insert the following new subsection:

(f) Whenever any such committee has reported any measure, by action taken in conformity with the requirements of section 133(d) of this Act, no point of order shall lie with respect to that measure on the ground that hearings upon that measure by that committee were not conducted in accordance with the provisions of this section.

Mr. MONRONEY. Mr. President, this is a saving amendment in which we desire to make the final test of the legality of committee action, the record vote on reporting by the full committee to the Senator floor. This would not allow a point of order to lie because of failure to follow the hearing procedures set forth in this bill. In other words, the committee must police its own rules and not use them to obstruct legislation after it has already reached the floor.

I do not believe there is any objection to this amendment, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment No. 36 of the Senator from Oklahoma.

The amendment was agreed to.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. CLARK. 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. CLARK. Mr. President, I call up my amendments (No. 7) and ask that they be read.

The PRESIDING OFFICER. The amendments will be read.

The assistant legislative clerk read the amendments (No. 7), as follows:

On page 2, in the table of contents, immediately after the item relating to section 122 of the bill, insert the following new item:

"Sec. 123. Standing Rules of the Senate."

On page 30, between lines 10 and 11, insert the following new section:

"STANDING RULES OF THE SENATE

"SEC. 123. Paragraph 6(a) of rule XVI of the Standing Rules of the Senate is amended to read as follows:

"'6. (a) Three members of the following-named committees, to be selected by their respective committees, shall be ex officio members of the Committee on Appropriations, to serve on said committee when the annual appropriation bill making appropriations for the purposes specified in the following table opposite the name of the committee is being considered by the Committee on Appropriations:

"'Name of committee and purpose of appropriation:

"'Committee on Agriculture and Forestry: For the Department of Agriculture, and related matters.

"'Committee on Armed Service: For the Department of Defense.

"'Committee on Aeronautical and Space Sciences: For aeronautical and space activities and matters relating to the scientific aspects thereof, except those peculiar to or primarily associated with the development of weapons systems or military operations.

"'Committee on Banking and Currency: For the Department of Housing and Urban Development and the Export-Import Bank.

"'Committee on Commerce: For the Department of Commerce and related activities, including the Department of Transportation.

"'Committee on the District of Columbia: For the District of Columbia.

"'Committee on Finance, Committee on Post Office and Civil Service: For the Department of the Treasury and the Post Office.

"'Committee on Foreign Relations: For the Department of State and related agencies, and for the foreign assistance programs.

"'Committee on Interior and Insular Affairs: For the Department of the Interior and related agencies.

"'Committee on the Judiciary: For the Department of Justice and for the judiciary.

"'Committee on Labor and Public Welfare: For the Departments of Labor and of Health, Education, and Welfare.

"'Committee on Public Works: For public works.

"'Senate Members of the Joint Committee on Atomic Energy (to be selected by said Members): For the development and utilization of atomic energy.'"

Mr. CLARK. Mr. President, I invite the attention of my gracious and genial friend, the senior Senator from Illinois [Mr. DIRKSEN], to this request. I am sure he is greatly interested, as I am, in the expeditious disposition of the business of the Senate, particularly in these difficult days.

I ask unanimous consent that the debate on the pending amendments be limited to 1 hour, to be equally divided between myself as the proponent of the amendment and the learned, able Senator from Oklahoma [Mr. MONRONEY], the manager of the bill, who I am sure would be willing to confer with the able and gracious Senator from Illinois so that appropriate time may be taken by that great statesman.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, I shall be stricken by conscience for a long time, and I shall be overwhelmed by feelings of remorse because I shall not be able to agree to the request of that distinguished scholar, the Senator from Pennsylvania. Though I regret it exceedingly, I must object.

The PRESIDING OFFICER. Objection is heard.

Mr. CLARK. Mr. President, it is with deep regret that I heard the ukase of my friend, the distinguished Senator from Illinois, so now I suppose we shall have to proceed as we have, time after time in the past, and no Senator can know when, if ever, a vote on this amendment will be had. It might well be, because of the proceedings which took place here a week or 2 weeks ago, that we may be confronted with that most dreadful Senate institution, known as the filibuster. It may well be that, in due course, a cloture motion will have to be filed, and the Senate will go over for several days, in order to see whether two-thirds of the Senate will be willing to make this simple, little change, this little change which merely does normal justice to some six committees now being treated most unfairly under the present rules.

If that is the case, so be it. Nevertheless, I must say I have been notified that if the able Senator from Illinois thinks—and when he thinks something, it is usually right—he has the votes to beat down, with the heavy hand of tradition, this simple, little amendment of justice, he will move to table, and therefore, perhaps in due course, the matter will be disposed of by the heavy hand of tradition. But until that occurs, no Senator can know when that vote will come.

Therefore, I wonder if I can prevail on the Senator from Illinois to let the Senate know so that Senators will be given notice, over the Alexander Graham Bell devices in the cloakrooms, how soon he will move to table.

Mr. DIRKSEN. If my genial friend from the Keystone State will yield——

Mr. CLARK. I am happy to yield.

Mr. DIRKSEN. First let me say that my deep love and affection for him are as high as the sky and as deep as the sea.

Mr. CLARK. May I say to my friend that it is mutual.

Mr. DIRKSEN. Second, when he speaks of a "little change," let me point out that tall oaks from little acorns grow, and tall aches from little toe corns grow, and tall dangers from little changes come, and there is so much that does not quite meet the eye.

So I want to hear the eloquent argument of my friend from Pennsylvania, and then, in due course, as the spirit moves, I may pursue one of two or three courses. Since I like confusion, unpredictability, and uncertainty, I do not think I should be too precise or too specific as to the exact time when doom shall be visited upon us.

Mr. CLARK. The Senator, of course, is well within his rights under those archaic procedures under which this, the greatest deliberative body in the world, self-styled—and I love it—has been operating.

So let us, then, reason together, and perhaps in the course of the argument, I can convince my open-minded friend from Illinois of the justice of this little amendment.

Mr. DIRKSEN. I enjoin my good friend from Pennsylvania to follow the course of Macbeth, when he said: "Lay on, Macduff; and damn'd be him that first cries 'Hold, enough!' "

Mr. CLARK. May those words apply to the Senator from Illinois as well as the Senator from Pennsylvania.

Mr. DIRKSEN. I thank my friend.

Mr. CLARK. I thank my friend.

Mr. President, I shall, then, proceed with my argument in support of this amendment.

The Senate rules presently provide for the selection of three ex officio members of the Appropriations Committee from each of eight legislative committees. I defy any Senator to tell us how those eight committees came to be chosen for this privilege in the dusty days of the dead past. If one were to consider on any logical basis which were the committees which should be given the privilege of having three ex officio members serve with voting rights with the Appropriations Committee, and more particularly with the subcommittees of that committee, when the appropriation measures falling within the legitimate legislative jurisdiction of the legislative committee concerned were up for a vote, I suggest in all humility it would be absolutely impossible to find any rationale as to why these particular committees should be so favored.

Here they are; there are eight of them:

Agriculture and Forestry.
Post Office.
Armed Services.
The District of Columbia Committee.
Public Works.
Foreign Relations.
Atomic Energy.
Space.

In each instance, the present rule sets forth the particular appropriations to which this privilege of having three ex officio members relates. This is rule XVI, section 6(a). It reads as follows:

Three members of the following-named committees, to be selected by their respective committees, shall be ex officio members of the Committee on Appropriations, to serve on said committee when the annual appropriation bill making appropriations for the purposes specified in the following table opposite the name of the committee is being considered by the Committee on Appropriations:

Then let us see what these committees are, and what the appropriations are:

Committee on Agriculture and Forestry: For the Department of Agriculture.

Committee on Post Office and Civil Service: For the Post Office Department.

Committee on Armed Services: For the Department of War; for the Department of the Navy.

Is that not a good joke? The rules do not even mention the Department of the Air Force. They do not even mention the Department of Defense. How old is this rule? It must go back to at least the days immediately after World War II, before we had a Department of Defense and before we had an independent Air Force. So when the Air Force budget comes up, according to the letter of the rule, the Armed Services Committee is not entitled to have any ex officio members.

Committee on the District of Columbia: For the District of Columbia.

Committee on Public Works: For Rivers and Harbors.

Is this not an interesting relic of the dead past? When we think how many authorizations come out of the Public Works Committee today which never mention a river and never look at a harbor—those dealing, as one good example, but only one, with the highway program—one wonders how obsolete this rule is.

Committee on Foreign Relations: For the Diplomatic and Consular Service.

No mention of foreign aid, the most important money bill that comes out of the Committee on Foreign Relations.

Senate members of the Joint Committee on Atomic Energy (to be selected by said members): For the development and utilization of atomic energy.

Committee on Aeronautical and Space Sciences: For aeronautical and space activities and matters relating to the scientific aspects thereof, except those peculiar to or primarily associated with the development of weapons systems or military operations.

So, again, since most weapons systems—or many of them—for military operations are under the jurisdiction of the Air Force, the Space Committee does not move into the gap left by the fact that the Armed Services Committee is not entitled to have any members present when the Air Force appropriation, as part of the appropriation of the Department of Defense, is up for consideration.

There are six committees which are not given the privilege of ex officio representation. They are:

The Committee on Commerce—which has perhaps as heavy a money authorization load as several of the committees given the privilege of the three ex officio members, as examples of which I could mention the District of Columbia and the Post Office Committees.

The Committee on Finance, which supervises—or should supervise, and does not—the appropriations for the Treasury Department and a host of other appropriations for various international institutions of a fiscal or monetary nature.

The Committee on Interior and Insular Affairs, which has very wide jurisdiction. I see the able chairman of that committee in the Chamber; he will be able to tell the Senate better than I of the wide scope of that committee's jurisdiction over national parks, of the new jurisdiction given with respect to water pollution control, the Department of the Interior, and a host of other functions with respect to which it is not represented when the important appropriations dealing with those functions come before the Appropriations Committee.

The Committee on the Judiciary, which is concerned with the appropriations for the Attorney General's office, and a host of other allied functions dealing with the general objects put within the jurisdiction of the Committee on the Judiciary by Senate rule XXV.

The Committee on Labor and Public Welfare, on which I have the honor to serve, has perhaps as many money bills coming before the Appropriations Committee as does any other committee of the Senate.

Let me list only a few. It has all of the health measures so ably guided through the Committee on Labor and Public Welfare by the chairman, the distinguished Senator from Alabama [Mr. HILL]; all of the labor bills dealt with by the Subcommittee on Labor, chaired by the Senator from Texas [Mr. YARBOROUGH], and which deal in part at least with appropriations for the Department of Labor; the whole poverty program, which comes within the jurisdiction of the Subcommittee on Manpower, Employment, and Poverty, which I have the honor to chair; and all the education bills under the primary legislative jurisdiction of the Senator from Oregon [Mr. MORSE], the chairman of the Subcommittee on Education.

I could go on with a number of other areas under the jurisdiction, from a legislative point of view, of the Committee on Labor and Public Welfare which call for appropriations in the billions of dollars in the course of every year.

Yet it has no representation on the Committee on Appropriations, whereas the District of Columbia Committee, the Post Office and Civil Service Committee, and the other committees I have mentioned are given the privilege of naming three members.

Finally, the Committee on Banking and Currency, which, in its important Housing Subcommittee, carries the whole load for the Department of Housing and Urban Development, Public Housing, Urban Redevelopment, and Mass Transit. All of those measures deal with the great needs of our sorely pressed cities; yet that committee has no representation when the appropriations which it has authorized come before the Committee on Appropriations for approval.

It has been said, and it will be said, I know, that the Appropriations Committee is too big now, and that if we add three ex officio members for the restricted purpose of sitting with the subcommittee and the full committee when

it is considering appropriations with respect to which those three men have an expertise unrivaled, I dare to charge, by any regular member of the Appropriations Committee, the committee will not be able to function.

Oh, yes; if it is a farm problem, surely there can be three ex officio members, but not when it concerns the problems of the cities. I merely wonder why.

I say that if it will be argued here—and I suspect it will be—that the Appropriations Committee is too big and therefore they cannot afford to do justice to these six committees—Commerce, Finance, Interior and Insular Affairs, Judiciary, Labor and Public Welfare, and Banking and Currency—then it is too big to have three members from the Aeronautical and Space Sciences Committee, the Agriculture and Forestry Committee, the Armed Services Committee, the Foreign Relations Committee, the Committee on Public Works, and the Atomic Energy and Space Committees.

The argument, Mr. Chairman, proves too much.

Let us get rid of special privilege for all committees, or let us give the same privilege to every committe which deals in the area of authorization for appropriation.

It will also be argued: "Well, Senator, just by the luck of the draw, there are already on the Appropriations Committee in most instances—not in all—Senators who just happen to be there and who also serve on the legislative committees. So you do not really need them."

There can be two answers to that. In the first place, it is highly unlikely, although it is not impossible, that the members of the Committee on Appropriations from, let us say, the Committee on Labor and Public Welfare will all be sitting on the subcommittee dealing with the appropriations for the Labor Department or the poverty program. So they will not be in the subcommittee where they are most needed. However, more than that, I think it can be said that this is just the luck of the draw; and who knows when the exigencies of politics will remove from the Appropriations Committee that representation for a very important legislative committee which it may now happen to hold?

Mr. President, I ask unanimous consent to have printed at this point in the RECORD, committee by committee, the list of members of the Appropriations Committee who also serve on the standing and legislative committees.

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

Aeronautical and Space Sciences: Senators Russell, Magnuson, Stennis, Holland, and Smith.

Agriculture and Forestry: Senators Ellender, Holland, and Young of North Dakota.

Armed Services: Senators Russell, Stennis, Byrd of West Virginia, and Smith.

Banking and Currency: Senators Proxmire and McGee.

Commerce: Senators Magnuson, Pastore, Monroney, Bartlett, and Cotton.

District of Columbia: Senator Bible.

Finance: None.

Foreign Relations: Senators Mansfield, Mundt, and Case.

Government Operations: Senators McClellan, Mundt, and Javits.

Interior and Insular Affairs: Senators Bible, Hayden, Kuchel, and Allott.

Judiciary: Senators McClellan and Hruska.

Labor and Public Welfare: Senators Hill, Yarborough, and Javits.

Post Office and Civil Service: Senators Monroney, Yarborough, and McGee.

Public Works: None.

Rules and Administration: Senators Hayden and Byrd of West Virginia.

Mr. CLARK. Mr. President, one will see from the list, which is the point I want to make, that some legislative committees have a large number of members on the Appropriations Committee, and some have hardly any, and in one or two cases, none.

One will also see that the ratio between Democrats and Republicans on the Appropriations Committee with respect to these legislative committees is entirely chaotic. It makes no sense at all.

Let us take first the Committee on Aeronautical and Space Sciences. It has five members on the Appropriations Committee: Senators RUSSELL, MAGNUSON, STENNIS, HOLLAND, and Mrs. SMITH. Is that fair? Four Democrats and only one Republican.

I do not happen to know whether these five Senators sit on the pertinent subcommittee which deals with appropriations for NASA, but whether they do or not, the whole thing is helter-skelter and chaotic, and makes no sense.

The Committee on Agriculture and Forestry has three members on the Appropriations Committee: Senators HOLLAND, ELLENDER, and YOUNG of North Dakota. One might say that is all right. Two Democrats and one Republican. All three are senior members. If they can arrange—and perhaps by the gracious kindness of the chairman of the Appropriations Committee they may have been able to arrange—to sit on the Subcommittee of Appropriations which deals with farm legislation, that particular instance might be all right. I do not know.

On the Armed Services Committee are four members of the Appropriations Committee: Senators RUSSELL, STENNIS, BYRD of West Virginia, and again, Senator SMITH. Three Democrats, one Republican. Is that fair? I would say no, that it is not fair.

The Committee on Banking and Currency has two members on the Appropriations Committee: Senators PROXMIRE, and MCGEE, Senator MCGEE having joined that committee for the first time 2 weeks ago. Is that fair? Two Democrats, no Republicans?

The Committee on Commerce has five members on the Appropriations Committee: Senators MAGNUSON, PASTORE, MONRONEY, BARTLETT, and COTTON. Again, four Democrats and one Republican. Is that fair? I say no.

The District of Columbia Committee has only one member on the Appropriations Committee: Its able chairman, the Senator from Nevada [Mr. BIBLE]. Not a single Republican. It does not have three Senators represented as does every other committee, but only one.

While it is true that the jurisdiction of the District of Columbia Committee is relatively restricted, it is a most important committee because it deals with the finances of the Nation's Capital, the capital of the greatest and most opulent country in the world, and a capital, which I think most will agree, is being inadequately governed because it does not have home rule and provisions for its adequate government are often too little and too late.

The Committee on Finance deals with the activities of the Treasury Department. Yet, it does not have a single member on the Appropriations Committee. It has been the general rule in this body that no Senator shall serve on both the Committee on Finance and the Committee on Appropriations, although this is, of course, a custom, rather than a law.

Why should the Committee on Finance not have its membership represented on the Committee on Appropriations when the latter committee is considering a bill for the Treasury Department and measures for all the allied fiscal matters reaching to the far corners of the earth in connection with our international institutions of a fiscal and monetary nature?

The Committee on Foreign Relations has three members on the Appropriations Committee: Senators MANSFIELD, MUNDT, and CASE. Is that fair? One Democrat and two Republicans? Of course not.

I suggest that that situation should make the Democrats scream for rectification.

The Committee on Government Operations rarely has important monetary matters coming before the Appropriations Committee, but sometimes it does. Again, there are three members on the Appropriations Committee: Senators MCCLELLAN, MUNDT, and JAVITS. Again, one Democrat and two Republicans. How unfair can one get?

The Committee on Interior and Insular Affairs—whose congenial chairman is on his feet, and to whom I will yield in a minute—has four members on the Committee on Appropriations: Senators BIBLE and HAYDEN, Democrats; and Senators KUCHEL and ALLOTT, Republicans. Again, an unfair distribution of party strength, because in the Senate at this time are 64 Democrats and 36 Republicans.

The Committee on the Judiciary, which deals with appropriations for the Attorney General's Office and the Department of Justice, has only two members on the Committee on Appropriations: One Democrat, Senator MCCLELLAN; and one Republican, Senator HRUSKA. Again, I suggest that this is an unfair distribution.

(At this point, Mr. HOLLINGS assumed the chair.)

Mr. CLARK. The Committee on Labor and Public Welfare has three members on the Committee on Appropriations, thanks to the generosity of the members of the Democratic steering committee, a generosity in which I was happy to concur, in opening a seat on the Committee on Appropriations for the Senator from New York [Mr. JAVITS]. The three members are Senator HILL, Senator YARBOROUGH, and now, Senator JAVITS.

The Committee on Post Office and Civil Service has three members on the Committee on Appropriations—Senators MCCLELLAN, YARBOROUGH, and MCGEE. Not a single Republican, three Democrats. How fair is that?

The Committee on Public Works, I find to my surprise, does not have any members on the Committee on Appropriations. The Committee on Public Works authorizes about as much money that subsequently has to be appropriated as any other committee in the Senate. I believe this situation to be grossly unfair.

I have not mentioned one or two other committees—particularly the Committee on Rules and Administration, because it does not have appropriations measures which are particularly important.

I would be happy to yield at this point to the Senator from Washington, but the Senator from Maine [Mr. MUSKIE] is anxious to state a unanimous consent request.

I yield to the Senator from Washington.

Mr. JACKSON. Mr. President, I believe that the distinguished senior Senator from Pennsylvania is making a very important point at this time. Certainly, a need exists for better coordination between the legislative committees and the appropriating committees; and I take it that that is the burden of his effort in connection with the pending amendment.

Mr. CLARK. Generally speaking, that is my intention; because I believe that all these committees could better coordinate their work if they all had the privilege which the sacred eight presently have. But my point is a little broader than that. They all should have it or none of them should have it. I believe that they all should have it, and I believe that the Senator from Washington agrees with me.

Mr. JACKSON. Mr. President, I am not asking the Senator from Pennsylvania to commit himself at this time, but I would hope that possibly the distinguished Senator would give consideration to making an exception in connection with the six committees that are not now represented by ex officio members, to stipulate that where members already are on the Committee on Appropriations and on the authorizing committee, an exception be made. Otherwise, I can see that criticism might arise that the committee is being loaded down. But those committees that do not have representation on the Committee on Appropriations should have the same representation that is now applicable to the other committees that have been heretofore authorized under the rule.

I am not asking the Senator to commit himself on that, but I would hope that that might be a possible solution to this problem.

Mr. CLARK. I thank the Senator from Washington for his most interesting suggestion. I say to the Senator that I believe he has made a good point—that where a committee does not have any members on the Committee on Appropriations, they ought to have three.

I believe—and I wonder whether the Senator will agree with me—that where a committee only has two members on the Committee on Appropriations, as is the case with respect to Judiciary—the District of Columbia has one, the Finance Committee has none, the Committee on Public Works has none—there should be in each instance an appropriate representation.

Mr. JACKSON. I wonder whether the Senator would not agree that there should be a minimum of three. But I do not believe that the right way to go about it would be to remove those who are already on the committee, in the event there are more than three, by reason of dual membership. In other words, I think that, in accordance with past practice, we should recognize grandfather rights, shall we say.

Mr. CLARK. I quite agree with the Senator from Washington, being a grandfather four times myself, with one more grandchild in the offing.

Mr. JACKSON. I regret that I do not qualify.

Mr. CLARK. That is because the Senator is so young.

I think that the Senator has made an excellent point.

Mr. MONRONEY. Mr. President, will the Senator yield for clarification?

Mr. CLARK. I shall yield in a minute.

Let me ask the Senator from Washington how to deal with this problem, which vexes me a bit. Is not the minority entitled to representation in this area, and should not the majority always have more than the minority when these bills come up? As the Senator from Washington knows—it may be unfortunate, but it is true—a certain amount of difference of view exists between Republicans and Democrats with respect to many of these problems.

As an example, I point out that the Committee on Post Office and Civil Service has no Republican. The Committee on the District of Columbia has no Republican. The Committee on Foreign Relations has two Republicans and only one Democrat. How can we deal with this situation under the Senator's suggestion?

Mr. JACKSON. I agree that there should be minority representation. I suppose the provision could be made that there should be at least one member of the minority, if there is no representation at the present time, either by reason of the existing rule or by reason of dual membership.

Mr. CLARK. Would the Senator not also agree that in situations such as the Committee on Foreign Relations and the Committee on Government Operations, his party and mine ought to have at least equal and perhaps more membership when there matters come up for discussion? The Committee on Foreign Relations, for example, as I said before, has two Republicans and only one Democrat.

I yield to the Senator from Oklahoma.

Mr. MONRONEY. In order to clarify the RECORD, I believe it should be said that while the Senator from Pennsylvania has pointed out that the Committee on the District of Columbia had but one member, that means one regular member of the Committee on the District of Columbia, but they have three ex officio members. So that four members of the Committee on the District of Columbia are members of the Committee on Appropriations, considering the District of Columbia appropriations.

The Senator indicated that the Committee on Public Works had no members, and yet they have three ex officio members who are participating in the public works sections of the bills as they are reported.

Mr. CLARK. May I ask the Senator from Oklahoma—I agree with him—why the Committee on Public Works has three ex officio members and the Committee on Finance has none?

Mr. MONRONEY. It has been traditional, as long as I have been in the Senate—I think it goes back beyond the time I came to the Senate—that a Member could not serve or be appointed by the steering committees to both the Committee on Appropriations and the Committee on Finance. These are supposed to be the two choice assignments and, so far as I have been able to learn, they have not been given or bestowed upon any single Member.

This is a tradition that I would dislike to see broken, because I believe that service on these two choice committees should be spread among the maximum number of Members of the Senate who aspire to them.

Mr. CLARK. All the more reason why, for the particular purpose of considering the appropriations of the Treasury Department and other allied matters in which the Committee on Finance has a deep interest, they should have this temporary ad hoc membership while those matters are being discussed.

Mr. MONRONEY. I do not see why the Committee on Finance with the jurisdiction and great prestige that it has should be allowed ex officio membership on a very minor bill with the exception of the recurring interest on the public debt, which is not even an annual appropriation but a permanent indefinite appropriation. The remainder are small appropriations and deal only with Internal Revenue and Secret Service, both of which are handled by the Treasury-Post Office Subcommittee of the Committee on Appropriations.

Mr. CLARK. The Senator from Oklahoma is the chairman of the Committee on Post Office and Civil Service, and in that capacity he does a magnificent job. The Senator from Oklahoma is also a member of the Committee on Appropriations. When the Post Office bill comes before the Committee on Appropriations, he is entitled, as the chairman of the Committee on Post Office and Civil Service, to add to the Committee on Appropriations for the purpose of considering the appropriations to the Post Office Department, three more members in addition to the three he already has. He has three Democrats now, who are himself, Senator YARBOROUGH, and Senator MCGEE. It may be that the Senator has not exercised the privileges given him by the rules of naming three more members. I wonder if the Senator has exercised that privilege.

Mr. MONRONEY. I think that they are named now or will be.

Mr. CLARK. And I hope, in all fairness, that there will be named one Republican.

Mr. MONRONEY. We always have had the Senator from Kansas [Mr. CARLSON] as a member.

The Senator is familiar with the ratio between the minority and the majority with respect to these ex officio situations. There are two members for the majority and one member for the minority.

When the Republicans are in the majority, they have two members and the Democrats step down to one member, and they are satisfied with that.

The addition by the Senator from Pennsylvania of ex officio members would further increase this disparity between the majority and the minority because for every committee there would be two majority members and one minority member, as is the custom.

Mr. CLARK. I quite disagree with the Senator from Oklahoma because the purpose of these ex officio members is to sit with the subcommittee when it considers the Post Office bill and the Treasury bill.

Mr. MONRONEY. And also to sit with the full committee when the Post Office and Civil Service bills are being considered. They are members not only of the subcommittee but also members of the Committee on Appropriations.

Mr. CLARK. Does the Senator from Oklahoma think it fair for the Committee on Post Office and Civil Service, as a minor committee—and it has been designated as not a major committee, and it is not a major committee; it is an important committee, and the Senator is an able chairman—to have six members sitting on the Committee on Appropriations when the Post Office bill is considered, and not a single member from the Committee on Finance sitting when the Treasury bill is under consideration? Does the Senator really think that it is fair for the Committee on Public Works to have only three ex officio members on the Committee on Appropriations while the Post Office Committee has six members, all told?

I say that we should either knock it out altogether or extend the same privilege to all, and I strongly favor the latter course.

Mr. MONRONEY. In proportion to the Treasury's portion of the bill to be determined by the Committee on Appropriations, excluding interest on the public debt, the Committee on Finance has never sought, asked, or been interested in the Treasury-Post Office appropriation bill.

This is a minor matter, traditionally members of the Committee on Appropriations have not served on the Committee on Finance nor have members of the Committee on Finance served on the Committee on Appropriations. This custom is not too bad because of the vast importance that these two committees play in the overall spectrum of the Senate.

Mr. CLARK. The Senator knows that I am not trying to change that. I suggest, in all good humor, that the Senator is setting up straw men and knocking them down. We are only talking about temporary service on an ex officio basis, with respect to people who know more about that bill than anybody else.

Mr. President, I am almost finished with my argument. However, I see in the Chamber the able chairman of the Committee on Banking and Currency, the Senator from Alabama [Mr. SPARKMAN]. I would like to have his attention for a moment because he came in after this matter was under discussion. It may well be that the Senator from Alabama is fully conversant with the matter I am discussing. If so, it will be unnecessary for me to explain this matter, but if not, I would like the opportunity to explain it to him.

This amendment would give to the Committee on Banking and Currency the same privilege which is presently given to the Committees on Agriculture and Forestry, Post Office and Civil Service, Armed Services, District of Columbia, Public Works, Foreign Relations, Atomic Energy and Space, of having three ex officio members sit with the Committee on Appropriations when the latter committee considers the many important and, indeed, large appropriations bills which arise from the authorizations, which, as the Senator from Alabama knows, come from the Committee on Banking and Currency, dealing with the whole complex of assistance to our cities. The Committee on Agriculture and Forestry has had that privilege since goodness knows when. The rural people are protected by having three ex officio members on the Committee on Appropriations when that bill is considered.

Since there are three members from the Committee on Agriculture and Forestry, this means that the Committee on Agriculture and Forestry has six members on the committee when the bills dealing with our farm problems are up for appropriations.

Now, when we turn to the Committee on Banking and Currency we see that there is only one member of any seniority on the Committee on Banking and Currency who is also on the Committee on Appropriations. That member is the Senator from Wisconsin [Mr. PROXMIRE].

About 2 or 3 weeks ago the Senator from Wyoming [Mr. McGEE], much to my regret and much to my opposition, was displaced from the Committee on Foreign Relations and placed on the Committee on Banking and Currency. He is also on the Committee on Appropriations.

There is no Republican representative from the Committee on Banking and Currency at all, but I would hope that the Senator from Alabama would feel, as I do, that the six discriminated-against committees which are not given this privilege, but process bills that authorize billions and billions of dollars, should have the same privilege as eight favored committees, the six committees being the Committees on Commerce, Finance, Interior and Insular Affairs, Judiciary, Labor and Public Welfare, and Banking and Currency.

Mr. President, I yield the floor.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONRONEY. 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. HAYDEN. Mr. President, I am very much opposed to the amendment offered by the Senator from Pennsylvania numbered 7.

This amendment would provide additional ex officio members to the Committee on Appropriations to serve when the annual appropriation bills were being considered for the Department of Housing and Urban Development; the Export-Import Bank; the Department of Commerce; the Treasury Department; for foreign aid; Interior appropriations; judiciary appropriations; and Labor and public welfare appropriations.

This would add a minimum of 21 Members of the Senate to the list of ex officio members already serving.

At the present time, the Committee on Appropriations has 27 ex officio positions. Under the amendment proposed by the Senator from Pennsylvania, the committee would have a total of 48 ex officio members. Together with 26 Senators on the committee, the committee would consist of 74 members—or almost three-quarters of the Senate.

The procedures which would have to be followed, were this amendment agreed to, would be most cumbersome and would contribute to delay and a waste of energy.

Let us consider for one moment the foreign assistance appropriation bill. Under the amendment submitted by the Senator from Pennsylvania, on the foreign aid bill it could be interpreted to require us to have three Senators from the Banking and Currency Committee to consider Export-Import Bank matters; three members from the Senate Committee on Foreign Relations to consider matters relating to the AID program; and three members from the Labor and Public Welfare Committee to consider matters in that bill relating to appropriations under the Department of Health, Education, and Welfare.

The difficulty of assembling all of these ex officio members at the appointed time for hearings and markup would contribute greatly to the delay in the consideration of this bill.

This same situation would exist in connection with other subcommittees and other bills being considered.

I hope that the amendment will be defeated.

Mr. President, let me say as a matter of history that prior to the Budget Accounting Act of 1921, appropriation bills were made by various committees in the House and Senate. The Military Affairs Committee made appropriations for the Army. The Naval Affairs Committee made appropriations for the Navy and so on, all around.

When the time came to consolidate the appropriation bills in one committee they did not provide for such a scheme in the House.

In the House, there are no ex officio members. There is really no need for them in the Senate because the Appropriations Committee at the present time consists of over a quarter of the Senate.

When we try to make it, in effect, three-quarters of the Members of the Senate, this just cannot be justified on any basis except that in the old days the older Members who had the power did not want to give it up; thus, they insisted upon being ex officio members.

The principle upon which the Senator's amendment is based is wrong

Mr. LAUSCHE. Mr. President, will the Senator from Arizona yield for a question?

Mr. HAYDEN. I yield.

Mr. LAUSCHE. Just as a matter of information, do the ex officio members have the right to vote on measures that are before the Appropriations Committee?

Mr. HAYDEN. Yes, they have the right to vote on their particular items.

Mr. LAUSCHE. On their particular items. I thank the Senator.

Mr. HOLLAND. Mr. President, will the Senator from Arizona yield?

Mr. HAYDEN. I yield.

Mr. HOLLAND. Is it not correct that at the beginning of this particular Congress, the distinguished chairman of the Appropriations Committee requested the reduction of the regular members of his committee from 27 to 25?

Mr. HAYDEN. Now the committee consists of over one-quarter of the Members of the Senate.

Mr. HOLLAND. I understand.

Mr. HAYDEN. It was a very much more efficient committee when it had about 18 to 20 members. If additional members were to be added, it would be really difficult to get the work done.

Mr. HOLLAND. Is it not true that the distinguished chairman of the committee, in an effort to make the committee more efficient, requested the steering committee of the Senate and various other committees, that a cut was made down to 26 at the request of and on the recommendation of the chairman of the full committee?

Mr. HAYDEN. That is correct; 26 members.

Mr. HOLLAND. Really, it was the hope of the Senator from Arizona, chairman of the committee, that, in the cause of greater efficiency, the membership of the full committee be cut down from 27 to 25?

Mr. HAYDEN. That is correct.

Mr. MONRONEY. Mr. President, I observe the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. DIRKSEN. 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. DIRKSEN. 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. MOSS. 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. MORSE. Mr. President, the measure before us is widely regarded as a measure to reform congressional practices and procedures. And in most respects it is.

But many of the sections dealing with committee procedure are not reforms in the sense that they will expedite the handling of legislation by the committees of the Senate. They change, but they do not reform, if by reform is meant expediting.

Members of this body know that in the last 22 years I have probably raised more objections to short circuiting of Senate rules than any other Member. I believe in following the rules that are established by the Senate and by individual committees for their operation. They are there to assure fair handling of bills and opportunity for the minority as well as the majority to express in full its point of view.

In my opinion, we have gone further than we shoud in short circuiting the rules by use of unanimous consent. The unanimous consent procedure requires individual Members to safeguard their rights one at a time, and as individuals.

But what I see in this bill are many more Senate and committee rules that will almost have to be waived by unanimous consent, and which also will be available for use by individuals who seek to exercise rights given them by S. 355. The new possibilities it affords for delaying action by objecting to unanimous consent agreements seeking to waive these provisions are a delight to any stickler for rules.

I have no desire to see more rules put on the books that we know from our personal experience are going to be evaded. It may come as a surprise to some to know that I do not seek, either, more Senate rules that will enable a single Senator to delay Senate business. I like to operate within rules that are accepted and practiced by the Senate as a whole.

Where rules changes are needed to correct abuses of majority power, or the power of committee chairmen, I would support them; but the unfortunate thing about S. 355 is that it contains so many provisions dealing with practices that are normal in the Senate and which cannot be shown, and have not been shown, to be abuses requiring the remedy of a new rule.

I think I am the only Member of this body who has served here in the majority with both parties, and in the minority as a Republican and an independent. I have never served with a Democratic minority. But I have had a lot of experience as a junior member of both parties, and as a junior member of Senate committees.

Out of that experience, I must conclude that little in S. 355 would give junior or minority members rights that would enable them to promote, or enhance, the scope and standard of committee work, and nothing that would speed up the handling of legislation by committees. The most striking feature of the bill is that it seems to provide remedies for which there are no abuses.

An item by item review of the bill is called for in order to compare existing practice with what would happen if the bill were passed in its present form.

Section 102 is entitled "Committee procedure." Section (a) of it permits a majority of a committee to call a meeting within 7 days after the chairman has declined to call one at the request of three members. The report states that this would apply a House rule to the Senate. This is perhaps the only provision in this or the following sections that really constitutes a "bill of rights" for members against autocratic rule by a committee chairman. But the problems in this connection are so few and far between that I cannot imagine the provision being used or considered being used on Senate committees.

Item (b) of this section establishes that all committee meetings are to be open unless a majority decides to make them executive. This apparently means, in light of other sections of the bill, that a physical majority must be present before this decision can be made and no proxy votes can be used in connection with it.

Right there is a provision that will delay a great many committee meetings. If we want an executive session to mark up a bill, we cannot begin until we have a majority of the committee there that will vote to make it executive. A great many committee meetings are begun with preliminary business before a quorum is present and a lot of necessary but not critical matters are disposed of. We could not do this in executive session under this provision; we would have to wait until a majority is there to make this decision and as it is, we have to wait half an hour to an hour before a quorum arrives.

Moreover, this provision means that every executive session must begin with a majority voting to exclude the public, including the press. In the consideration of important, critical issues, this alone could become a serious issue. Members will find themselves in hot water for voting to make it executive, in addition to what they may do in the executive session. Or if it remains open because too many are unwilling to vote an executive session, the free flow of opinion and decision will be greatly impaired.

What will happen in many instances is simply that nothing will be done of any consequence until a later date, when a majority can be rounded up to vote the session closed. This affords a great opportunity for delaying tactics.

When I think of what this provision would have done during the consideration last summer of the airlines strike problem in the Labor Committee, when the politics of labor legislation were cutting in all directions, I wonder whether Members have really considered its ramifications.

It is current practice for the chairman of a committee to call closed or open meetings, and since an expression of views from members is invariably responded to by a chairman, I see no reason to put all committees into a straitjacket with this item.

Item 2 of section 102(b) requires that rollcalls on amendments and on the final reporting of legislation be announced publicly. This includes a tabulation of how each Senator voted on each amendment and on the proposal itself.

Current practice allows each committee to make these decisions. Ordinarily, we discuss before we break up what we want the chairman to announce, and what we do not want him to announce. This rule would prevent the majority on

the committee from making that determination.

While, personally, I have no objection to having the world know how I stand and how I voted on every rollcall within a committee, I see no reason for every member to have this information about his actions published by law.

The Constitution itself protects the right of the voters to know how their Senators stand on the issues. Section 5 of the article I states:

> Each House shall keep a Journal of its proceedings, and from time to time publish the same, excepting such parts as may in their judgment require secrecy; and the Yeas and Nays of the members of either House on any question shall, at the desire of one fifth of those present, be entered on the Journal.

Any one of us who wants his colleagues to stand up and be counted publicly on an issue can accomplish that purpose by offering an amendment or a motion that will produce a rollcall on the Senate floor. I have done that many times. It seems unnecessary and undesirable to compel publication of votes in an executive session, and deny the committee members the right to make this determination.

Paragraph c of section 102 states that a majority of a committee may require a report to be filed by presenting a written request to the clerk of the committee. The report must be filed within 7 days after filing of the request.

It is difficult to see to what problem this provision relates. I know of none on any committee on which I serve. As with time for minority views, the preparation and filing of a majority report is left to the informal arrangements worked out by members. I have prepared majority reports from the Labor Committee, minority views from Foreign Relations, and both from the District Committee. The timing is always worked out amicably, according to the convenience of everyone and the other demands upon their time. This provision seems totally unnecessary and if adopted, it no doubt will be completely ignored.

More important is the original provision requiring the physical presence of a majority for votes on all amendments and for final reporting, and the ban on proxy voting. These provisions have been modified, and they should be. The present Senate rule permits each committee to establish a quorum for doing business except the final reporting of a bill. Any restriction on proxy voting would do more to delay and hamstring committee work than all the rest of the bill would do to reform Congress. On any partisan matter, it would simply mean that no business would be transacted until the majority rounded up enough of its members to control the voting.

The alternative test that has been adopted would permit proxy voting on amendments, but not on final reporting of a measure. In practice this means that if those present do not include enough members who will vote to report a bill, final action will just be postponed until the majority can round up enough of its members to control the outcome. The use of proxies in final reporting of a bill is often vital to expeditious committee action. A Senate rule now in effect requires an absolute majority of members to be present on a final vote. That protects the minority that is about to be outvoted.

Prohibiting the use of proxies will only mean the committee will not report the bill that day when it lacks sufficient votes; it will try again tomorrow or the day after or next week. But the provision will not speed up a thing.

Nor will it enable members to be better informed by requiring them to be present. For those of us who serve on Labor and Foreign Relations, it only means that we will dash from a vote in the Labor Committee to a vote in Foreign Relations and back to a vote in Labor, and instead of knowing personally what has gone on in at least one committee, we will not know what has gone on in either committee when we vote.

Where our staff members are present in committee meetings, they really enable us to be two places at once, and can assure that our proxies are cast as we would want them cast.

I appreciate that elsewhere in the bill, our committee assignments are limited. But they are not so limited as to remove the need for proxy voting. Even if this restriction is limited to the final reporting of a bill, it will slow up committee action.

CIRCULATION OF REPORTS IMPRACTICAL

The item paragraph (e) of section 102 requires committee reports to be circulated to all members of the committee for 2 days prior to filing, if any member gives notice of intent to file supplemental or minority views.

This provision is completely impractical. Requests for changes in language in a report will be inevitable and endless under these circumstances. As soon as a report is circulated, interested groups—lobbyists—will be at our doors, asking to see it. If they do not get it from us, they will get it from another member.

Then they will all have language they will want in or out. At that point, it will be up to each member to decide whether these lobbyists have a good point. Then we will have to decide whether or not to go to the staff man writing the report and tell him what we want in or out. On a bill like an omnibus tax measure, or a minimum wage bill, the lobbying on committee reports will match the lobbying on the bill itself. Members will have to pass judgment on all the claims for and against the language of the report, and then press them with the staff.

What happens then? Do the changes Senator X demands have to be circulated again among all the members? At least there will be demands that they be circulated, and the process opens the door for great confusion and delay.

It is not as though this matter of who sees committee reports were a problem now. We work out within the committee what we want to go into a report. On a difficult point of the bill, we discuss what can be written into the report to clarify it, and often we instruct the majority counsel to get together with the minority counsel on it, or to prepare and clear language with the members who are affected.

It seems to me what goes into a committee report should be kept within the control of the committee and not thrown open to the winds in the way this provision provides.

From the standpoint of writing minority views, this provision does not seem vital to me. A member desiring to file minority or additional views is in common practice allowed to read the majority report, if he asks to see it, so that he may rebut it.

I would not object to a provision guaranteeing him this right, but general circulation of reports is a cure much worse than the disease.

This provision also gives the writer of additional views 2 days to file them after the majority report has been circulated. Two days is never enough for minority views, although additional days would apparently be available from the time the bill was ordered reported.

But reasonable time for minority views is always worked out between the majority and minority. The means would be found to evade time limits on minority views, but why have limits in the law at all?

Section 102(f) requires that a committee report must have been filed at least 3 days before a vote may be taken on it on the floor.

This is an infringement on leadership prerogatives, and while it may be set aside by unanimous consent, it provides a delaying tactic for any single Senator who wishes to enforce it.

Section 102(h) requires each committee to print rules to govern its proceedings. I have no strong opinion about this provision, except that it will be an incentive to committees to write detailed rules, whereas general accommodation and flexibility seem to serve at present.

HEARING PROCEDURES AND DUTIES

Section 103 deals with hearing procedures of committees. In it are provisions that would seriously impede the hearing process and impose burdensome duties on the staff.

One requires that 2 weeks' notice be given before any hearing may be held, unless the notice is waived by majority vote of the committee. Unless this provision is ignored, it will put an end to any hearing within 2 weeks of a pending adjournment of the Congress, and it will make fast action very difficult at any time. To get a majority together for the purpose of waiving it will be a harassment to the chairman, and the mechanics of arranging hearings with witnesses and then having to clear every change in scheduling with a formal majority of the committee will discourage the most hardy chairman from holding hearings at all.

A second requirement is that witnesses submit their statements 2 days in advance.

This rule has not been enforced in the past because it is impractical. If a Cabinet member appears before a committee with testimony fresh from the mimeograph machine and hands it to members just as he sits down to testify, who is going to rule that he may not proceed because he did not have his statement here 2 days before? We ignore this requirement for all witnesses, and we should. It is reasonable to ask them to provide us with a copy of their testimony in advance, but I see nothing to be gained

by trying to write it into law. All it does is put a great premium on the witnesses who have the most organization to help them prepare and distribute their testimony.

Another requirement is that the committee staff summarize this testimony in advance for members. In my opinion, that is a completely useless and unreasonable misuse of committee staff. For one thing, it is the witness who knows the salient features of his testimony, and which points he is most anxious to get across. It should not be left up to the staff to interpret his testimony. If statements are received in advance, they should be forwarded to the offices of individual members for any advance summary their office staffs wish to prepare in order to flag the points in which they are interested.

More important is the burden this would impose on the staff of a committee that may have its hands full trying to organize and run hearings, sometimes every day for days at a time.

A third requirement that is burdensome and unnecessary is that of preparing summaries after the testimony is taken, as well as before. This summary must be printed as part of the hearing record.

When would a staff that has been in hearings all day and must return to them at 10 a.m. the next morning have time to summarize 8 hours of testimony? On top of that, the majority and minority have to agree on the summary of the testimony. This task would take the full time of at least one staff member, probably one from minority and majority staffs. I see no advantage to be gained from it. Hearings are generally indexed, and members and their office staffs can read what they need to know from hearings.

Section 104, as I read it, goes back to the old practice of prohibiting committee meetings, except for hearings, when the Senate is in session, including the morning hour. Agreement of the majority and minority leaders may be obtained for hearings, but I gather that no executive business can be transacted during the morning hour. This would seem to impede more than it would expedite committee business.

Section 105 creates the post and duties of a review specialist.

No doubt every committee wishes it were better equipped to supervise the administration of laws that are passed by the committee. But I challenge the concept that one person, a "review specialist" is the way to equip a committee for this purpose.

Most of our professional committee staff members are experts in an area of legislative business. They are the people who should assume the review duties in that area. To expect one man to cut across the whole spectrum of committee business and make himself an expert on every subject so he can oversee its administration is entirely unrealistic.

I would hope this section could be rewritten so as to leave the duties it provides for to be carried out at the discretion of the committee. That way we can use our personnel more effectively than this section as now written will permit.

Finally, I have serious doubts about the wisdom or virtue of excluding the Appropriations Committee from the many procedures that are applied to other committees. I see no reason to exclude the Appropriations Committee from the reduction in membership that is applied to other committees. The Appropriations Committee handles money; other committees handle authorizations. That is the only distinction, and I see nothing in it that should elevate the Appropriations Committee above the will of the Senate as applied to all other standing committees.

Let me add that I do not doubt the Senate will continue to operate if all the present provisions of S. 355 are enacted. But we will act much more slowly than we do now. There will be many more requests for unanimous consent; likewise there will be many more objections by individual Senators, for there will be many more rules that can be invoked to hinder committees and the Senate from acting.

These sections of the bill may change Senate rules; but they do not reform the Senate.

AUTHORITY TO PRINT AS SENATE DOCUMENT A SERIES OF ARTICLES ENTITLED, "U.S. SUPREME COURT UPSETS TRADITION" (S. DOC. NO. 3)

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that a series of articles written by Dick Kirkpatrick, chief of the Cincinnati Enquirer's Washington office, entitled "U.S. Supreme Court Upsets Tradition" be compiled and printed as a Senate document.

The PRESIDING OFFICER. Is there objection? The chair hears none, and it is so ordered.

APPOINTMENT TO BOARD OF VISITORS TO COAST GUARD ACADEMY

Mr. MAGNUSON. Mr. President, as chairman of the Committee on Commerce, I wish to announce that I have appointed the Senator from Alaska [Mr. BARTLETT] and the Senator from Michigan [Mr. GRIFFIN] as members of the Board of Visitors to the U.S. Coast Guard Academy.

APPOINTMENT TO BOARD OF VISITORS TO U.S. MERCHANT MARINE ACADEMY

Mr. MAGNUSON. Mr. President, as chairman of the Committee on Commerce, I wish to announce that I have appointed the Senator from South Carolina [Mr. HOLLINGS] and the Senator from Vermont [Mr. PROUTY] as members of the Board of Visitors to the U.S. Merchant Marine Academy.

ADJOURNMENT UNTIL MONDAY

Mr. MONRONEY. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate adjourn until noon on Monday.

The motion was agreed to; and (at 4 o'clock and 40 minutes p.m.) the Senate adjourned until 12 o'clock meridian Monday, January 30, 1967.

NOMINATIONS

Executive nominations received by the Senate January 26, 1967:

DEPARTMENT OF TRANSPORTATION

John L. Sweeney, of Michigan, to be an Assistant Secretary of Transportation.

APPALACHIAN REGIONAL COMMISSION

Joe W. Flemming II, of Arkansas, to be Federal Cochairman of the Appalachian Regional Commission.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 26, 1967:

DEPARTMENT OF STATE

Idar Rimestad, of North Dakota, a Foreign Service officer of class 1, to be Deputy Under Secretary of State.

John F. Henning, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to New Zealand.

David S. King, of Utah, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Malagasy Republic.

Robert L. Payton, of Missouri, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Federal Republic of Cameroon.

Clarence A. Boonstra, of Michigan, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Costa Rica.

INTERNATIONAL MONETARY FUND AND INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Eugene Victor Rostow, of Connecticut, to be U.S. Alternate Governor of the International Monetary Fund for a term of 5 years and U.S. Alternate Governor of the International Bank for Reconstruction and Development for a term of 5 years.

UNITED NATIONS

William B. Buffum, of Maryland, a Foreign Service officer of class 1, to be the deputy representative of the United States of America to the United Nations with the rank and status of Ambassador Extraordinary and Plenipotentiary.

Arthur E. Goldschmidt, of New York, to be the U.S. representative to the Economic and Social Council of the United Nations.

Richard F. Pedersen, of California, to be deputy representative of the United States of America in the Security Council of the United Nations.

HOUSE OF REPRESENTATIVES

THURSDAY, JANUARY 26, 1967

The House met at 12 o'clock noon.

Father Patrick J. Nagle, Sacred Heart Church, La Plata, Md., offered the following prayer:

In the name of the Father, and of the Son, and of the Holy Spirit. Amen.

O God of all, as of old our fathers prayed, so do we now:

"Lift up Thy hand over the strange nations that they may see Thy power—that they may know Thee as we also have

known Thee, that there is no God beside Thee, O Lord."

Take from us all false pride and foolish thoughts of self-glory. Instead, let us see in Thy divine plan and gracious purpose self-perfection and the desire to lead others by just and proper legislation to this end.

Glorification, whole and entire, of Thy name and a lasting reward from Thy hand—peace in our times.

This more than all else we ask of Thee.

A good conscience, peace within our native country and with all nations.

We ask it in the name of the Father, and of the Son, and of the Holy Spirit. Amen.

THE JOURNAL

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

MESSAGE FROM THE PRESIDENT

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

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Vice President, pursuant to Public Law 84–1028, appointed Mr. PASTORE, Mr. YARBOROUGH, and Mr. BURDICK to be members of the Board of Visitors to the U.S. Air Force Academy.

The message also announced that the Vice President, pursuant to Public Law 84–1028, appointed Mr. BIBLE, Mr. CASE, and Mr. MORTON to be members of the Board of Visitors to the U.S. Naval Academy.

The message also announced that the Vice President, pursuant to Public law 84–1028, appointed Mr. STENNIS, Mr. ALLOTT, and Mr. THURMOND to be members of the Board of Visitors to the U.S. Military Academy.

The message also announced that the Vice President, pursuant to Public Law 79–304, appointed Mr. RIBICOFF to be a member of the Joint Economic Committee.

The message also announced that the Vice President, pursuant to Public Law 86–380, appointed Mr. ERVIN, Mr. MUSKIE, and Mr. MUNDT to be members of the Advisory Commission on Intergovernmental Relations.

The message also announced that the Vice President, pursuant to Public Law 86–417, appointed Mr. RANDOLPH to be a member of the James Madison Memorial Commission.

The message also announced that the Vice President, pursuant to Public Law 420, 83d Congress, appointed Mr. BREWSTER to be a member of the Board of Directors of Gallaudet College.

The message also announced that the Vice President, pursuant to Public Law 250, 77th Congress, appointed Mr. ALLOTT to be a member of the Joint Committee on Reduction of Nonessential Federal Expenditures.

The message also announced that the Vice President, pursuant to Public Law 89–187, appointed Mr. NELSON to be a member of the Father Marquette Tercentenary Commission.

The message also announced that the Vice President, pursuant to Public Law 754, 81st Congress, appointed Mr. Francis R. Valeo to the Federal Records Council in lieu of Mr. Emery L. Frazier, retired.

The message also announced that the Vice President, pursuant to Public Law 87–758, appointed Mr. MAGNUSON to be a member of the National Fisheries Center and Aquarium Advisory Board.

The message also announced that the Vice President, pursuant to Public Law 84–372, appointed Mr. TYDINGS and Mr. BROOKE to be members of the Franklin Delano Roosevelt Memorial Commission.

APPOINTMENT OF MEMBERS TO THE JOINT ECONOMIC COMMITTEE

The SPEAKER. Pursuant to the provisions of 15 United States Code 1024(a), as amended, the Chair appoints as members of the Joint Economic Committee the following members on the part of the House: Mr. PATMAN, of Texas; Mr. BOLLING, of Missouri; Mr. BOGGS, of Louisiana; Mr. REUSS, of Wisconsin; Mrs. GRIFFITHS, of Michigan; Mr. MOORHEAD, of Pennsylvania; Mr. CURTIS, of Missouri; Mr. WIDNALL, of New Jersey; Mr. RUMSFELD, of Illinois; and Mr. BROCK, of Tennessee.

CONGRESSMAN ANNUNZIO INTRODUCES MEASURE TO MAKE COLUMBUS DAY A NATIONAL LEGAL HOLIDAY

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, I am introducing a measure today, which I had introduced in the 89th Congress, to make Columbus Day a national legal holiday.

Thirty-eight States have already declared Columbus Day a legal holiday, but national recognition of Christopher Columbus' momentous discovery has been withheld all these many years. It is indeed an oversight on the part of the Congress of the United States to withhold this national recognition, particularly when we realize that the development of our great country, as well as the development of the whole Western Hemisphere, resulted from Columbus' discovery in 1492.

The importance of Columbus' achievement was best expressed by the eminent Harvard scholar, Samuel Eliot Morrison, who said:

> His four voyages—the first in 1492–93; the second, in which the Lesser Antilles and southern Cuba were discovered, in 1493–94; the third, in which he first touched the mainland, in 1497–98; and the fourth, in 1502–04, in which he discovered the unknown shores of the western Caribbean—are the most important in modern history.

Thus, not only we in North America, but our neighbors in South America as well, owe a tremendous debt to Christopher Columbus for opening up the New World. Our neighbors in South America recognize this debt and each year pay tribute to the memory of Columbus.

Almost every country in South America, including Argentina, Chile, Colombia, Costa Rica, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Paraguay, Peru, Uruguay, and Venezuela celebrate "Dia de la Raza" on October 12 each year. They recognize that Christopher Columbus' discovery on this day marked the actual beginning of their countries and their cultures.

It is unfortunate that we in the United States do not celebrate Columbus Day as a national legal holiday, for if we did, we could join hands with our brothers and sisters in South America in a joint celebration of the one event which holds such profound meaning for all of us. Perhaps, by extending our hand in friendship and by celebrating this holiday together, we could create a more hospitable atmosphere for settling some of the vital social and economic problems which confront us.

Of all the outstanding men whose deeds have made an imperishable record in the hearts and minds of men and women through the ages, it is Columbus whose fame will last forever. Perhaps his achievement is more meaningful for us today than it was for previous generations, because we face the vastness of outer space in the same way that Columbus faced the expanse of the uncharted ocean. Despite all obstacles and hazards, despite primitive navigational equipment, this great Italian found land and achieved the most spectacular and important geographical discovery in the history of our planet.

The qualities that made Columbus great—stubborn persistence despite discouragement and danger, indomitable will, faith in God, and absolute fearlessness—are qualities which our early settlers possessed, which our courageous pioneers demonstrated as they opened up the West, and which our great industrialists and labor leaders have used in building the successful economic enterprises and achieving the remarkable industrial advances that have made our country the greatest nation in the world.

Today, we have more people employed than at any time in our history. Our country is enjoying the greatest prosperity we have ever known. Our gross national product is over $740 billion and by 1972 it is predicted that our gross national product will reach over $1 trillion.

In this era of prosperity and progress, it is hard to believe that there are those who would oppose making Columbus Day a national legal holiday. Yet, there are some few who have put a material value on the holiday, and claim that the closing of our Government offices, our schools, our banks, and other public places would cost too much money.

When one considers, however, the great prosperity in our country, the overabundance of goods, and our constantly growing and expanding economy, this excuse

of cost becomes weak, flimsy, and ineffective.

Mr. Speaker, the magnificent courage and boundless imagination of Columbus made possible the discovery of our country where today the greater democracy ever known to man is flourishing. His indomitable spirit has become a part of us and our way of life. Today, our astronauts who explore outer space are manifesting the same dauntless spirit that Columbus demonstrated when he sailed an uncharted and trackless ocean to find America.

Our debt to Columbus is profound. No longer can we deny him national recognition. The other body, during the 88th Congress, recognized this debt, and in an effort to give Columbus the recognition he justly deserves, passed on August 15, 1964, a bill introduced by Senator J. CALEB BOGGS, of Delaware, to make Columbus Day a national legal holiday. Unfortunately, this bill never came to the floor of the House for action, and died in the House Judiciary Committee. The Representatives, both Republicans and Democrats, from the 38 States which have already made October 12 a State legal holiday never had an opportunity to vote on this legislation.

These States include: Alabama, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Montana, Nebraska, Maryland, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming.

I urge my colleagues from these States to join me in introducing legislation to make Columbus Day a national legal holiday, and I call upon all of the Members of the House to join in enacting my measure to make Columbus Day a national legal holiday. By working together, we can insure this long overdue recognition for Christopher Columbus.

UKRAINIAN INDEPENDENCE DAY

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, on January 22, 1918, the Republic of the Ukraine proclaimed its independence. Free from Czarist tyranny the Ukrainian people set about the nation-building process. Unfortunately, their independent status soon vanished. In 1920 they were besieged by the Red Army. There followed a bitter 3-year struggle, ending with the suppression of the Ukraine and its incorporation into the Soviet Union. Again during World War II the Ukraine served as a battleground when the Nazi armies swept through it. Following the Nazis' defeat the Soviet Union quickly reestablished control. Today, 45 million Ukrainians live under Soviet domination. They constitute the largest non-Russian ethnic group living under the Kremlin regime.

This brief chronology of the 49 years following the Ukrainian proclamation of independence is a sad commentary of its short-lived freedom. Even more tragic is the fact that its suppression is not an isolated historical event. Throughout man's history is witnessed the greed of one nation feeding upon another. Avarice has been the rule of conduct in too many cases.

Fortunately, the peoples of the captive nations have not assented willingly to foreign rule, nor have they surrendered their allegiances to the possible reestablishment of sovereign homelands. Whatever alien sanctions that have been imposed on them have not constrained their nationalism. Their fervent devotion to freedom and autonomy is an inspiring record.

With the 49th anniversary of the Ukraine Republic's birth being observed this past Sunday, it is appropriate that we renew our expressions for the future hopes of that beleaguered nation. It is entirely fitting that we take time to honor and observe the birthdate of the Republic of the Ukraine, a nation whose identify and existence are masked by alien domination.

THE CREDIBILITY GAP IN SACRAMENTO

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, under unanimous consent, I include in the RECORD the following column of Doris Fleeson which appeared in the January 24 Evening Star:

RONALD REAGAN SHEDS HIS MODERATE IMAGE

(By Doris Fleeson)

The long and astute buildup of Gov. Ronald Reagan as a political moderate has collapsed with the sudden firing of Dr. Clark Kerr as president of the University of California.

The new governor was attending his first meeting as ex-officio member of the board of regents when he voted for the ouster. So was Lt. Gov. Robert Finch, another professed moderate and ex-officio member who voted aye. So was Reagan appointee Allen Grant, head of the State Board of Agriculture, an ex-officio regent because the University of California is a land-grant college.

Grant, a member of the State Right to Work Committee, in fact made the original motion to oust Kerr. Surprised conservatives, Republican and Democrat, grinned happily as these signals from Sacramento kept coming.

The Grant motion was deemed too harsh, however, by Regent Lawrence Kennedy, a maverick Democrat appointed by former Gov. Edmund G. Brown, and it was the Kennedy substitute that prevailed. It was far from the first resolution Kennedy has offered, but it is the first that has ever prevailed.

As these circumstances spread through the news media and educational circles, increasing emphasis was put on the political aspect of the story. It could not be otherwise. Reagan had promised in his campaign to "keep the university out of politics." In his first significant act as governor, he had put it in, breathing new life into his 1964 image as the darling of the Goldwaterites.

Republicans here pinned their first reactions to the horrid thought that their extreme right-wingers had not gone down with Barry Goldwater. A few foresaw another bitter and divisive primary campaign in 1968, dimming their present cheerful prospects.

Others comforted themselves with the notion that it is better to know early rather than too late that Reagan's political instincts are at the service of the right-wingers. All are astonished that he did not exercise more patience and prudence, as he has made it so plain that he intends to use his state's power on the national political scene.

Early reports about the scene within the board of regents were confusing. The governor in particular made some statements that other regents do not support. Comment on "the credibility gap in Sacramento" is widespread.

This is as it may be, but Kerr, a distinguished educator with a difficult and complicated job, has been summarily dismissed by newcomers with neither educational nor administrative experience, as if he were an errant office boy. The far right and the new left, enemies who should make sensible people think hard before assisting their goals, wanted Kerr out and have prevailed.

Reagan has been discovering that campaign promises come easily but that delivering on them is another story. He promised to reduce real estate taxes but finds he then must raise others.

No doubt he was angry when Kerr criticized cuts for education and fought Reagan-proposed tuition fees for California residents. Yet Kerr could not do less than defend the educational system that has put California, land-grant college though it is, in competition with the greatest schools in this country and the world.

HIGHER EDUCATION THE LOSER IN CALIFORNIA

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. PRICE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following January 23 Edwardsville, Ill., Intelligencer editorial:

REAGAN WINS PYRRHIC VICTORY

Enemies of academic tolerance will probably cheer the firing of Dr. Clark Kerr, as president of the University of California by the state board of regents.

But to those truly concerned with the quality of higher education in California, as well as the national implication of Dr. Kerr's removal, the ouster is a heavy blow.

In Dr. Kerr's eight-year tenure as president, the university has become ranked in educational circles among the top state universities in the country.

The quality of the faculty has increased, also. The university has more Nobel Prize winners on its staff than any other in the country.

Opponents of Dr. Kerr would say, at this point, that student quality has deteriorated. They will point to the unrest at the Berkeley campus during 1965 and 1966, the Free Speech and Filthy Speech movements, the student boycotts and demonstrations, and Dr. Kerr's refusal to take heavy-handed action against student strike leaders.

What they seem to forget is that Berkeley is only one of the University of California's nine campuses.

They overlook the fact that student unrest has not been limited to Berkeley alone, but has been seen on other campuses, both public and private, across the country.

They neglect to point out that many educators consider the 1965 Berkeley student revolt to have been justified, that the university administration had erred in taking away from students some political rights, or that the 1966 boycott failed because the students' case that time just did not have merit.

Dr. Kerr will not have to worry about his future. His talents are known and surely will be desired by other academic systems.

The cause of higher education in California, however, may be severely disrupted by Dr. Kerr's removal. Many good professors who support Dr. Kerr may seek employment elsewhere. Students who recognize his values and goals may stage rebellions of their own.

The board of regents once before recognized the worth of Dr. Kerr. That was in 1965, when Dr. Kerr resigned to protest certain decisions of the board regarding the student revolt.

A majority of the regents, realizing that they could not afford to lose a man of his convictions and caliber, persuaded Dr. Kerr to stay.

This year, however, under another governor and a different political climate in California, Dr. Kerr's enemies on the state board, the conservatives, made their feelings dramatically known.

Gov. Ronald Reagan, who since his election has been at odds with Dr. Kerr for insisting on budgetary cuts and student tuition, has won an important victory. His prestige has been enhanced and his power with the regents has been underlined.

But the governor's victory, if it can be called that at all, is a short-term one. Higher education in California will suffer because of his, and the board of regents, shortsightedness.

THE WAR ON POVERTY

Mr. RYAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include pertinent material.

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

There was no objection.

Mr. RYAN. Mr. Speaker, the 89th Congress authorized $1.75 billion for fiscal year 1967 for the Office of Economic Opportunity to fight the war against poverty.

It was clear at the time that this authorization was not sufficient to meet our needs. However, under the authorization-appropriation process which the House follows, the authorization was cut before the House adjourned last October by $137.5 million, and the Office of Economic Opportunity wound up with $1,612,500,000.

Instead of continuing ongoing programs or starting new ones, there had to be cutbacks. To say that the poor of this Nation were disappointed is an understatement.

Today I have introduced a supplemental appropriation bill to restore the lost $137.5 million for fiscal year 1967.

The failure to live up to the commitments made in the authorization bill through the loss of this money is nothing short of an American tragedy. Unless Congress restores the cut, we will be guilty of reneging on our promises to the poor. This will result in increasing the cynicism which already exists concerning the promise of the Great Society.

The wealthiest nation in the world cannot afford to cut any deeper into the antipoverty program. It is up to Congress to fulfill the commitment to eradicate poverty in an affluent America.

SOCIAL SECURITY LEGISLATION

Mr. HALL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. HALL. Mr. Speaker, today, I have introduced legislation providing for automatic social security increases in the future whenever the cost of living increases 3 percent or more, and for an across-the-board increase of 8 percent in social security benefits.

It has been apparent for some time that the inflation we have been experiencing has worked a severe hardship and burden on our citizens, who depend on social security benefits, and who have tried to secure their own future. Last Congress, as a member of the Republican task force on aging, I introduced legislation to provide automatic increases in benefits commensurate with increases in the consumer price index. If my bill had been enacted into law during the 89th Congress, the recipients of social security would have already benefited from a comparable increase.

Since the effective date of the 1965 increase, the consumer price index has increased 5.3 percent. If the social security laws had contained an escalator provision, such as I am now proposing, this hardship would not have been imposed upon our senior citizens.

However, despite the continued erosion of social security benefits, and other savings by inflation, the administration did not feel that any action was necessary. If the administration's sense of concern matched the urgency of its political rhetoric, social security beneficiaries would currently be receiving increased benefits. Fairness to our elderly citizens requires that Congress act on this proposal as one of the first orders of business.

This provision for automatic increases, in the future, is identical to the bill I introduced in the last Congress, and is patterned after similar provisions in the civil service and military retirement laws.

Mr. Speaker, this bill will help compensate for the failure of benefit increases to keep up with increases in the cost of living, or the corollary thereof; namely, decreased purchasing power of the dollar. But equally, and perhaps even more important, it will insure prompt adjustment of benefits to living costs in the future. It will do this with an automatic trigger that will help take politics out of social security, and thus insure the adequacy of the trust fund for present-day workers when they reach retirement age.

The administration must bear the responsibility for the plight of our older citizens during the last few inflationary years. While inflation has robbed them of a decent standard of living, the administration prevented a benefit increase by insisting that any increase be delayed until the medicare program could be enacted. If the social security laws had contained an escalator provision such as I am now proposing, this delay could have been avoided.

Based on information and the latest actuarial estimates from the Office of the Chief of Actuary of the Social Security Administration, an 8-percent increase in benefits can be enacted with absolutely no increase in social security taxes, or erosion of existing trust funds.

Mr. Speaker, three other areas of social security structural reform, I feel, that should be carefully examined by the Committee on Ways and Means are raising the minimum benefit, raising the present earnings limitation, and increasing the widows' benefit rate to 100 percent of primary. However, since each of these three proposals would require additional financing, either an increase in the tax rate or the tax base, or both, I think the Committee on Ways and Means should hold hearings and determine the cost as well as the priorities that should be accorded.

In summary, Mr. Speaker, the two provisions of this bill, the automatic cost-of-living increases and the 8-percent increase in benefits, are a responsibly progressive answer to the various alternatives proposed in this field. It provides for increased benefits, while not increasing the tax burden upon our gainfully employed citizens, and establishes machinery whereby future benefits will be taken out of the hands of partisan politics.

BRAND-EX

Mr. MICHEL. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. MICHEL. Mr. Speaker, the Great Society's ringmasters have decreed that the American people should have a 6-percent surtax, a permanent and sizable increase in social security tax payments, and a jump in the postage rate. Yet, this is the same Johnson-Humphrey administration that will, sometime this year, solemnly assure everyone that it is working very hard to keep down the cost of living.

It was this same administration that admonished housewives to put on their glasses and examine their shopping lists closely. Every taxpayer should put on his or her glasses and take a close look at the fiscal ballooning of the Federal budget for 1968.

If there were standards for labeling and packaging the budget, this one would never pass inspection. While we are at war, the Federal budget is obese and out

of shape. While the taxpayer is called on to sacrifice, Federal agencies are asking for more money to spend for their pet projects and programs.

The L.B.J. supermarket will never qualify as a discount house. The surtax is going to become a sore-tax for hard-pressed taxpayers, and I would venture to say that those who support this superfluous raid on the family finances will be known as "brand-ex" after the taxpayers go to the polls in 1968.

AUTHORIZING PAYMENT OF COMPENSATION FOR CERTAIN COMMITTEE EMPLOYEES

Mr. FRIEDEL. Mr. Speaker, I ask unanimous consent for the immediate consideration of House Resolution 113.

The Clerk read the resolution, as follows:

H. RES. 113

Resolved, That there shall be paid out of the contingent fund of the House of Representatives such sums as may be necessary to pay the compensation for services performed during the period beginning January 3, 1967, and ending at the close of February 28, 1967, by each person (1) who, on January 2, 1967, was employed by a standing committee or any select committee of the Eighty-ninth Congress and whose salary was paid under authority of a House resolution adopted during the Eighty-ninth Congress, and (2) who is certified by the chairman of the appropriate committee as performing such services for such committee during such period. Such compensation shall be paid such person at a rate not to exceed the rate he was receiving on January 2, 1967.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

EXTEND MEDICARE TO WIDOWS WITH UNDERAGED CHILDREN

Mr. PUCINSKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. PUCINSKI. Mr. Speaker, President Johnson has proposed a 20-percent increase in social security benefits to the Nation's senior citizens.

I firmly support this proposal for there is no question in my mind that we must increase monthly benefits to our senior citizens if they are to meet the increased cost of living.

However, I believe that in discussing the President's amendments, the time has come when we should extend hospital care under medicare to widows with underage children so that this entire program will become more acceptable to the younger worker who will have to carry the brunt of additional contributions to social security which in turn will make possible the President's proposal to increase by 20 percent benefits to senior citizens.

We cannot be unmindful of the fact that present wage earners who must carry the full brunt of providing increased benefits to senior citizens are becoming more and more concerned with mounting monthly contributions they must make to social security.

I believe the younger worker would be more willing to absorb higher social security premiums if he knew that under these increased premiums, he would be guaranteeing decent hospital care under medicare for his wife and children should he die before his children become of age.

If we now pay a widow with underaged children a pension, it appears to me that a breadwinner would find greater peace of mind if he knew that should something happen to him, his wife and children would not have to stand in line in a county hospital when they need medical attention, but rather could obtain such attention from their family doctor in a hospital of their choice under medicare. Please keep in mind that most group insurance plans lapse when the worker dies or leaves his employer.

I should like to remind my colleagues that the original medicare bill, sponsored by Congressman Aime Forand in 1958, included widows with underaged children for hospital care under social security.

This proviso was dropped as a concession to opponents of medicare. In my judgment it was a mistake to drop them from coverage then, and it is a greater mistake to exclude them from medicare now.

There are an estimated 2.5 million widows and underaged children receiving a pension under social security at the present time. I know of no reason why these widows and their underage children should not receive the same hospital care that we provide other social security recipients. But I do know that such care for widows with children would provide great comfort to the young father who today is concerned about the future of his family should death claim him prematurely.

I sincerely believe that young married couples would view the entire social security program with greater acceptance if this amendment became part of the overall changes being proposed by President Johnson in this year's social security revision.

I have every reason to believe the increased cost for this extended coverage to widows with young children would be nominal.

It is my intention to suggest this proposal to the Ways and Means Committee when it begins hearings on the President's proposal.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 28)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Joint Economic Committee and ordered to be printed with illustrations:

To the Congress of the United States:

A healthy and productive economy is a bulwark of freedom.

Around the world and here at home, our trials of strength, our works of peace, our quest for justice, our search for knowledge and understanding, our efforts to enrich our environment are buttressed by an amazing productive power.

Americans have confronted many challenges in this century. The ones we face in 1967 are as trying of men's spirits as any we have known. But the overwhelming majority of us face our challenges in comfort, if not affluence. The sacrifices required of most of today's generation are not of income or security; rather we are called on to renounce prejudice, impatience, apathy, weakness, and weariness.

In purely material terms, most Americans are better off than ever before. That fact expands our responsibilities, as it enlarges our resources to meet them.

RECENT ECONOMIC GAINS

An average of 74 million persons were at work in 1966—2 million more than in 1965. Nonfarm payrolls averaged 64 million, a gain of 3 million. On the whole, these jobs were better paying than ever, and more regular and more secure than most workers can remember.

The value of our total production of goods and services in 1966 was $740 billion—$58 billion, or 8½ percent, higher than in 1965. More of the increase than we wanted represented higher prices. Still, the gain was nearly 5½ percent after correction for price changes.

Labor, business, and the farmer all contributed to this major gain in production, and they rightly shared the benefits.

Aggregate compensation of employees rose 10.3 percent. Average compensation per man-hour in the private economy rose 6.5 percent, reflecting increased wages and fringe benefits, more overtime, the shift to higher paying jobs, and increased employer contributions to social security. Corporate profits after taxes advanced more than 8 percent; per dollar of sales they were roughly unchanged from the high rate of 1965. Net income per farm rose more than 10 percent.

The single most meaningful measure of economic well-being is real disposable income per person—the after-tax purchasing power in stable dollars, available on the average to every man, woman, and child. It rose 3½ percent or $89 per person in 1966. Although this advance was somewhat smaller than in 1965, it was still three times as large as the average yearly gain in the 1950's.

February 1961 launched the strongest and most durable economic expansion in our economic annuals, and it still continues.

Almost 9 million jobs have been added in the last 6 years.

The rate of unemployment has fallen from 7 percent in early 1961 to under 4 percent. The rate for white adult males fell from 5 percent to 2 percent; for Negro men, from nearly 12 percent to less than 5 percent.

Early in 1961, more than two-thirds of our major labor markets were "areas of substantial unemployment"; today only 8 of the 150 are so classified, and 66 have unemployment below 3 percent.

While total population rose 11 million between 1961 and 1965, the number of Americans in poverty declined 5½ million, and probably fell at least another 1¼ million in 1966. The poverty definition is adjusted for the increase in living costs.

Our gross national product—GNP—has grown 50 percent in 6 years. In constant prices, the gain has averaged 5½ percent a year. The physical output of our factories and mines is up over 50 percent.

Private output per man-hour in 1966 was 19 percent higher than in 1961.

The 6-year addition to our gross stock of private productive capital—machines, buildings, transportation equipment, land improvements, and inventories—is valued at $220 billion.

American families have added $470 billion to their accumulated financial assets. They have added $150 billion to their debts. So their net financial position is $320 billion stronger than 6 years ago.

OUR ECONOMIC PROBLEMS

Prosperity is everywhere evident. But prosperity is never without problems, and—in 1966—some of them were serious.

SOME LEADING PROBLEMS

1. Economic progress still left far too many behind.

Nearly 3 million workers were without jobs at the end of 1966. Perhaps two-thirds of them were "frictionally" unemployed: new entrants to the labor force in the process of locating a job; persons who quit one job to seek another; workers in the "off" months of seasonal industries; those temporarily laid off but with instructions to return. Their unemployment will be temporary; many were drawing unemployment insurance.

But most of the remaining third will wait a long time for a steady job. They are the "hard core" unemployed—lacking the necessary skills to find other than intermittent work; the victims of past or present discrimination; those unable or unwilling to move from depressed areas and occupations; the physically or emotionally handicapped.

Another half million to 1 million potential workers were not even counted as unemployed. Many had long ago abandoned any search for a job. Some had never tried.

But even among those who worked year round, some 2 million breadwinners—particularly the low skilled with large families—earned incomes insufficient to support a minimum standard of decent subsistence.

And 6½ million families were poor because the heads of their households were unable to work: either aged, severely handicapped, or a widowed or deserted mother with young children.

Those left behind used to be called the "invisible poor." But an awakened public conscience has sharpened the vision of most Americans.

2. Price increases—although less than in many comparable periods—still were greater than we wanted or should long tolerate.

It is tempting to blame the creep of prices on the greed of producers—or the irresponsibility of labor—or Government policies—or bad weather—or economic disturbances abroad. Some of the price rise may have been due to each. But the main causes lay elsewhere:

Some can be traced to imbalances created by the special pressures of Vietnam procurement and booming private investment.

The spurt of demand—partly real, partly psychological—that followed the step-up of our Vietnam effort in mid-1965 simply exceeded the speed limits on the economy's ability to adjust. Our resources were sufficient for the task; but the sheer speed of the advance strained the ability of industrial management to mobilize resources at the required pace.

Some price advance was the inevitable cost of the adjustments required in recovering from a decade of slack:

Wages had to be raised sharply in underpaid occupations, which previously held their labor only because the alternative was no job at all.

Producers in once stagnant, low-profit industries saw opportunities for expansion and found it possible to raise prices and earnings in order to attract needed capital.

Demand pressed harder on skilled occupations and professional services where we had trained too few persons to meet the needs of a high employment economy.

Some price increases would still have occurred had we moved at a steadier pace.

But these price increases could have come slowly enough and have been small enough not to threaten a chain reaction of wages chasing other wages—wages chasing prices—prices chasing wages—and prices chasing other prices.

It is this spiral we must and can avoid. But it will require responsible action on the part of all.

3. Achieving equilibrium in our balance of payments remained a problem, in spite of strong new measures.

The costs of Vietnam required us to spend many more hundreds of millions of dollars beyond our shores. At the same time, the spurt of demand caused our imports—especially of capital goods—to soar.

We are determined to continue our progress toward equilibrium.

4. Tight money and high interest rates concentrated the burden of restraint on housing.

Interest rates in 1966 were as high as at any time in 40 years. They were pushed there by an insatiable demand for credit, straining against a deliberately restricted supply. Monetary policy in 1966—like tax policy—was properly aimed at slowing down an economy expanding too fast.

The brakes applied last year worked. But tight money worked painfully and inequitably. It cut construction by more than $8 billion during 1966. Its impact was equivalent to a heavy across-the-board tax increase, but with most of its effect concentrated on a single industry.

FINDING SOLUTIONS

We will move this year toward solutions for these problems and others But they cannot all be completely solved in 1967.

LIFTING THE BURDEN ON HOUSING

Now that the economy's advance is again more moderate, the burden of tight money is being lifted. Interest rates are still extremely high—but they are moving down from their peaks. Credit is still not readily available to all who can make sound and productive use of it—but it is becoming easier to get. More savings are flowing into our thrift institutions and are beginning to be available to builders and homebuyers.

The steps we took last year and those I am now proposing, the steps the Federal Reserve has recently taken and is continuing to take to increase credit availability and lower interest rates, should have our housing industry moving smartly forward by the end of 1967, and ready for one of its best years in 1968.

RESTORING PRICE STABILITY

The advance of prices has already begun to slow. Wholesale prices in December were below their levels of August.

The more moderate pace of economic advance now underway, which the policies I am recommending are designed to maintain, should further diminish inflationary pressures.

We cannot rescind all of last year's increases in costs, some of which are still spreading through our structure of prices. Price stability cannot be restored overnight. But we will be making good progress toward price stability this year.

IMPROVING OUR INTERNATIONAL PAYMENTS

We have recently announced stronger voluntary balance-of-payments programs for 1967. Our policies to constrain economic expansion to a sustainable pace should permit an improved export surplus.

I am now recommending further steps to strengthen our external payments. Yet so long as we remain heavily engaged in southeast Asia, we will have a balance-of-payments problem.

COMBATING POVERTY

We will continue to attack poverty and deprivation through such weapons as—

Community action and Headstart;

Rent supplements and child nutrition;

Aid to elementary and secondary education in poverty areas and the Teachers Corps;

The Manpower Development and Training Act, the Job Corps, the Neighborhood Youth Corps;

Medicare, medicaid, and neighborhood health centers;

Measures to end discrimination in jobs, education, and public facilities;

The expanded coverage enacted last year for a higher minimum wage.

I am proposing that our attack be reinforced with new weapons in 1967.

Yet, with old weapons and new, the war on poverty will not be won in 1967—or 1968. There is no wonder drug which can suddenly conquer this ancient scourge of man. It will be a long and continuing struggle, which will challenge our imagination, our patience, our knowledge, and our resources for years to come. Our capacity to stay with the task will be a test of our maturity as a people.

USING THE GAINS OF GROWTH

From early 1961 to the end of 1966, our GNP rose an average of $44 billion a year. About $9 billion a year was price increase. Of the balance—

An average real gain of $10 billion a year—in 1966 prices—came from putting idle men and machines back to work.

An average real gain of $25 billion a year—in 1966 prices—came from the growth of our resources: a larger work force, more and better capital and management, higher productivity.

Further gains from putting idle resources to work will now be harder to achieve.

But our annual dividend from growth has meanwhile become more generous. In 1967 it will add $30 billion at today's prices to our potential output.

Our economic policies must assure that we realize this potential dividend—and use it wisely.

REALIZING THE GROWTH DIVIDEND

To insure our full dividend from economic growth requires that markets for goods and services expand steadily and adequately—but not excessively. In recent years, we have tested and refined the power of fiscal and monetary policy to stimulate or moderate the expansion of total demand.

During 1966, Federal expenditures were expanding rapidly, but tax policy worked to counter their impact.

Federal expenditures in our national income accounts grew $19 billion in calendar year 1966, reflecting the stepup in national defense; in social security, medicare, and related payments; and in grants to State and local governments. They added strongly to private purchasing power. They would have added more but for the substantial expenditure cutbacks put into effect during the year.

On the other side, taxes restrained demand. Higher payroll taxes, the restoration of some excise taxes, the institution of graduated withholding, and the suspension of tax incentives to investment all represented new measures that were draining off more than $9 billion of spendable incomes by yearend. In combination, and for the full year, these measures and an expanding economy produced $18 billion more in revenues than in 1965. Prompt action by Congress in response to my tax proposals of January and September made tax policy an important force for economic restraint.

Taking the two sides together, our national income accounts budget was in surplus in the first half and in balance for 1966 as a whole.

But as private investment threatened to outrun private saving, sharp monetary restraint was also applied. In response to both fiscal and monetary restraints, the economy shifted gears from excessive speed to a moderate advance.

FISCAL POLICY FOR 1967

In the year ahead we are determined to maintain that moderate advance; we need no further slowdown; we can tolerate no new spurt of demand. After midyear, the tax increase I have proposed and a more moderate growth of Federal spending will increase the freedom of monetary policy to support expansion. I am confident that the opportunity will be used.

The specific fiscal program I am recommending includes—

A surcharge of 6 percent on the tax liabilities of individuals, exempting persons in the lowest income brackets;

The same 6-percent surcharge on the tax liabilities of corporations.

Here are some examples of the effect of this proposal, as applied to a married couple with two dependents, using typical deductions:

With $5,000 income, their tax will be unchanged—still $130 lower than they would have paid in 1963.

With $10,000 income, their tax in 1968 will rise $67, or $1.30 a week. Their annual tax will still be $190 less than they would have paid in 1963.

With $20,000 income, their tax in 1968 will rise $190, or $3.65 a week. But their annual tax will still be $450 less than they would have paid in 1963.

A corporation with profits before tax of $100,000 will pay an extra $2,490. It will still pay $2,510 less than it would have paid in 1963.

One with profits of $1,000,000 will pay an extra $28,410, still $12,590 less than it would have paid in 1963.

The surcharge will provide for $5.1 billion of extra revenues in fiscal year 1968 on a national income accounts basis, substantially offsetting the expansion of $5.8 billion in defense purchases.

The national income accounts budget will also be affected by my proposals for social security benefits and taxes.

After allowance for these changes, the national income accounts deficit for fiscal year 1968 is now estimated at $2.1 billion, compared with $3.8 billion in fiscal year 1967.

I am also recommending two further accelerations of corporate tax payments, to begin in 1968:

Requiring quarterly payment of estimated tax on the basis of 80 percent rather than 70 percent of liability;

Requiring, over a 5-year period, that small corporations, as well as large, become current in their tax payments, in the same way as individual proprietors.

We have fashioned a fiscal program for sustainable expansion. With that program, we now see a rise of about $47 billion in our GNP in 1967—a growth dividend close to 4 percent in real terms.

USING THE GROWTH DIVIDEND

The first priority for the use of our growth dividend must, as always, be the defense of freedom. But it will take only a small part of our $47 billion of added production.

These will be the public claims on our growth dividend:

Ten billion dollars more of our output in 1967 will go for the support of our men in Vietnam and other urgent needs of defense.

One and one-half billion dollars will go for the expansion of other Federal purchases, including adjustments in Federal civilian and military pay.

State and local governments will use about $8 billion more of the Nation's resources in 1967. In this, they will be aided by Federal grants totaling nearly $15 billion.

The remaining $27½ billion of our GNP gain in 1967—nearly 60 percent of it—will be used in the private sector. And the flow of goods and services to consumers will expand this year by even more than that.

In the past several years, an unusually large part of our output growth has gone to expand the productive capacity of business and to build up inventories to support high and growing production and sales. On balance, a slightly smaller portion of our resources will be used for these purposes in 1967 than in 1966.

For the year as a whole, slightly less of our resources than last year will be used to build new homes, although a sharp recovery in residential construction from its current deep recession is expected during the course of the year.

As the flow of goods and services to consumers expands, the ability of our elderly citizens to share in these gains will be supported by a rise of more than $6 billion in social security and medicare payments.

In 1967, we will have no bonus dividend from using previously idle resources. But the dividend from growth alone is a big one. We must be sure we get it; and we must use it wisely.

RESTORING PRICE STABILITY

From the beginning of 1961 until 1965, the United States enjoyed both price stability and a strongly expanding economy. The average of wholesale prices hardly moved, and consumer prices rose only a little more than 1 percent a year. Last year, that record was blemished. Consumer prices rose 2.9 percent between 1965 and 1966, wholesale prices 3.2 percent.

When we were involved in Korea, consumer prices rose 8.0 percent between 1950 and 1951, wholesale prices 11.4 percent. And we had price controls during most of 1951.

Even when we were not at war, consumer prices rose 3.5 percent between 1956 and 1957, wholesale prices 2.9 percent.

Nevertheless, we are not satisfied with our record on prices. And we expect to improve on it this year.

There are many reasons why we refuse to tolerate rapidly rising prices:

They injure those with fixed incomes, especially older people.

They can lead to speculation and economic distortions which could undermine prosperity.

They weaken our competitive position in world markets.

As they persist, they become harder to stop without throwing the economy into reverse.

Restoring price stability is one of our major tasks. It will not be accomplished all at once, or all in 1967. That could be done—if at all—only at the cost of mass unemployment, idle machines, and intolerable economic waste. But a gradual return to stability can go hand in hand with steady economic advance.

Such an improvement will require—

Prudent fiscal and monetary policies;

Government efforts to help relieve the key points of pressure on prices;

The responsible conduct of those in business and labor who have the power to make price and wage decisions.

With steady, sustainable, and balanced growth, we can look forward to—

Relief of pressures on capacity in such strained areas as machinery and metals;

Adjustments of raw materials supplies to demand;

The end of labor shortages in key areas.

Other efforts of the Federal Government can help to relieve particular pressures on prices and wages. We will continue—

To develop manpower training programs to meet skill shortages;

To increase the efficiency of the employment services in matching jobs and men;

To handle Government procurement so as to minimize its pressure on prices;

To dispose of surplus Government stockpiles to alleviate shortages of raw materials;

To manage farm programs to assure adequate supplies as well as equitable returns.

But efforts of the Government alone will not be enough. The cooperation of business and labor is essential for success.

In the past year, most businessmen who had a choice in setting prices and most trade unions that negotiated wage contracts acted responsibly. They did so because they took account of the national interest and saw that it was also their own.

If business and labor were to consider only their own short-run interests—

Each union might seek a wage increase which exceeds the most recent settlement by some other union;

Each business might strive to achieve a new profit record by translating strong demand into higher prices, whether or not costs have increased.

But when business and labor consider the national interest—and their own longer run interests—they realize that such actions would have only one result: a wage-price spiral which is in the interest of neither.

If unions now attempt to recoup in wages all of the past or anticipated advance in the cost of living—in addition to the productivity trend;

If businesses now seek to pass along rising costs when it would be possible to absorb them or do not reduce prices when costs fall;

Then the result will be just such a spiral—damaging to business, damaging to labor, and disastrous to the Nation.

Once again, I appeal to business and labor—in their own interest and that of the Nation—for the utmost restraint and responsibility in wage and price decisions.

INTERNATIONAL ECONOMIC POLICIES

The current year is a critical one for our international economic policies and for the economic progress of the world community.

As the largest single market and source of capital, the United States carries special responsibilities.

TRADE

This administration is committed to reducing barriers to international trade, as demonstrated by my recent action terminating the 1954 escape clause action on watches, and rolling back the special tariff on imports of glass.

The Kennedy round of trade negotiations is now entering its final and most critical phase. I emphasize once more how important this great attempt to liberalize world trade is for all the developed and developing nations of the free world.

After more than 4 years of discussion, it is essential that the participants now resolve the many complex problems that still remain. It would indeed be a tragedy if the wide authority granted to the President by the Trade Expansion Act of 1962 were allowed to lapse unused. Never before has there been such a splendid opportunity to increase world trade. It must not be lost.

But the Kennedy round is not the end of the road. We must look beyond the negotiations in Geneva to further progress in the years ahead. We must begin to shape a trade policy for the next decade that is responsive to the needs of both the less developed and the advanced countries.

We should seize every opportunity to build and enlarge bridges of peaceful exchange with the countries of Eastern Europe and the Soviet Union. We should have the ability to adapt our policies to whatever political circumstances or commercial opportunities may present themselves. I again urge the Congress to provide authority to expand our trade relations with Eastern Europe and the Soviet Union.

AID

Although 1966 was a relatively good year for world economic growth, average output in developing countries rose by less than $3 a person.

There were, however, encouraging signs of progress. Developing nations demonstrated a willingness to take difficult but necessary steps to help themselves. India, for example, revised her foreign exchange and agricultural policies to promote more rapid growth.

Among the wealthier nations, stronger efforts were made to assist the development of the poorer countries. Canada and Japan increased their assistance programs. Major free world aid donors joined in new groups to coordinate their flow of aid.

The United States will continue to respond constructively to the aspirations of the developing nations. We will give first priority to fighting the evils of hunger, disease, and ignorance in those free world countries which are resolutely committed to helping themselves.

There should, however, be increasing efforts to make both the receiving and giving of aid a matter for creative international partnership. We shall therefore—

Continue to support enthusiastically, in a manner consistent with our balance-of-payments position, such promising cooperative regional efforts as the Alliance for Progress, the Inter-American, the Asian, and the African Development Banks, and the Mekong Development Fund of the United Nations;

Further encourage the coordinated extension and expansion of aid by the major donor countries in ways that result in an equitable sharing of the burden; and

Seek the cooperation of other major donor countries this year in replenishing the resources of the International Development Association.

BALANCE OF PAYMENTS

We can take some satisfaction in the fact that our balance of payments in 1966 may prove to have been in surplus on official reserve settlements. Despite the added costs of the war in Vietnam and the rapid growth of imports, our deficit on a liquidity basis increased only slightly in 1966.

But we cannot relax our efforts to seek further improvement.

Our goal in the coming year is to continue to move toward balance-of-payments equilibrium as rapidly as the foreign exchange costs of the Vietnam conflict may permit. This goal will be supported through measures and policies consistent with healthy growth at home and our responsibilities abroad.

We already have extended and reinforced the voluntary restraint programs for corporate investment abroad and for foreign lending by financial institutions. I am counting on the continued full cooperation of businesses and banks with these programs in 1967. And I have instructed all agencies of the Government to intensify their efforts to limit the dollar drain resulting from their activities.

But more is needed. I now recommend the following steps:

1. The Congress should extend the interest equalization tax, in strengthened form, to July 31, 1969. This tax has proved extremely useful in limiting the borrowing of developed countries in our capital markets and in reinforcing the Federal Reserve voluntary program. As we move toward easier money in the United States, foreign borrowing in our financial markets may tend to increase. I am therefore requesting authority to adjust the rates of the interest equalization tax as monetary conditions warrant, so that the effective impact on interest costs can be varied between zero and 2 percent. This would replace the present flat 1-percent impact.

Moreover, to insure against possible anticipatory increases in foreign borrowing, I am also requesting that the tax be imposed at rates which provide an impact of 2 percent on interest costs while the legislation is under consideration by Congress.

2. The most satisfactory way to arrest the increasing gap between American travel abroad and foreign travel here is not to limit the former but to stimulate and encourage the latter. I shall appoint in the near future a special industry-Government task force to make specific recommendations by May 1, 1967, on how the Federal Government can best stimulate foreign travel to the United States. After a careful review of their advice, I shall ask the U.S. Travel Service and other appropriate agencies to take the steps that seem most promising.

3. As part of our longrun balance-of-payments program. I shall also—

Request continuation and expansion by $4.5 billion of the lending authority of the Export-Import Bank in order to support the expansion of exports;

Continue to urge other countries to participate in the development of better means both of sharing the resource burdens and of neutralizing the balance-of-payments effect arising from the common defense and foreign assistance efforts.

4. For the longer run strength of our payments balance, we should intensify efforts to—

Stimulate exporters' interest in supplying foreign markets;

Enlist the support of the financial community to attract additional foreign investment in the United States;

Encourage further development of foreign capital markets.

IMPROVING THE INTERNATIONAL MONETARY SYSTEM

In 1966, significant progress was made toward a better international monetary system. Through close consultation and cooperation among the financial authorities of major countries, temporary strains were met promptly and effectively.

Two large forward steps were taken on the road to international monetary reform: wide consensus was reached on basic principles for the deliberate creation of additional reserve assets; and the negotiations advanced to a second stage in which all members of the International Monetary Fund are participating.

An even greater effort must be made in the coming year to improve our monetary system. In particular, I urge that—

All countries participate in the continuing task of strengthening the basic monetary arrangements that have served the world so well;

Both surplus and deficit countries assume their full responsibility for proper adjustment of international payments imbalances, and cooperate in efforts to lower world interest rates;

Full agreement be reached on a constructive contingency plan for the adequate and orderly growth of world monetary reserves.

HELPING THE DISADVANTAGED

The United States is the first large nation in the history of the world wealthy enough to end poverty within its borders. There are many fronts in the war on poverty. We are moving forward on them all.

There must be full employment so that those qualified and able to work can find jobs. The unemployment rate last year was the lowest in 13 years.

Those not now fully qualified must be given the education and training, the health and guidance services which will enable them to make their full contribution to society. We have greatly increased our aid to education and enlarged our training programs, and we will expand them further.

For those who will be unable to earn adequate incomes, there must be help—most of all for the benefit of children, whose misfortune to be born poor must not deprive them of future opportunity. We have increased our income support, and we will increase it further.

Wherever the poor and disadvantaged are concentrated, intensive and coordinated programs to break the cycle of deprivation and dependency must continue and be reinforced. We have instituted these programs in hundreds of cities and rural areas; we are expanding them and designing others.

INCOME GUARANTEES

Completely new proposals for guaranteeing minimum incomes are now under discussion. They range from a "negative income tax" to a complete restructuring of public assistance to a program of residual public employment for all who lack private jobs. Their advocates include some of the sturdiest defenders of free enterprise. These plans may or may not prove to be practicable at any time. And they are almost surely beyond our means at this time. But we must examine any plan, however unconventional, which could promise a major advance. I intend to establish a commission of leading Americans to examine the many proposals that have been put forward, reviewing their merits and disadvantages, and reporting in 2 years to me and the American people.

PUBLIC ASSISTANCE

Our system of public assistance is now 30 years old and has obvious faults. The standards of need set by many States are unrealistically low; benefits are further restricted by excessively stringent eligibility conditions. In some respects the system perpetuates dependency.

1. State standards of need are miserably low. In 18 States a family of 4 is presumed able to manage for a month on $45 a person—or less. And in many States, actual payments average far below their own standards of need.

It is time to raise payments toward more acceptable levels.

As a first step, I ask the Congress to require that each State's payments at least meet its own definition of need; and that its definition should be kept up to date annually as conditions change.

2. With minor exceptions, payments under public assistance are reduced dollar for dollar of earnings by the recipient, removing any incentive to accept part-time work. We should encourage self-help, not penalize it.

It is time to put an end to this 100 percent tax on the earnings of those on public assistance.

I shall therefore ask Congress to enact payment formulas which will permit those on assistance to keep some part of what they may earn, without loss of payments.

3. Many recipients of public assistance are capable of receiving training which would ultimately make them self-supporting.

I therefore urge the Congress to make permanent the unemployed parent and community work and training programs associated with aid to families with dependent children—AFDC—and to require all States receiving Federal support under AFDC to cooperate in making community work and training available for the unemployed parents of dependent children.

TRAINING AND EMPLOYMENT

The coexistence of job vacancies and idle workers unable to fill them represents a bitter human tragedy and an inexcusable economic waste. One of society's most creative acts is the training of the unemployed, the underemployed, or the formerly unemployable to fill those vacancies.

A dynamic economy demands new and changing skills. By enabling workers to acquire those skills, we open opportunities for individual development and self-fulfillment. And we make possible higher production without inflationary pressures.

I shall ask the Congress for funds to support a new and special effort to train and find jobs for the disadvantaged who live in urban ghettos.

I shall also propose legislation to improve the effectiveness of the Federal-State employment service.

SOCIAL SECURITY

Millions of aged still live in poverty. Millions of younger Americans are willing to pay for more adequate retirement benefits in the future.

I ask the Congress to approve an overall 20-percent increase in our social security program. We can increase benefits for all social security beneficiaries by at least 15 percent, raise the minimum benefit by 59 percent to $70 a month, assure workers with 25 years of coverage at least $100 a month, extend medical insurance to disabled beneficiaries, and allow larger earnings without loss of benefits.

UNEMPLOYMENT INSURANCE

Our system of unemployment insurance was created in a world of massive unemployment. The needs of a high employment economy are different. Today, when jobs are available, the jobless who exhaust their benefits typically need training, guidance, or other supportive services.

Therefore, I am asking the Congress to consider legislation to provide such services in conjunction with extended benefits to the long-term unemployed, to extend the protection of the system to additional workers, to establish more uniformly adequate benefits, and to correct abuses.

CITIES AND HOUSING

The American city is not obsolete; it is still a great engine for economic and social progress. But cities are in trouble, threatened by congestion, pollution, crime, poverty, racial tension, slums, and blight.

Yesterday's rural poor have been moving to the city just as many of the jobs they seek and need have been moving to the suburbs. Inadequate transportation and discrimination in housing make it difficult for them to follow the jobs; and deficiencies of education, health, and skills compound their disadvantages.

Most cities cannot afford the massive expenditures necessary to solve these problems. The flight of higher income families and businesses to the suburbs erodes sources of revenue for the cities, even as expenditure demands escalate. Inflexible city limits have created a hodgepodge of local taxing jurisdictions, often dividing the tax base from the need. The cities cannot collect for the many benefits they supply to residents of the suburbs.

The problems of the cities flow across irrelevant boundaries established by historical accident. So solutions must draw on the resources and imagination of a larger area. Our efforts have been aimed to encourage a metropolitan approach to metropolitan problems.

We must also find ways to enlist more fully the resources and imagination of private enterprise in the great task of restoring our cities.

I have just appointed a commission, under the chairmanship of Senator Paul H. Douglas, to work with the Department of Housing and Urban Development to examine problems of codes, zoning, taxation, and development standards and to recommend ways to increase the supply of low-cost housing. I am convinced that this study can make a major contribution to the solution of urban problems.

Last year, the Congress enacted the pathbreaking model cities legislation. The Federal Government will help cities to focus all available programs on their needs—eventually to overwhelm the problems that have heretofore overwhelmed the cities.

More than 70 cities will have completed their plans and be eligible to start receiving assistance in 1968. Federal aid for water and sewer projects, open land conservation, and urban mass transportation is encouraging a more coordinated approach to metropolitan problems. I seek increased appropriations for all of these programs. And I shall seek authorization and resources for a greatly expanded program of research on urban problems.

Growth in the number and incomes of American families will require us to build about 2 million new houses a year for the next decade, most of them in and around cities. Last year, housing bore a disproportionate part of the burden of needed restraint. But we are now moving into a period of renewed homebuilding. I look for construction to rise briskly during 1967.

Federal programs for fiscal 1968 will assist in construction or renovation of 165,000 housing units for the urban poor, the elderly, and the handicapped. The rent supplement program will contribute to this goal.

This year will be a brightening one for the housing industry; it can also be a landmark year in the progress and evolution of our cities.

EDUCATION AND HEALTH

Individually and collectively, Americans have insatiable appetites for more education and better health. Education and health contribute both to individual well-being and to the Nation's productivity. But far too many of our urban and rural poor are denied adequate access to either. The efficiency of our methods of education and of providing medical care can and should be strengthened.

History will record these years as the time when this Nation awoke to its needs—and its limitations—in education and health. The Elementary and Secondary Education Act, Headstart, the Teachers Corps, medicare, medicaid, and the partnership in health will be landmarks in our social economic development.

I shall propose—

An expanded Headstart program; a follow-through program in the early years of school; and the opening of other new educational opportunities for children;

Both legislative and administrative changes to accelerate research and development on more efficient and effective ways of providing health resources;

An expanded child health program, including early diagnosis and treatment, a pilot program of dental care, and the training of additional health personnel to provide services to children.

ABATING POLLUTION

A polluted environment erodes our health and well-being. It diminishes individual vitality; it is costly to industry and agriculture; it has debilitating effects on urban and regional development; it takes some of the joy out of life.

The 89th Congress enacted important legislation to improve the quality of our environment. All 50 States have now signified their intention to establish water quality standards for their interstate and coastal waters. The Federal Government is assisting State and local governments through comprehensive water basin planning, and is providing financial help to States for the administration of water pollution control and to local areas for the construction of sewage treatment facilities. In addition, we are studying appropriate methods to encourage industry to control its discharge of pollutants.

The foundation for abating air pollution was laid in the Clean Air Act of 1965. But the air over every city proves that further steps are necessary.

I propose that we get on with the jobs of preserving and restoring our environment. I will present detailed proposals on control of air pollution in another message.

IMPROVING OUR TAX SYSTEM

Our tax system is one in which we can take pride. In terms of fairness, revenue productivity, and balanced economic impact, it is unsurpassed by any other tax system in the world today.

Nevertheless, it can be improved. As they now stand, our tax laws impose undue burdens on some and grant unfair benefits to others.

A system as complex as ours cannot be perfected in a single bill. Rather, the process of tax reform must be continuous, with every provision of the law subject to constant examination and adjustment where needed. Moreover, this work of basic reform should proceed independently of the requirements for raising taxes or the opportunities for tax reduction.

I therefore plan to submit proposals to the Congress to improve the equity of our tax system and reduce economic distortions. These proposals will be designed to avoid significant budgetary effects.

As one specific reform, I will urge changes to deal with abuses by tax-exempt private foundations.

IMPROVING GOVERNMENT ORGANIZATION

Separate Departments of Labor and Commerce perpetuate the obsolete notion that there is fundamental conflict between the interests of business and labor, or between the interests of either and that of the Nation.

A single department of labor and business can more effectively carry out those national programs which affect the private productive sector as a whole. The two departments share many common objectives; their interests and activities coincide or overlap in—

Fostering economic and regional development;

Matching the skills of labor with the needs of employers;

Providing more jobs at better wages;

Avoiding labor disputes;

Maintaining a fair distribution of private incomes without inflation;

Providing stability of production and jobs;

Providing basic economic and social information and technical services needed by both private and public sectors;

Supporting expansion of international trade and considering its impact on the domestic economy.

By combining these activities, we can greatly improve efficiency, reduce costs, simplify the reporting burden on business, provide better and more uniform statistics, and assure that the views and the problems of the private sector enter more effectively into decisions on general economic policy.

I urge the Congress to support my recommendation for a new department of labor and business.

OTHER ECONOMIC POLICIES

1. I renew four recommendations made in my Economic Report of 1966 and not acted upon by the 89th Congress:

A fair system of charges for users of highways, aviation facilities, and inland waterways, to improve efficiency in the use of transportation resources, and to reimburse the Federal Government for a part of its expenditures on facilities which directly benefit those who use them;

Truth-in-lending legislation, to provide consumers with a full and clear statement of the true cost of credit;

Stronger regulation of savings and loan holding companies;

Provision of Federal charters for mutual savings banks, to enlarge and strengthen our system of thrift institutions.

2. To aid the advance of technology on which economic progress depends, I now urge congressional support for—

A long-overdue modernization of our patent system;

A large-scale program of research in transportation.

3. Total holdings in the Nation's stockpile of strategic and critical materials now stand at $6.5 billion. Of this amount, $3.4 billion are excess to our defense needs as presently determined.

During the last fiscal year, the Administrator of General Services disposed of excess stockpile materials valued at slightly more than $1 billion without disruption of the domestic economy or the normal channels of trade.

The last session of the Congress authorized disposal of excess stockpile material valued at $782 million. I will ask the Congress for authority to dispose

of additional stockpile excesses, bringing to about $2 billion the present value of excess stockpile material available for disposal.

I believe that we should relieve taxpayers of the burden of carrying unneeded surplus stocks, and provide businesses and workers with the materials necessary to assure continued high levels of production.

4. The responsibility which we share with the States to ensure that our banks and thrift institutions are honest, competent, and competitive is a continuing function demanding constant attention. We must continue to encourage the orderly and progressive development of a financial system adequate to meet the needs of a growing and dynamic economy.

I urge the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Comptroller of the Currency, and the Federal Home Loan Bank Board to continue and to intensify their efforts to coordinate their regulatory policies and procedures, and to improve their examination methods.

AFTER VIETNAM

Despite all our efforts for an honorable peace in Vietnam, the war continues. I cannot predict when it will end. Thus our plans must assume its long duration.

But peace will return—and it could return sooner than we dare expect.

When hostilities do end, we will be faced with a great opportunity, and a challenge how best to use that opportunity. The resources now being claimed by the war can be diverted to peaceful uses both at home and abroad, and can hasten the attainment of the great goals upon which we have set our sights.

If we keep our eyes firmly fixed on those goals—and if we plan wisely—we need have no fear that the bridge from war to peace will exact a wasteful toll of idle resources, human or material.

But when that welcome day of peace arrives, we will need quick adjustments in our economic policies. We must be prepared for those adjustments, ready to act rapidly—both to avoid interruption to our prosperity and to take full and immediate advantage of our opportunities.

Planning for peace has been an important activity in many executive agencies. But the effort needs to be stepped up and integrated.

Accordingly, I am instructing the heads of the relevant agencies in the executive branch, under the leadership of the Chairman of the Council of Economic Advisers, to begin at once a major and coordinated effort to review our readiness. I have asked them—

To consider possibilities and priorities for tax reduction;

To prepare, with the Federal Reserve Board, plans for quick adjustments of monetary and financial policies;

To determine which high priority programs can be quickly expanded;

To determine priorities for the longer range expansion of programs to meet the needs of the American people, both through new and existing programs;

To study and evaluate the future direction of Federal financial support to our States and local governments;

To examine ways in which the transition to peace can be smoothed for the workers, companies, and communities now engaged in supplying our defense needs, and the men released from our Armed Forces.

I have directed that initial reports be prepared on all of these and related problems, and that thereafter they be kept continuously up to date.

CONCLUSION

Our task for 1967 is to sustain further sound and rewarding economic progress while we move toward solutions for the problems we met in 1966. It will require a flexible and delicate balance of economic policies.

Above all, we must guard against any interruption of our prosperity. The steady advance of jobs and incomes is our most powerful weapon in the battle against poverty and discrimination at home. And it undergirds our policy around the world.

Yet we must be equally alert to the dangers of inflation.

In his Economic Report of January 1956, President Eisenhower wrote:

> The continuance of general prosperity cannot be taken for granted. In a high-level economy like ours, neither the threat of inflation nor the threat of recession can ever be very distant. . . . The only rigid rule we can afford to admit to our minds is the principle that the best way to fight a recession is to try to prevent it from occurring.

Only 18 months later, the sharpest recession of the entire postwar period began—which also led to the largest peacetime budget deficit in our history. Over the same 18 months, both consumer prices and wholesale prices advanced 5½ percent—considerably faster than in the 18 months since June 1965.

That history does not invalidate but rather reinforces President Eisenhower's proposition. Neither the threat of inflation nor of recession is ever distant in a high-level economy.

How can we steer between these dangers, and—at the same time—supply the needs of national defense, strengthen our overseas payments, relieve the inequities of tight money and high interest rates, maintain the momentum of social progress, and provide the growth of incomes which lets each of us move toward fulfilling his private aspirations?

I am confident that we can find such a course. We will continue to coordinate the tools of monetary and fiscal policy to the common goal—the sound, balanced, and noninflationary advance of production and incomes. We are steering toward lower interest rates, a better balance in our economy, a budget and a social security program that reflect national priorities.

There will be surprises in store along the way. We must be prepared to meet them swiftly and flexibly. And I think we are. The tools of economic policy are not perfect; but they are far better understood and accepted—in the Government and in the private community—than ever before.

We have surely proved over recent years that economic progress does not need to be interrupted by frequent recessions. And, although prices have risen faster in the past year and a half than we expected or wished, we have done better than in most similar periods of our economic history. And we have done it without burdensome controls on prices or wages.

The Federal Government cannot do the whole job—or even very much of it. Production and incomes arise from the strength and skill of workers, the ingenuity of managements, the willingness of savers to risk their capital, the genius of inventors and engineers, the patience of teachers, the devotion of local public servants—the contributions of all who participate in our economy.

Yet the Federal Government has a role of leadership and a responsibility for coordination.

The Congress defined that role in the Employment Act of 1946:

> It is the continuing policy and responsibility of the Federal Government . . . with the assistance and cooperation of industry, agriculture, labor, and State and local governments, to coordinate and utilize all of its plans, functions, and resources for the purpose of creating and maintaining, in a manner calculated to foster and promote free competitive enterprise and the general welfare . . . useful employment opportunities . . . for those able, willing and seeking to work, and to promote maximum employment, production, and purchasing power.

Our economic policies for 1967 respond to that mandate.

LYNDON B. JOHNSON.

JANUARY 26, 1967.

PRICES IN 1967

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ALBERT. Mr. Speaker, I wish to commend the President for his balanced and constructive report on the state of the economy.

At a time when our attention is focused on the year ahead, the President's report performs a valuable service by placing 1967 in perspective and by reminding us of how far we have come since the dark days of February 1961. We have reached the administration's first-stage target of less than 4 percent unemployment; we have added nearly 9 million jobs; we have signficantly lowered the number of those living in poverty; and we have experienced an amazing growth rate of 5½ percent a year.

President Johnson nevertheless has not glossed over the very real problems which still confront the economy—and this Congress—in 1967. In particular, he recognizes the concern of all Americans over the price increases of the past year and the threat of continued increases this year. As he notes, much of the recent price increase can largely be traced to the spurt of demand beginning in mid-1965, as we stepped up our effort in Vietnam and as private investment continued to boom. Although the resulting price increases were less than in other comparable periods, such as the

Korean war, they present a clear warning that firm policies are needed in 1967 to assure improvement.

To meet the problem of inflation, the President has proposed a prudent mixture of policies. In addition, the President has wisely pointed out the need to improve the efficiency of our labor markets in matching jobs and men. We have now reached the critical point beyond which unemployment cannot be easily reduced by expanding demand, for such a course would produce a sharp rise in prices. We must instead place even more emphasis on training the hard-core unemployed and on bringing qualified workers and suitable vacancies together more quickly and at less cost to everyone concerned.

These measures will move us in the right direction. But they will not reduce or eliminate all inflationary pressures overnight. We must recognize that only a severe recession could entirely halt or reverse the recent price increases, and that a balanced growth of the economy in the year ahead will undoubtedly be accompanied by some price increases. It, therefore, becomes all the more important that business and labor respond to the President's call for restraint in their decisions on wages and prices. His report realistically acknowledges the pressures placed upon workers and employers by the recent rise in prices—but it also points forcefully to the dangers of a wage-price spiral, if both parties now attempt to recoup all of the past or anticipated advance in prices.

The year ahead will not be an easy one on the economic front, but the President has charted a course which deserves the support of this Congress and the country at large.

THE PRESIDENT'S ECONOMIC MESSAGE

Mr. CURTIS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. CURTIS. Mr. Speaker, the errors and omissions of economic policy in 1966 are now coming back to haunt the administration. It is evident from the 1967 Economic Report that there is no easy way out of the economic problems created by the administration's mismanagement of the economy last year.

The dilemmas which face the administration this year have produced curious and potentially dangerous contradictions in the President's proposals.

First, the administration admits that inflation, particularly from the cost side, will continue to be a serious problem, with no early or simple solution in sight. In spite of this expression of concern, it has proposed a sharp increase in spending that will result in substantial budget deficits that will, without question, exert additional inflationary pressures throughout the year. Even more to the point is the strong likelihood that current spending estimates will prove too low and revenue estimates too high, resulting in deficits substantially greater than those now predicted. Furthermore, the administration is proposing increases in personal and corporate income taxes, as well as new social security taxes which, in the final analysis, may themselves cause an upward push on business costs and prices.

Second, the administration foresees a slowdown in growth in the first half of the current year, and a speedup in growth in the second half. This forecast is almost directly the opposite of that now being made by most private economists. There is a strong chance that the rate of economic advance will fall in the second half of the year, when the investment tax credit will really begin to bite into business spending for plant and equipment. Under these circumstances, the administration's proposal for an increase in corporate and personal taxes to take effect July 1 cannot be supported on economic grounds at this time.

Third, the administration believes that interest rates should be lowered in order to correct the distortions and imbalances which arose from its high-interest-rate policy of last year. Yet based on conservative estimates, it proposes $9.4 billion in regular Treasury borrowing, net agency borrowing, and participation sales. The result of these Federal activities in the financial markets will make it difficult, perhaps impossible, to lower interest rates.

Fourth, the balance of payments is likely to suffer further deterioration next year. The administration's goal to lower interest rates, while desirable on domestic grounds, poses the risk of a massive outflow of funds that could create a balance-of-payments deficit of crisis proportions.

The Joint Economic Committee, in its annual hearings next month, will want to give careful consideration to these and other apparent contradictions in the administration's economic proposals. Unless policies this year are carefully tailored for their economic, as opposed to their political impact, the Nation is likely to face an economy market by more serious inflation, substantially slower growth—possibly even a recession—and a sharp worsening in the balance-of-payments position.

COMMITTEE ON THE HOUSE RECORDING STUDIO

The SPEAKER. Pursuant to the provisions of section 105(c), Public Law 624, 84th Congress, the Chair appoints as members of the Committee on the House Recording Studio the following Members on the part of the House:

Mr. STEED, of Oklahoma.

Mr. IRWIN, of Connecticut.

Mr. DEVINE, of Ohio.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. ALBERT. Mr. Speaker, I offer a resolution (H. Res. 182) and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 182

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That during the remainder of the Ninetieth Congress the Committee on Merchant Marine and Fisheries shall be composed of thirty-four members.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR THE BALANCE OF THIS WEEK AND THE WEEK OF JANUARY 30, 1967

Mr. GERALD R. FORD. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, I take this time for the purpose of inquiring of the distinguished majority leader the schedule for next week.

Mr. ALBERT. Mr. Speaker, will the distinguished minority leader yield?

Mr. GERALD R. FORD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Upon finishing the business for today, we will have finished the business for the week, and it will be our purpose to ask to go over to Monday.

As the gentleman knows, we are just now finishing the constitution of the committees, and there will be no legislative business of any great importance next week. So we do not intend to send out notices to Members.

ADJOURNMENT OVER TO JANUARY 30, 1967

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that when the House adjourns today that it adjourn to meet on Monday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS

Mr. ALBERT. Mr. Speaker, I ask unanimous consent to dispense with the reading of Calendar Wednesday on Wednesday next.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

SEPARATION OF EDUCATION AND LABOR

Mr. LANDRUM. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. LANDRUM. Mr. Speaker, on January 2, 1947, under the Legislative

Reorganization Act of 1946, two large subject areas—the area of education and that of labor—were joined together in the House of Representatives under one committee, the Committee on Education and Labor.

There was at that time perhaps some justification for uniting these two subjects under a single committee.

Twenty years ago there were 47 standing committees in the House, a cumbersome structure with no planned or logical organization. Mr. Wadsworth of New York, in an effort to help correct what he termed "this hodgepodge conglomeration of committees in the House" recommended the consolidation plan which was considered and accepted as most practical and feasible. It was Mr. Wadsworth who thought and suggested that "the Committee on Labor might well absorb the Committee on Education."

Knowing the House as I do from my experience here of 14 years, 12 of which were served as a member of the Education and Labor Committee, I feel sure that even at the time of this action there was skepticism among the Members, skepticism which is evidenced by the long months of study and discussion devoted to this entire question of reorganization.

Yet even conceding the point that sufficient reason existed at that time to combine the subjects of education and labor does not alter the fact that there is present today no justification for this common Committee on Education and Labor.

The individual areas of education and of labor, which though not unwieldy were large in 1946, are in 1967 giants. The scope of each has broadened to almost inconceivable limits with, of course, the proportionate advances in the field of education being greater.

The diversity of each from the other has increased with the expansion of each. Interrelationships exist, but to no greater extent than among other subject matters dealt with by our Government in general and the House of Representatives in particular.

Now it has come that we have the vital subject of education, which is the basis of all growth and progress in our country—and I might add the hope for solution to many of our problems—grouped with the sensitive subject of labor, which involves our Nation's economy, entire capacity for production and thus directly our standard of living.

Under the executive branch's classification of subject areas, education and labor fall into two separate, distinct Departments—that of Health, Education, and Welfare and that of Labor. And as you know, there is now a Presidential recommendation to combine this latter Department with another, involving yet other subject areas and serving to widen thus further the chasm, legislatively speaking, between education and labor.

Development of huge new Federal programs in each area has not necessarily led to increased proximity of the subjects. This development has added complexities and with them additional study and work required in each area.

Alone, the increase in the sheer volume of legislation in each area has been phenomenal. It is becoming more and more difficult for a single Member to be knowledgeable in both the subjects of education and labor. This difficulty naturally extends itself to the committee staff members.

We are, as Mr. Wadsworth was, as much concerned with the psychological aspects of a Member's committee assignment as we are with the pure mechanics of his position. Members of the House of Representatives, as all men, must be convinced that the work they are doing is important, necessary in order to be able to perform to capacity.

However, that which is required of a conscientious member of the Education and Labor Committee has mounted to heights never dreamed of even 20 years ago. Therefore, there is no valid argument that separation would reduce the prestige or responsibility of the members of the two individual committees because the work of each would be more limited in scope and reduced from that done by the committee as it now stands, combining the two fields. True, the work would be lessened, but only in volume and variety not in importance. Separated, each field would offer even greater potential and challenge to a Member.

By allowing the Committee on Education and Labor to stand as a single unit which functions in two very large and very different realms of responsibility, we are encouraging a single unit of crescendo purview and power. I believe we have reached the point of centralization of too much diversified responsibility in one committee and concentration of too varied a workload upon its members and its staff.

With all this in mind, I have come today to introduce a resolution which would dissolve the present Committee on Education and Labor and establish a major Committee on Education, consisting of 25 members, and a major Committee on Labor, consisting of 25 members.

Just a little less than 4 years ago, I introduced in this body an almost identical resolution. Actually, this differs from my original proposal only in that it includes jurisdiction designations for several major programs enacted since 1963.

The need for the separation of education and labor existed at the time of my first resolution; the need is imperative now.

During this period of inaction since my plea in the 88th Congress for this division, no less than three major governmental organizations have resulted from legislation originating from the Education and Labor Committee. They are, of course, the Office of Economic Oportunity, the National Foundation on the Arts and Humanities, and the Manpower Administration which, although it includes other previously enacted programs, is charged with the responsibility of administering the Manpower Development and Training Act.

I repeat—the need is imminent.

We must have this separation of education and labor. We must have it in order to guarantee thorough study and careful deliberation of all the problems and proposals related to each individual area. We must have it to insure well informed Members who have adequate time and the assistance of a specialized committee staff to remain current in that particular area and sufficient interest to prompt logical conclusions and intelligent projections.

I intend to ask for a hearing and consideration of this resolution at the earliest possible time, and I respectfully urge the serious attention of all Members of this House to this proposal.

ELECTION OF MEMBERS TO COMMITTEES

Mr. LAIRD. Mr. Speaker, I send to the desk a resolution (H. Res. 183), and ask unanimous consent for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 183

Resolved, That the following-named Members be, and they are hereby, elected members of the following standing committees of the House of Representatives:

COMMITTEE ON AGRICULTURE: Page Belcher, Oklahoma; Charles M. Teague, California; Catherine May, Washington; Robert Dole, Kansas; George V. Hansen, Idaho; William C. Wampler, Virginia; George A. Goodling, Pennsylvania; Clarence E. Miller, Ohio; J. Herbert Burke, Florida; Robert B. Mathias, California; Wiley Mayne, Iowa; John Zwach, Minnesota; Thomas S. Kleppe, North Dakota; Robert D. Price, Texas; John T. Myers, Indiana.

COMMITTEE ON APPROPRIATIONS: William H. Harrison, Wyoming; Louis C. Wyman, New Hampshire; Burt L. Talcott, California; Charlotte T. Reid, Illinois; Donald W. Riegle, Jr., Michigan.

COMMITTEE ON ARMED SERVICES: William H. Bates, Massachusetts; Leslie C. Arends, Illinois; Alvin E. O'Konski, Wisconsin; William G. Bray, Indiana; Bob Wilson, California; Charles S. Gubser, California; Charles E. Chamberlain, Michigan; Alexander Pirnie, New York; Durward G. Hall, Missouri; Donald D. Clancy, Ohio; Robert T. Stafford, Vermont; Richard S. Schweiker, Pennsylvania; Charles A. Halleck, Indiana; Carleton J. King, New York; William L. Dickinson, Alabama; Charles W. Whalen, Jr., Ohio; James V. Smith, Oklahoma.

COMMITTEE ON BANKING AND CURRENCY: William B. Widnall, New Jersey; Paul A. Fino, New York; Florence P. Dwyer, New Jersey; Seymour Halpern, New York; W. E. (Bill) Brock, Tennessee; Del Clawson, California; Albert W. Johnson, Pennsylvania; J. William Stanton, Ohio; Chester L. Mize, Kansas; Sherman P. Lloyd, Utah; Benjamin B. Blackburn, Georgia; Garry E. Brown, Michigan; Lawrence G. Williams, Pennsylvania; Chalmers P. Wylie, Ohio.

COMMITTEE ON THE DISTRICT OF COLUMBIA: Ancher Nelsen, Minnesota; William L. Springer, Illinois; Alvin E. O'Konski, Wisconsin; William H. Harsha, Ohio; Charles McC. Mathias, Jr., Maryland; Frank J. Horton, New York; Joel T. Broyhill, Virginia; Larry Winn, Jr., Kansas; Gilbert Gude, Maryland; John Zwach, Minnesota; Sam Steiger, Arizona.

COMMITTEE ON EDUCATION AND LABOR: William H. Ayres, Ohio; Albert H. Quie, Minnesota; Charles E. Goodell, New York; John

M. Ashbrook, Ohio; Alphonzo Bell, California; Ogden R. Reid, New York; Edward J. Gurney, Florida; John N. Erlenborn, Illinois; William J. Scherle, Iowa; John R. Dellenback, Oregon; Marvin L. Esch, Michigan; Edwin D. Eshleman, Pennsylvania; James C. Gardner, North Carolina; William A. Steiger, Wisconsin.

COMMITTEE ON FOREIGN AFFAIRS: Frances P. Bolton, Ohio; E. Ross Adair, Indiana; William S. Mailliard, California; Peter H. B. Frelinghuysen, New Jersey; William S. Broomfield, Michigan; J. Irving Whalley, Pennsylvania; H. R. Gross, Iowa; E. Y. Berry, South Dakota; Edward J. Derwinski, Illinois; F. Bradford Morse, Massachusetts; Vernon W. Thomson, Wisconsin; James G. Fulton, Pennsylvania; Paul Findley, Illinois; John Buchanan, Alabama; Robert Taft, Jr., Ohio.

COMMITTEE ON GOVERNMENT OPERATIONS: Florence P. Dwyer, New Jersey; Ogden R. Reid, New York; Frank J. Horton, New York; Donald Rumsfeld, Illinois; John N. Erlenborn, Illinois; John W. Wydler, New York; Robert Dole, Kansas; Clarence J. Brown, Jr., Ohio; Jack Edwards, Alabama; Guy Vander Jagt, Michigan; John T. Myers, Indiana; Fletcher Thompson, Georgia; William O. Cowger, Kentucky, Margaret M. Heckler, Massachusetts; Gilbert Gude, Maryland.

COMMITTEE ON HOUSE ADMINISTRATION: Glenard P. Lipscomb, California; Robert J. Corbett, Pennsylvania; Charles E. Chamberlain, Michigan; Charles E. Goodell, New York; Samuel L. Devine, Ohio; William L. Dickinson, Alabama; James C. Cleveland, New Hampshire; John Kyl, Iowa; Albert H. Quie, Minnesota; Fred Schwengel, Iowa; William O. Cowger, Kentucky.

COMMITTEE ON INTERIOR AND INSULAR AFFAIRS: John P. Saylor, Pennsylvania; E. Y. Berry, South Dakota; Craig Hosmer, California; Joe Skubitz, Kansas; Laurence J. Burton, Utah; Rogers C. B. Morton, Maryland; Wendell Wyatt, Oregon; George V. Hansen, Idaho; Ed Reinecke, California; Theodore R. Kupferman, New York; John Kyl, Iowa; Sam Steiger, Arizona; Howard W. Pollock, Alaska; James A. McClure, Idaho.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE: William L. Springer, Illinois; J. Arthur Younger, California; Samuel L. Devine, Ohio; Ancher Nelsen, Minnesota; Hastings Keith, Massachusetts; Glenn Cunningham, Nebraska; James T. Broyhill, North Carolina; James Harvey, Michigan; Albert W. Watson, South Carolina; Tim Lee Carter, Kentucky; G. Robert Watkins, Pennsylvania; Donald G. Brotzman, Colorado; Clarence J. Brown, Jr., Ohio; Dan Kuykendall, Tennessee.

COMMITTEE ON THE JUDICIARY: William M. McCulloch, Ohio; Richard H. Poff, Virginia; Arch A. Moore, Jr., West Virginia; William T. Cahill, New Jersey; Clark MacGregor, Minnesota; Charles McC. Mathias, Jr., Maryland; Edward Hutchinson, Michigan; Robert McClory, Illinois; Henry P. Smith, III, New York; William Roth, Delaware; Thomas J. Meskill, Connecticut; Charles W. Sandman, Jr., New Jersey; Thomas F. Railsback, Illinois; Edward G. Biester, Jr., Pennsylvania; Charles W. Wiggins, California.

COMMITTEE ON MERCHANT MARINE AND FISHERIES: William S. Mailliard, California; Thomas M. Pelly, Washington; Charles A. Mosher, Ohio; James R. Grover, Jr., New York; Rogers C. B. Morton, Maryland; Hastings Keith, Massachusetts; Jack Edwards, Alabama; G. Robert Watkins, Pennsylvania; Ed Reinecke, California; Henry C. Schadeberg, Wisconsin; William Roth, Delaware; John R. Dellenback, Oregon; Howard W. Pollock, Alaska; Philip E. Ruppe, Michigan; Daniel E. Button, New York.

COMMITTEE ON POST OFFICE AND CIVIL SERVICE: Robert J. Corbett, Pennsylvania; H. R. Gross, Iowa, Glenn Cunningham, Nebraska; Edward J. Derwinski, Illinois; Albert W. Johnson, Pennsylvania; James T. Broyhill, North Carolina; Daniel E. Button, New York; William L. Scott, Virginia; Philip E. Ruppe, Michigan; James A. McClure, Idaho; Fletcher Thompson, Georgia.

COMMITTEE ON PUBLIC WORKS: William Cramer, Florida; William H. Harsha, Ohio; James R. Grover, Jr., New York; James C. Cleveland, New Hampshire; Don H. Clausen, California; Robert C. McEwen, New York; Joe Skubitz, Kansas; John J. Duncan, Tennessee; Fred Schwengel, Iowa; Henry C. Schadeberg, Wisconsin; M. G. (Gene) Snyder, Kentucky; Robert V. Denney, Nebraska; Roger H. Zion, Indiana; Jack H. McDonald, Michigan; John Paul Hammerschmidt, Arkansas.

COMMITTEE ON SCIENCE AND ASTRONAUTICS: James G. Fulton, Pennsylvania; Charles A. Mosher, Ohio; Richard L. Roudebush, Indiana; Alphonzo Bell, California; Thomas M. Pelly, Washington; Donald Rumsfeld, Illinois; Edward J. Gurney, Florida; John W. Wydler, New York; Guy Vander Jagt, Michigan; Larry Winn, Jr., Kansas; Jerry L. Pettis, California; Donald E. Lukens, Ohio; John E. Hunt, New Jersey.

COMMITTEE ON UN-AMERICAN ACTIVITIES: John M. Ashbrook, Ohio; Del Clawson, California; Richard L. Roudebush, Indiana; Albert W. Watson, South Carolina.

COMMITTEE ON VETERANS' AFFAIRS: E. Ross Adair, Indiana; William H. Ayres, Ohio; Paul A. Fino, New York; John P. Saylor, Pennsylvania; Charles M. Teague, California; Seymour Halpern, New York; John J. Duncan, Tennessee; Theodore R. Kupferman, New York; John Paul Hammerschmidt, Arkansas; William L. Scott, Virginia; Margaret M. Heckler, Massachusetts.

COMMITTEE ON WAYS AND MEANS: Barber B. Conable, Jr., New York; George Bush, Texas.

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

There was no objection.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CARNATIONS IN HONOR OF WILLIAM McKINLEY

Mr. BETTS. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BETTS. Mr. Speaker, I have been asked by the gentlewoman from Ohio [Mrs. BOLTON], who is the dean of the Republican delegation from Ohio, to announce that the carnations have been distributed today by the Republican delegation from Ohio in honor of William McKinley, whose birthday will occur on Sunday next, January 29.

The Ohio Republican delegation has done this every year for many, many years, because McKinley not only was a beloved Governor of Ohio but also was one of our outstanding statesmen and Presidents.

We have always felt it fitting that the Republicans in the House do this, because we believe one of the great contributions McKinley made to his country was as a Member of the House, as a member of the Ways and Means Committee, and as chairman of that great committee.

Ordinarily the gentleman from Ohio [Mr. Bow] performs this task, because he represents the district in which McKinley was born and where he practiced law in Ohio before being elected to Congress. Unfortunately Mr. Bow is unable to be with us today since he is confined to the hospital. I am sure I speak for the membership of the House that he will have a complete and early recovery.

I take great pleasure in making this announcement to the House concerning the carnations and the recognition of McKinley's birthday.

Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. GERALD R. FORD] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. GERALD R. FORD. Mr. Speaker, as this coming Sunday is the birthday anniversary of one of our martyred Presidents, a distinguished son of the great State of Ohio, I rise to make a few observations about William McKinley.

President McKinley received his political schooling in this body, as it were, serving six terms in the House of Representatives before he was elected Governor of Ohio, from which office he went to the White House.

His career spanned a period of momentous changes in American life. When he was born 124 years ago, the Stars and Stripes flew over no Pacific territory; when he died the whole Pacific Ocean had become a special American concern. He rose from the ranks to major in the Civil War, at time when this Nation's vital interests were almost wholly domestic; he served as Commander in Chief of the short war with Spain which helped to heal the wounds between Blue and Grey and, wittingly or not, made the United States a world power with vast responsibilities in foreign affairs which are with us to this day.

President McKinley was struck down by an anarchist's bullet shortly after he was resoundingly reelected to a second term with Theodore Roosevelt as his vice-presidential running mate. Had doctors then known of today's wonder drugs, his life might have been saved and the political currents of the 20th century might have run quite different courses. These are the imponderables of history, which make it such a fascinating study.

Mr. Speaker, I am happy to join in this annual tribute to William McKinley who so ably served his congressional constituents, his State and the United States, and gave his life in the service of his country as its 25th President.

GENERAL LEAVE

Mr. BETTS. Mr. Speaker, I ask unanimous consent that all Members may have

5 days in which to extend their remarks on this subject.

The SPEAKER pro tempore (Mr. LANDRUM). Without objection, it is so ordered.

There was no objection.

NOISE POLLUTION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York [Mr. KUPFERMAN] is recognized for 30 minutes.

Mr. KUPFERMAN. Mr. Speaker, on Thursday evening, January 19, 1967, I had the honor of being a member of a panel at a meeting conducted by the New York State Society of Professional Engineers, New York chapter, on the subject of "The City and Its Environment—Noise in the City."

Other speakers included Mr. William H. Correale, P.E., technical director, code project, Brooklyn Polytechnic Institute; Mr. Michael J. Kodaras, acoustical consultant, on "Noise Transmission in Building"; Dr. Wilbur J. Gould, M.D., noted surgeon and otologist from Lenox Hill Hospital; and Mr. Roy F. Sullivan, M.A., noted audiologist, director of the Audiology Research Laboratory, the Long Island College Hospital in Brooklyn, on "Impact of Noise on Human Beings." Mr. Kurt Rosenbaum, P.E., served as moderator.

I reviewed my legislative proposals on noise, H.R. 2819 in this Congress—H.R. 14602 in the 89th Congress—and my previous statements which will be found in the CONGRESSIONAL RECORD, volume 112, part 7, pages 8745–8769; volume 112, part 8, pages 9470–9476; volume 112, part 8, page 9680; daily edition, May 16, 1966, pages A2629–A2630; volume 112, part 9, pages 1291–1306; daily edition, August 1, 1966, pages A4038–A4049; volume 112, part 14, pages 18233–18257; volume 112, part 15, page 20388; volume 112, part 20, pages 27803–27824; volume 112, part 20, page 27874; and January 18, 1967, pages 788–810.

There follow the talks by Roy F. Sullivan, William H. Correale, and Michael J. Kodaras:

NOISE IN THE CITIES: ITS EFFECT ON THE HEARING MAN

(By Roy F. Sullivan, M.A., director, Audiology Research Laboratory, the Long Island College Hospital)

By ASA definition, "Noise is any undesired sound." The term "undesired" introduces no small degree of subjectivity into this specification. Consider the case of the audiophile in apartment 710, totally immersed in a concert level rendition of Moussorgsky's "Night on Bald Mountain" to the hapless or perhaps just uncultured residents of apartments 610, 810, 709 and 711 this would undoubtedly with subjective unanimity constitute a most undesirable of noises. There are, however, certain aspects to the problem of noise and its effects on man which may be examined more logically if not objectively.

The first slide presents a schema or outline of some of the ostensibly more common effects of noise on the hearing man. A definition of terms is in order here.

Noise induced Permanent Threshold Shift or PTS refers to that irreversible, unremitting impairment of hearing which may be solely attributable to the effects of prolonged exposure to physically intense levels of noise. Noise induced Temporary Threshold Shift or TTS represents a transient decrement in auditory sensitivity, also attributable to high level noise exposure. The combinations of intensity and duration, however, are such that when a day's exposure is terminated, hearing will revert to the previous nontraumatized level. Glorig indicates that this reversal should take place within a span of about 16 hours. Both permanent and temporary threshold shift have an organically determinate effect on man and may be assayed objectively. They are included under the major heading physiological as distinguished from, but hardly dichotomized with the heading psychological. The philosophical mind-body problem remains as such, a problem.

Under the latter psychological categorization, we have interference effects. For example, noise may interfere with a speaker-listener or orthotelephonic system, street noise may interrupt a sidewalk telephone conversation, subway noise may elicit the Lombard effect or the tendency to raise one's voice in a background of noise. We have all experienced this last transitory phenomenon which terminates immediately together with the noise, or perhaps embarrassingly a bit later as one finds oneself shouting to a friend 12" distant on a stalled crowded subway. SIL refers to speech interference level a quantity to be mentioned later.

Interference with activity includes noise effects on occupational activity, recreation, perhaps we might even include inactivity, that is sleep. Again, to a man, we have been unceremoniously aroused during a night's sleep by some manner of air or motor vehicular traffic noise and generally been worse for wear the next morning. Annoyance levels implies impersonal or group consensus of dissatisfaction with the ambient or transient acoustic state of affairs in the office or, especially in the sanctum sanctorum, the home.

As one scans down the list of effects a number of approximately monotonic orderings may be noted:

(1) The minimally requisite acoustic noise energy for a given effect generally decreases. That is to say, energy in the IT or intensity times time sense. It takes less noise energy to just interfere with a telephone conversation than to just induce a temporary auditory threshold shift. In the same vein, the acoustic basis for one's annoyance with the neighbor's musical indiscretions may amount to put 34db on a sound level meter A scale provided that the hour and other conditions are adventitiously inappropriate.

(2) Next, an effect achieving a given maximum schematic ranking will generally include those responses found in lower positions. For example, any noise energy capable of inducing a permanent auditory threshold shift will most assertedly cause a temporary threshold shift, interfere with speech communication and probably annoy as well. The converse also appears to hold.

(3) Finally, as one again descends the list, the effects become progressively more evanescent, more difficult to document objectively; especially as we transcend from the realm of the physiological to that of the psychological; from the soma to the psyche. To illustrate a dB hearing, impairment ascribable to a noise induced permanent threshold shift is easily objectified through any number of available audiometric techniques. It may even be verified histologically, the latter unfortunately, only postmortem. On the other hand, temporary threshold shift by definition, slips away with rest time and removal from the organically irritating noise stimulus. Speech interference is immediately contingent upon the presence of a certain spectrum and level of noise being easier to identify pragmatically through experience of communication difficulty in its presence, than through detailed acoustical analysis. Finally, how does one scale with any degree of validity the annoyance of sounds.

The usable range of human hearing extends non-linearly in frequency from 16 to 20,000 cycles per second and in intensity from 0 through 140dB re 10^{-16}w/cm^2. There are more than 300,000 tones of different frequency and/or intensity which can be distinguished in the auditory area and virtually an infinitude of discriminable tonal combinations, a fair proportion of which produce the effects outlined in the preceding framework.

Keeping in mind this outline slide 3 presents a cutaway section of the human ear divided into outer, middle and inner portions with concomitant complex central neural pathways.

Sound pressure variations are focused on the tympanic membrane from the outer ear, the ossicular chain consisting of the smallest bones in the body, acts as a transformer carrying sound to fluids of the inner ear or cochlea. Here also in the middle ear are two of the smallest muscles in the body the stapedius and tensor tympani which serve to reflexively defend the delicate inner ear structure to an extent from potentially injurious sounds. Slide 4 illustrates the range of level above thresholds in which this protective mechanism comes into play, generally 70 to 90dB above threshold of audibility. Next, we see the extent of shift in sensitivity of the ear in responses to voluntary contraction of these muscles, primarily a low frequency attentuation stiffness effect.

Here we have a longitudinal section of the snail shell cochlea. We see the organ of corti a transducer responsible for translating acoustic hydraulic pressure variation into neural impulses. This juncture is affected at the hair cells as the hairs are bent in contact with the tectorial membrane. In general, certain areas of the cochlea are delegated responsibility for certain portions of the audible frequency range. Sections near the base or widest part of the cochlea facilitating hearing in the range of 4,000 to 6,000 cps are most susceptible to damage by noises. There are three rows of outer hearing cells and one row of inner numbering in total around 24,000. The outer hair cells are most susceptible to noise induces hearing loss. Noise induced hearing loss may be specifically attributable to physical destruction of the hairs with later degeneration of the hair cells and neural ganglion cells, and/or perhaps to the creations of some toxic products in response to overstimulation.

Next slide. Numerous studies have been undertaken to assess those levels critical to potential hearing damage. They are in general agreement. This chart is excerpted from AF 160–3, an Air Force Manual on noise hazards. In general levels of 85 dB in critical active bands between 300 and 4800 cps suggests the use of ear protection, ear plugs, etc., levels in excess of 95 dB make this mandatory. The next slide illustrates from the same source, a nomograph which allows an individual to reckon his noise exposure on an energy basis where one may trade an infrequent brief exposure to a high level noise for a longer, more frequent exposure to a lower level. This is similar to the monitoring approach on radiological or x ray technicians. It should be added that intermittent sounds are more damaging to hearing than continuous. This is probably attributable to a latency or delay in activation of the protective middle ear muscle reflex.

Next, this is an audiogram demonstrating a typical permanent threshold shift as a consequence of impairment in a traumatically high noise level occupation. Starting at 4,000 and 6,000 cps the impairment is generally not noted save perhaps for monitoring audiometry by a provident employer, until the speech frequency range is affected, that is 500 through 2,000 cps. There is no medical or surgical recourse for these individuals and they are among the poorest candidates for prosthetic amplification or hearing aids. The topic of litigation and compensation for a hearing loss is an evening's symposium in itself.

The next slide shows a temporary threshold shift following from the beginning to end of a noisy work day.

Glorig has suggested that injury to hearing acquired in a single highly intense blast be called acoustic trauma; that accumulated over a more prolonged exposure to lesser levels, noise induced hearing loss. The latter may be divided into occupational hearing loss and what he refers to as Sociocusis, the noise induced hearing loss accumulated other than in the course of daily labor—in the subways, in traffic, even in the discotheques, where a recent article in a woman's magazine cited a decidedly traumatic level of 105 dB for one of the more prominent establishments AU Go Go.

When sociocusis, occupational hearing loss and the products of otic diseases have been subtracted off, the remaining auditory deficit, solely attributable to the inexorable process of aging is called presbycusis. Next slide: we might extrapolate the amount of hearing loss due to living in a mechanized urban society from the data of Dr. Rosen who surveyed a relatively noise-free African jungle tribe, the Mabaans. Here one sees a significant difference in high frequency threshold as a function of age, especially in the septuagenarian relatively in a similarly aged not "significantly noise exposed U.S. group." One should interpet these findings with caution however in light of cultural, hereditary, diet and other similar environmental differences between the two societies.

Generally the crucial parameters for noise potentially inducing hearing loss are: (1) frequency spectrum, (2) injure in critical octave bands especially in the frequency range 300 to 4800 cps, (3) duration of exposure, (4) frequency of exposure. Getting into the psychological effects as with the physiological octave band analysis of the noise within the frequency range previously cited plays an important role in assessing effect. While speech interference level is a more complex measure than I can outline here, the next illustration shows in terms of sound level meter readings the effect of the typical broad spectrum noise on speech communication. Note that none of these levels broach the traumatic.

With regard to fatigue performance and job efficiency effects, these findings may be summed by stating that the bulk of studies undertaken to date have demonstrated negative results. Furthermore, those few positive generally have serious flaws in their experimental design. Finally, annoyance. . . . Numerous scales have been constructed to take into account not only the frequency nonlinearity of the ear but also the relative annoyance of a sound. Kryter has suggested that the following qualities contribute to the annoyance of sounds:

(1) Unexpectedness
(2) Interference
(3) Intermittency
(4) Reverberation
(5) Inappropriateness.

One such annoyance rating system promulgated by the ISO gives weighted consideration to noise sound pressure in various octave bands, arrives at a rating and then corrects for the following factors (Slide) which may be of interest. With this system, community and individual response can be predicted with a fair degree of accuracy based upon this empirical approach to noise annoyance analysis. Next slide is a portent of noise to come. With the advent of SST this shows a scheme for predicting community response to sonic booms as outlined by European OECD (Organization for Economic Cooperation and Development).

In summary, (slide 1) we see a gamut of responses to noises ranging from irreversibly, debilitating physiological trauma through mild perturbation or annoyance. While the tangible effects of noise on personality, performance and daily routine have yet to be authenticated it is felt that if the Founding Fathers of our country were contemporaries we might have been granted in the Declaration of Independence an inalienable right to choose life, liberty and the pursuit of happiness in relative peace and quiet.

REMARKS BY MR. CORREALE

One of the first steps taken in the writing of a new building code for New York City was research and investigation intended primarily to uncover the latest information available with respect to all of the elements which go to make up a performance type building code.

These investigations also revealed a number of new elements relating to safety, health and general welfare in buildings and one of these was noise. We learned that the codes in a number of European countries did include provisions for the control of noise in multiple dwellings and had for some time. As for the United States, we found only a brief reference to the control of noise in the N.Y. State Building Code, and found also that some active research on noise in buildings and its effects was under way. We therefore decided that the control of noise in multiple dwellings should be added as an item of building regulation and with the approval of the then Commissioner of Buildings, Harold Birns, this was done.

The publicity which followed this decision generated a surprisingly large response. We received requests for copies of our noise control provisions from communities and individuals across the country and from some foreign countries including Israel and Italy. Public support as expressed in correspondence, newspaper and magazine articles exceeded any of our expectations. But along with this we received quite a few requests to include the control of external noises such as that from trucks, buses, construction equipment and the like, as well as airplane noises in the vicinity of airports. These, of course, are not susceptible of regulations in a building code.

We therefore arrived at a solution limited specifically to multiple dwellings and covering the following four categories:

1. Control of airborne noises between adjacent apartments, hallways, etc.

2. Control of impact noises between apartments.

3. Control of structure-borne noises originating in moving machinery and equipment.

4. Control of noise reaching apartments from equipment located on adjacent buildings.

All of the provisions are written insofar as practicable, in performance language, making reference to national standards available to designers as guides to solutions which will meet the performance goals established. These standards are primarily test standards for materials and assemblies of materials but provision is also included for the field testing of completed construction on an optional basis if and when found necessary.

So much for the broad picture. In working up details, we utilized the expertise of Michael J. Kodaras and Associates, Consultants in Acoustics, whom we retained specifically for this work. Mr. Kodaras will review these details with you.

REMARKS BY MR. KODARAS

Where the exhausted air may contain toxic substances or strong objectionable odors, the exhaust system shall be independent of exhaust systems serving other parts of the building.

1207.11 *Ventilation for Special Uses and Occupancies*—Special uses and occupancies, not provided for in this article, shall be ventilated in accordance with the requirements of Article 7. Ventilation of stage areas shall be in accordance with the requirements of Article 8.

SECTION 1208.0—NOISE CONTROL IN MULTIPLE DWELLINGS

1208.1 *Requirements*—Interior wall, partitions, floor-ceiling constructions, and mechanical equipment in spaces or buildings of Occupancy Group J-2 shall be designed and constructed in accordance with the requirements of this article, to provide minimum protection for each dwelling unit from extraneous noises emanating from other dwelling units and from mechanical equipment. In addition, airborne sound from exterior mechanical equipment of buildings in any occupancy group shall conform to the requirements of this article.

(a) *Field Testing*—Where conditions indicate that the installed construction or equipment does not meet the noise control prescribed in this article, measurements shall be taken to determine conformance or nonconformance. For conformance with this article, the results of such measurements shall not fail by more than 2 db to meet the the requirements in any octave band, or by more than two points to meet any STC or INR requirements.

1208.2 *Acoustical Isolation of Dwelling Units*—

(a) *Airborne Noise*—(1) Walls, partitions, and floor-ceiling constructions separating dwelling units from each other or from public halls, corridors, or stairs shall have a minimum Sound Transmission Class (STC) rating of 45 for airborne noise. This requirement shall not apply to dwelling unit entrance doors.

(2) STC ratings shall be obtained by tests conducted in accordance with the procedures of Reference Standard RS 12-2 except as provided in (3) below.

(3) The STC ratings of construction assemblies as listed in Reference Standard RS 12-2 may be used to determine conformance with the requirements of (1) above and with any other section that requires a specific STC rating.

(4) Penetrations or openings in walls, partitions, or floors for pipe sleeves, medicine cabinets, hampers, electric devices, or similar items shall be packed, sealed, lined, backplastered, or otherwise isolated by sufficient mass to maintain the required STC ratings.

(5) Where grilles, registers, or diffusers in one dwelling unit are connected by ductwork with grilles, registers, or diffusers in another dwelling unit, and where such connecting duct is less than 7 ft. long, it shall be lined with duct lining; otherwise, an approved sound attenuating device shall be installed therein. Duct lining shall conform to the requirements of Article 13.

(b) *Structure-borne Noise*—(1) Floor-ceiling constructions separating dwelling units from each other or from public halls or corridors shall have a minimum Impact Noise Rating (INR) of 0.

(2) Such INR shall be obtained by tests conducted in accordance with the procedure of Reference Standard RS 12-3 except as provided in (3) below.

(3) The INR of a floor-ceiling constructions listed in Reference Standard RS 12-3 shall be used to determine conformance with the requirements of (1) above and with any

other paragraph that requires a specific INR. Constructions shall be designed and installed to avoid short circuiting the isolation devices that are incorporated into the constructions.

1208.3. *Noise Control of Mechanical Equipment*—(a) *Minimum Airborne Noise Insulation Requirements*—(1) Boiler rooms—Boiler rooms adjoining dwelling spaces, either vertically or horizontally, shall be separated therefrom by floor-ceiling or partition constructions have a minimum STC rating of 50.

(2) Mechanical equipment spaces—Spaces or shafts containing air conditioning, refrigeration, or ventilating equipment, elevator machinery, or other mechanical equipment shall be separated both vertically and horizontally from dwelling units by constructions that will provide a minimum STC rating of 50. Spaces or shafts containing equipment totalling more than 75 rated h.p. shall not be located vertically or horizontally adjacent to dwelling units unless the total sound power level output of all the equipment in the space or shaft is certified not to exceed the maximum soundpower levels of Table 12–3 in any octave band. Such sound power level ratings shall be obtained by tests conducted in accordance with the procedures of Reference Standard RS 12–5.

TABLE 12–3.—*Maximum sound power levels permitted in mechanical spaces or shafts adjoining dwelling spaces*

Octave bands (c.p.s.)	Maximum sound power level (decibels) [a]	
Midfrequency	Decibels re 10^{-13} watts	Decibels re 10^{-12} watts
63	101	91
125	101	91
250	103	93
500	105	95
1,000	102	92
2,000	101	91
4,000	98	88
8,000	96	86

[a] The maximum sound power levels shall be reduced 5 decibels in any octave band where the equipment data indicate pure tone generation. The presence of pure tones may be determined by means of ⅓ octave band analysis. The criterion for a significant pure-tone component shall be an audible pure-tone sound together with an increase of the sound pressure level in the corresponding ⅓ octave band above the mean of the 2 adjacent ⅓ bands of at least:

Center frequency of ⅓ octave band	40/125	160/250	215/500	630/1,000	1,000/10,000
Increase in sound power level (decibels)	6	4	3	2	1½

a. Ventilating Openings into Mechanical Equipment Spaces—Ventilating openings into boiler rooms and other mechanical equipment spaces shall not be located in yards or courts where there are windows opening from living quarters, unless such ventilating openings are provided with sound attenuating devices if needed to limit noise transmission to NC–40 (Noise Criterion) levels in the exposed dwelling units.

b. Noise Criteria Requirements—Noise criteria requirements prescribed in this article shall be in accordance with Reference Standard RS 12–4.

(3) Ductwork—Ducts serving dwelling units shall be lined with duct lining for at least 20 ft. from the fan discharge or intake; otherwise, an approved sound attenuating device shall be installed therein. All toilet exhaust ducts shall be lined with duct lining for at least 20 ft. upstream of the exhaust fan intake, otherwise, an approved sound attenuating device shall be installed therein. Duct lining shall conform to the requirements of Article 13.

(4) Exterior Mechanical Equipment—Mechanical equipment in a building in any occupancy group, when located outside of the building in a yard or court or on a roof, or where the equipment opens to the exterior of the building, shall be subject to the noise output limitations given in Table 12–4 where one or more windows of a dwelling unit in any building in Occupancy Groups J–1, J–2, or J–3 is located within a sphere of 100 ft. radius whose center is any part of the equipment or its housing, unless it can be shown that the sound pressure levels, in octave bands, of the exterior mechanical equipment as measured within the dwelling unit do not exceed the levels given in Table 12–5.

TABLE 12–4.—*Maximum sound power levels permitted for exterior mechanical equipment adjoining buildings*

Minimum distance from equipment to exterior window (feet) [a]	Maximum sound power levels in octave bands—decibels re 10^{-13} watts [a]							
	Octave bands—c.p.s. midfrequency							
	63	125	250	500	1,000	2,000	4,000	8,000
12	100	94	88	83	80	78	77	76
25	107	100	94	89	86	84	83	82
50	113	106	100	95	92	90	89	88
100	119	112	106	101	98	96	95	94
	In octave bands—decibels re 10^{-12} watts							
12	90	84	78	73	70	68	67	66
25	97	90	84	79	76	74	73	72
50	103	96	90	85	82	80	79	73
100	109	102	96	91	88	86	85	84

[a] The minimum distance shall be measured in a straight line regardless of obstructions. Interpolated levels may be used for distances between those given in this table. See note *a* at end of table 12–3.

TABLE 12–5.—*Noise output limitations for exterior mechanical equipment*

[Maximum sound pressure level [a] (not to be exceeded in any octave bands)]

Octave bands mid-frequency c.p.s.)	Decibels re 0.0002 microbar
63	64
125	57
250	51
500	45
1,000	41
2,000	39
4,000	38
8,000	37

[a] (1) Measurements shall be obtained with a sound level meter and octave band analyzer, calibrated both electronically and acoustically before and after the measurements are made. The equipment used shall meet the requirements of Reference Standards RS 12–6 and RS 12–7. (2) The measurements shall be obtained with the microphone of the measuring equipment located at the interior of the dwelling unit affected in a line with the window nearest the exterior mechanical equipment. The window shall be fully open and the microphone shall be located 3 feet away from the open portion of the window. (3) Measurements shall be obtained during times when the ambient sound pressure levels, in octave bands, are at least 6 decibels lower at all octave bands than the sound pressure levels measured with the exterior equipment operating. By ambient sound pressure levels is meant the measured sound pressure levels, at the above-described measuring location, with the exterior equipment not in operation.

(b) *Minimum Structure-borne Noise and Vibration Isolation Requirements*—All isolators used in accordance with the following requirements shall be approved.

(1) Boiler Rooms—

a. Boilers—All boilers supported on floors above a story having dwelling units shall be supported on resilient isolators having a minimum static deflection of 1 in. The isolators shall be installed directly under the structural frame of the boiler.

b. Boiler Breeching and Piping—When boilers are equipped with mechanical draft fans, the boiler breeching and piping that is supported from or on slabs, floors, or walls that are contiguous to dwelling unit shall be supported for a distance of 50 pipe diameters on or from resilient isolators. Each isolator shall have a minimum static deflection of 1 in.

(2) Incinerator Charging Chutes—

a. Metal Chutes—Metal chutes, metal chute supports, and/or metal chute bracing, shall be free of direct contact with the shaft enclosure and the openings provided in the floor construction. Metal chutes shall be resiliently supported at each structural support location. Isolators shall provide a minimum static deflection of 0.30 in. All chutes shall be plumb.

b. Masonry Chutes—The interior chute wall shall be plumb and without obstructions for the full height of the shaft and shall have a smooth interior finish.

(3) Piping—

a. Metal piping connected to power driven equipment shall be resiliently supported from or on the building structure for a distance of 50 pipe diameters from the power driven equipment. The resilient isolators shall have a minimum static deflection of 1 in. for all piping with a 4 in. or larger actual outside diameter and ½ in. for piping with less than 4 in. in actual outside diameter. Piping connected to fluid pressure-reducing valves, shall be resiliently isolated for a distance of 50 pipe diameters from pressure reducing valves and isolators shall provide a minimum static deflection of ½ in.

b. Equipment such as heat exchangers, absorption refrigeration machines, etc., that is located on any floor or roof other than a floor on grade, and that is not power driven but is connected by metal piping to power driven equipment, shall be resiliently supported from or on the building structure. The resilient supports shall be vibration isolators having a minimum static deflection of 1 in.

and shall incorporate approved resilient pads having a minimum thickness of ¼ in.

(4) Fans—All fan equipment located on any roof or floor other than a floor on grade shall be mounted on or from vibration isolators. Fan equipment with motor drives separated from the fan equipment shall be supported on an isolated integral rigid structural base supporting both the fan and motor. Fan equipment with motor drives supported from the fan equipment shall be mounted directly on vibration isolators. Each isolator shall have provision for leveling. Isolators shall incorporate resilient pads having a minimum thickness of ¼ in. The vibration isolators shall provide a minimum isolator efficiency of 90% at fan rotor rpm with a maximum deflection of 2 in.

(5) Pumps—All pumps of 3 h.p. or more located on any floor other than a floor on grade shall be supported on vibration isolators having a minimum isolation efficiency of 85% at the lowest disturbing frequency. Each isolator shall incorporate a leveling device and a resilient pad having a minimum thickness of ¼ in.

(6) Compressors—Compressors and drives located on a floor other than a floor on grade shall be mounted on vibration isolators having a minimum isolation efficiency of 85% at the lowest disturbing frequency. Each isolator shall incorporate a leveling device and a resilient pad having a minimum thickness of ¼ in.

(7) Cooling Towers—All moving parts of cooling towers located on a roof or floor other than a floor on grade shall be installed on vibration isolators providing a minimum isolation efficiency of 85% at fan rotor rpm with a maximum static deflection of 4 in. Each isolator shall incorporate a leveling device and a resilient pad having a minimum thickness of ¼ in.

(8) Evaporative Condensers—Evaporative and air cooled condensers located on a roof or floor other than a floor on grade shall be mounted on vibration isolators providing a minimum isolation efficiency of 85% at fan rotor rpm with a maximum static deflection of 4 in. Each isolator shall incorporate a leveling device and a resilient pad having a minimum thickness of ¼ in.

(9) Duct Connections to Fan Equipment—Flexible connections shall be installed between fan equipment and connecting ductwork.

(10) Elevator Machinery—Gear-driven machinery, gearless machinery, motor generators, and controllers located in an elevator machinery room or shaft on a roof, or on a floor other than a floor on grade, shall be supported on vibration isolator pads having a minimum thickness of ½ in.

(c) *Maximum Permissible Air Velocities in Ducts*—(1) Ducts Located Over Ceilings of Dwelling Spaces—The maximum permissible air velocity in ductwork located over the ceilings of dwelling spaces or in masonry shafts adjoining dwelling spaces shall not exceed the velocities prescribed in Table 12–6.

TABLE 12–6.—*Maximum permissible air velocities in ducts*

[In feet per minute]

Type of system	Branch ducts	Submain ducts	Main ducts
Low velocity	750	1,000	1,500
High velocity	1,000	2,000	3,000

In the application of Table 12–6 the following shall apply:

a. Any duct that connects directly to any terminal device (grille, diffuser, etc.) shall be classified as a branch duct for a distance of at least 4 ft. from the terminal device.

b. Any duct that connects a branch duct to a main duct or to the fan shall be classified as a sub-main duct. No duct may be classified as a sub-main duct if it connects to a terminal device by means of a connection less than 4 ft. in length.

c. When a duct is connected to the fan and to two or more sub-main ducts it shall be classified as a main duct.

d. The maximum velocities shown in Table 12–6 for low velocity ductwork shall apply in all cases except where a system of round ductwork is used and an acoustic air control device with self-contained attenuation components is located in the duct work prior to each air terminal device. Branch ducts, if any, connecting the acoustic air control devices to the terminals shall not have air velocities exceeding 750 fpm. Maximum power level ratings for the acoustic air control devices shall be 3 db less than the values shown in Table 12–7.

(d) *Maximum Permissible Sound Power Levels of Fan Coil Units, Grilles, Registers, Diffusers and Induction Units*—Sound power level data, in octave bands, shall be certified in accordance with the provisions of Section 106.2, for grilles, registers, diffusers and induction units at design operating conditions and for coil units when operating at specified cfm. The sound power levels shall not exceed the levels listed in Table 12–7 when measured in accordance with the provisions of Reference Standard RS 12–5.

TABLE 12–7.—*Maximum permissible sound power levels for terminal units*

Octave bands (c.p.s.)	Sound power levels (decibels)	
Midfrequency	decibels re 10^{-13} watts	decibels re 10^{-12} watts
63	79	69
125	73	63
250	67	57
500	62	52
1,000	59	49
2,000	57	47
4,000	54	44
8,000	53	43

REFERENCE STANDARD RS–12 LIGHT, HEAT, VENTILATION AND NOISE CONTROL

List of referenced national standards

ASA–Z224.3—American Standard Sound Level Meters for Measurement of Noise and Other Sounds—1944.

ASA–S1.4—General Purpose Sound Level Meters—1961.

ASHRAE—Guide and Data Book—1965–66.

ASTM–E90 — Tentative Recommended Practice for Laboratory Measurement of Airborne Sound Transmission Loss of Building Floors and Walls—1961T.

ASHRAE–36—Standard for the Measurement of Sound Power Radiated from Heating, Refrigeration, and Air Conditioning Equipment—1962.

ASHRAE–36B—Standard Method of Testing the Acoustical Performance of Terminal Units—1963.

Reference standard RS 12–1—Heating

1. *Heating capacity*—The heating capacity required in each room or space shall be calculated in accordance with the principles set forth in ASHRAE Guide and Data Book; American Society of Heating, Refrigerating and Air Conditioning Engineers: 1965–66. The calculations of heating capacity shall consider the areas and transmission coefficients of all surfaces exposed to outdoor temperatures or to unheated areas, and shall include allowance for air infiltration and wind velocity. In spaces with high ceilings, an allowance shall be made for the effect of stratification so that the prescribed temperature will be maintained at a level 5 ft. above the floor.

Reference standard RS 12–2—Sound transmission class

1. *Test procedures for STC ratings*—The STC rating of a construction assembly shall be obtained by one of the following methods:

(a) *Laboratory Test*—in accordance with ASTM E90–61T, Tentative Recommended Practice for Laboratory Measurement of Airborne Sound Transmission Loss of Building Floors and Walls;

(b) *Field Test*—in accordance with either of the following:

(1) ASTM E90–61T, omitting paragraphs 3(b), 3(c), 3(d), and 3(f).

(2) London, Albert; Methods of Determining Sound Transmission Loss in the Field; Journal of Research of the National Bureau of Standards, May 1941.

2. *STC test data*—The following test data may be used in obtaining STC ratings:

Title and Publishers

"Sound Insulation of Wall Floor and Door Construction" (Supplement to Building Materials and Structures Report No. 144), February 27, 1956. Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.

"Sound Insulation of Wall Floor and Door Construction" (2nd Supplement to Building Materials and Structures Report No. 144), Dec. 1, 1958. Superintendent of Documents, Government Printing Office, Washintgon, D.C. 20402.

"Sound Reduction Properties of Concrete Masonry Walls," 1955, and "Report of Sound Transmission Loss and Air Flow Resistance Measurements on Concrete Block Wall," March 1, 1959 (4db must be deducted from data contained in "Sound Reduction Properties of Concrete Masonry Walls" in accordance with page 3 of the Report). National Concrete Masonry Association, 2009 N. 14 Street, Arlington 1, Va.

"Noise Control with Insulation Board for Homes, Apartments, Motels, Offices," AIA File No. 39B, Third Ed., 1964. Insulation Board Institute, 111 West Washington Street, Chicago 2, Ill.

In addition, certified laboratory test data obtained by acoustical laboratories in accordance with ASTM designation E90–61T shall be submitted.

Reference standard RS 12–3—Impact noise ratings

1. *Test for INR*—The INR of a floor-ceiling construction assembly shall be obtained in accordance with FHA Bulletin No. 750, Impact Noise Control in Multifamily Dwellings, January 1963.

2. *Test data for INR*—The following test data may be used for INR: (a) F.H.A. Bulletin No. 750, January 1963.

3. Certified laboratory test data obtained by acoustical laboratories in accordance with F.H.A. Bulletin No. 750, and Bulletin No. R140–1960(E), International Organization for Standardization (ISO).

Reference standard RS 12–4—Noise criteria levels

NC levels shall be as shown in Figure 2 on Page 195 of ASHRAE Guide and Data Book, 1965–66.

Reference standard RS 12–5—Test procedures for sound power level

The sound power levels for air terminal units shall be measured in accordance with ASHRAE No. 36B–63, Standard Method of Testing the Acoustical Performance of Terminal Units. The sound power level of equipment other than terminal units shall be measured in accordance with ASHRAE No. 36–62, Standard for the Measurement of Sound Power Radiated from Heating, Refrigeration and Air Conditioning Equipment.

Reference standard RS 12–6

ASA Z224.3—American Standard Sound Level Meters for Measurement of Noise and Other Sounds—1944.

Reference standard RS 12–7

ASA S1.4—General Purpose Sound Level Meters—1961.

FOR LESS WASTE

The SPEAKER pro tempore. Under a previous order of the House, the gen-

tleman from Illinois [Mr. ERLENBORN] is recognized for 15 minutes.

Mr. ERLENBORN. Mr. Speaker, I rise to call attention to a very serious problem confronting our schools and colleges—a problem, really, of intergovernmental relations—which the Congress alone can solve. In brief, it is the immense burden we are placing on educational administrators by late funding of Federal programs. This is often compounded by 1-year authorizations which are not renewed until well into the next fiscal year and, therefore, must be funded so late that the school or college year is far advanced before money is available. This situation has become so critical in the past 2 years that educators all across the country have urged members of our Education and Labor Committee to initiate remedial action. In recent hearings conducted by the Special Subcommittee on Education chaired by the gentlewoman from Oregon [Mrs. GREEN] which were held in nine cities across the country, this was the largest single complaint by educators and State and local officials about our whole vast Federal educational effort. A typical comment was offered by a spokesman for the California School Boards Association, who described the result of late funding as "chaotic."

Although this problem has occurred from time to time in the past in connection with Federal programs, there is a compelling reason why we must now give it urgent attention. The volume of Federal funds handled by the U.S. Office of Education has swollen from $272.6 million in 1957 to $3.9 billion in 1967.

When funds of this magnitude are poured into the educational system, through dozens of important programs ranging from preschool to graduate school, and are made available months after educational administrators must prepare their own programs and budgets—sometimes after the school year has begun—the effect on program planning, budgeting, personnel planning, and general administration is disastrous. Inevitably, there is also a considerable waste of funds due to hasty and faulty use which cannot fairly be blamed on our educators or upon Federal officials in the executive branch. The fault lies with Congress.

I am proposing the following remedies, several of which we can apply in the authorizing legislation handled by the Education and Labor Committee.

First, I shall work for authorizations for all major programs of at least 3 years' duration.

Second, I shall suggest that all major new programs provide for a year of advanced planning to permit adequate preparation by Federal, State, local, and institutional officials and administrators.

Third, I shall strive personally to broaden Federal programs to remove narrow and tedious limitations and to bring about maximum flexibility and local administrative responsibility in the use of Federal funds.

Finally, Mr. Speaker, I have today introduced a concurrent resolution calling upon the Appropriations Committees of both the House and the Senate to take early action on appropriations for Federal educational programs. My resolution directs the committees in each body to report such a bill by May 1 preceding the fiscal year for which such appropriations are authorized. Actually, the House committee reported the Labor-HEW appropriations bill for fiscal 1966 on April 29, 1965; but it was not reported in the Senate until August 31, 1965—well into the fiscal year and only a few days before the beginning of a new school year. Thus, the Elementary and Secondary Education Act, which had become law on April 11, could not be implemented until very late in the school year.

The appropriations for this fiscal year were even later. A bill was reported in the House on April 28, 1966, but it was not reported in the other body until September 22 and did not become law until November 7, 1966. Meanwhile, to make matters worse, the 1-year authorization for most of the Elementary-Secondary Act were not extended until November 3, 1966—months after the new school year had commenced. Both these situations ought never to occur again, and the responsibility lies solely with the Congress.

Mr. Speaker, my purpose is not to scold committees of the Congress but to suggest corrective action in light of a new situation that has arisen. In short, that we gear educational authorizations and appropriations to the actual school and college year, and that we act far enough in advance to permit adequate planning for the use of Federal funds. Although my resolution speaks only to the appropriations committees—because theirs is an annual process—I recognize the heavy responsibility of the substantive committees to assure that the authorizing legisation is scheduled so as to permit a timely appropriations procedure. Personally, for the sake of our school systems, I would hope that every authorization which is intended to be extended would be extended a full year prior to its expiration date; and I shall work with my colleagues to assure that this is done.

Happily, Mr. Speaker, this is not a partisan matter. Every single Member of this House, and of the other body, would agree that our own processes should not impede educational progress. I view my recommendations as being a modest but vital step toward the goal of a truly creative federalism.

MEETING THE CHALLENGE OF OVERHEAD TRANSMISSION LINES AND TOWERS

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. OTTINGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. OTTINGER. Mr. Speaker, as the author and original sponsor of legislation to spur the development of feasible methods of underground transmission of electric power, I was gratified to see the program included in the Budget submitted by the President to the Congress this week.

It has been a long hard fight to obtain recognition of the Federal obligation in this area and I wish that I could greet the President's recommendation with enthusiasm. Regrettably, I cannot.

The considerable study I have put into this problem over the past few years and the results of the hearings on my legislation in the Senate Commerce Committee last year, leave me convinced that the program as proposed in the Budget message is not in the best public interest and will not do the job.

My opposition to the proposal in the budget does not mean that I feel that there is any less urgency in solving the problem. Quite the contrary. The problem grows more serious and more difficult with each wasted year and I am reintroducing the powerlines legislation that I first proposed in the 89th Congress with a plea for speedy congressional action.

ACTION NEEDED

Last year's Senate hearings on my legislation clearly support this plea. Testimony from experts and the general public revealed for the first time the damage that high voltage lines and towers inflict upon communities and on our environment—the economic losses from depreciated property values and lowered tax revenues; the disrupted planning and the scenic blight. They showed that because of the Nation's growing power needs, especially around our great cities, the problem will become dramatically worse in a short time unless action is started soon. Although there were sharp differences in some areas, the hearings revealed that the Federal agencies, the utility industries, and the general public were in general agreement as to the need for action and Federal initiative.

The proposal put forward in the budget would appropriate $2 billion for fiscal 1968 for the Secretary of the Interior to begin a new research and development program. This program is based upon the report to the President, "Program for Advancing Underground Electric Power Transmission Technology," submitted by the Secretary of Interior on April 27, 1966.

PROGRAM OF $30 MILLION

There are several important issues involved here that must be understood before this body acts upon this recommended appropriation. First, this is not a $2 million program. It is the first step in a program that is to cost more than $30 million over the next 5 years.

Second, this is not a program specifically authorized by Congress. In fact, in action in the other body last year this same program was quite specifically rejected. In asking for the initial appropriation this budget relies upon the general authority of the Secretary under Reorganization Plan No. 3 of 1950. I do not believe this authority is adequate. I question whether it is in the public interest to allow such a substantial research commitment to be made without congressional authority—without guidelines and goals set and approved by Congress.

The problem goes even deeper however. When I introduced the first powerlines legislation in August of 1965, I also proposed to vest the authority in the

Interior Department. I did so because of the Department's charter to protect and enhance the Nation's resources and because of its substantial involvement in power generation and transmission in the West. However, my legislation also set firm guidelines and goals to protect the public interest and to assure that the fullest and most economic use is made of all our Nation's talent and resources in such an effort. In the Senate hearings it soon became apparent that the Executive found such guidelines onerous.

In addition, it also became obvious that, along with other serious defects, the program advanced by Interior was oriented almost entirely to the utility industry approaches and that the Department's involvement in power transmission was an encumbrance rather than a help in advancing creative solutions.

It also became clear that the most critical aspect of the powerlines problem involved our cities.

HUD SELECTED

For these reasons, I recommended in my testimony that my original proposal be changed to vest the responsibility for the initial research with the Secretary of Housing and Urban Development. The members of the Senate Commerce Committee concurred and, on August 31, 1966, legislation to give HUD the authority to carry forward initial studies was favorably reported to the Senate. The excellent report on the measure filed by the committee explains in greater detail both the faults of the current Interior proposal and the urgent need for action. I include in the RECORD following my remarks so that my colleagues may have at their disposal all the relevant facts before taking final action on this budget request.

I profoundly hope that this 90th Congress will complete the work which the 89th Congress left undone and get us started now on a program to meet the growing problem of overhead transmission lines and towers. But a program of the size and scope needed must be carried forward in a way that will get the job done efficiently and economically. It must protect the broadest public interest and assure that no single segment of our economy benefits at the expense of the others. It must have congressional authorization setting goals and guidelines. This need not mean delay. We have the information we need to pass sound legislation now.

I urge my colleagues to reject the budget proposal for underground powerlines research and undertake instead the better program that is needed.

The report follows:

OVERHEAD ELECTRIC TRANSMISSION LINE STUDY

[Calendar No. 1519, 89th Congress, 2d Session, Senate Report No. 1556, August 31, 1966.—Ordered to be printed]

(Mrs. Neuberger, from the Committee on Commerce, submitted the following report to accompany S.J. Res. 189:)

The Committee on Commerce, to which was referred the resolution (S.J. Res. 189) to provide for a study of the impact of overhead electric transmission lines and towers upon scenic assets, zoning and community planning, property values, and real estate revenues, having considered the same reports favorably thereon with an amendment and recommends that the resolution as amended do pass.

BACKGROUND AND NEED

Reconciling the Nation's use of its resources with the maintenance of a pleasing environment in which to live is difficult. Industry and improving technology are two of the brightest elements of our national history. Depletion of resources, pollution of the atmosphere and the water, and defacing the countryside are inevitable byproducts of our prosperity unless conscious efforts to the contrary are taken. Imense effort has gone into the creation of our material well-being, and now the Nation is beginning to recognize that considerable effort must be expended in order to remove the environmental scars resulting from this prosperity. Just as the Nation has come to realize that even our economy cannot afford unlimited expenditures, the Nation is slowly realizing that it cannot afford a permanent destruction of any significant portion of the environment.

THE CHALLENGE

People who do not live near power corridors and those unfamiliar with the tremendous and necessary expansion scheduled for power transmission over the next few years may have some difficulty appreciating the urgency and importance of the transmission line problem. To them, the environmental challenge may seem relatively modest. Unfortunately, this is not the case.

Today, there are more than 300,000 miles of overhead transmission lines and towers strung throughout the United States. More than 7 million acres are consumed in these power corridors and an untold number of additional acres are affected by the structures which range in heights up to 150 feet. Some estimates are that in settled suburban areas, in addition to the right-of-way, up to 300 acres are affected along each corridor mile of 250-kilovolt transmission line and towers.

There is no question that there will be a radical increase, not only in the number of lines, but in the impact on our environment. According to conservative estimates, the power needs of the Nation will more than double by 1980. In addition, the need for better and stronger interties within and between systems will require a significant increase in both the number and capacity of transmission lines. The 1965 blackout in the Northeastern United States dramatically emphasized this.

One of the more significant aspects of this growth is that it will not be evenly distributed across the Nation. A large share of new construction will take place in and around expanding metropolitan complexes where the need for power to support the growing population and expanding industry is already being felt. In the search for reliable and economic sources of power, metropolitan utilities must reach far beyond their immediate service area.

Another factor is the increase in the capacity of the transmission facilities themselves. Before 1953, the largest transmission line in the United States was 230 kilovolts and the average line was only about 138 kilovolts.

However, to bring power into the cities economically and efficiently, it will be held necessary to increase the capacity of the transmission line. Since 1953, 6,300 miles of 345-kilovolt lines have been installed and there has been a substantial investment in larger lines ranging up to 500 kilovolts.

Recently, a major utility announced plans to construct 1,050 miles of 765-kilovolt lines on 4,000 steel towers ranging through five Midwestern and Eastern States. This line will reach 145 feet into the air and will require a corridor 250 feet wide. Consideration is being given to lines with even greater capacity.

IMPACT ON ENVIRONMENT

The impact of such powerlines, towers, and corridors on the environment is pervasive and complex.

Conservation and esthetics

The construction of a transmission line may involve the destruction or defacement of a unique scenic or recreation area. In some cases, historical sites and wildlife preserves have been affected. It is difficult to place a value upon such natural assets. The conflict between power and esthetics is often won by default, because under present methods, no one has been able to match the dollars and cents construction figures with an equally precise calculation of the natural values.

It has been estimated that 40 percent of the populations' recreational activity comes from walking or driving simply for the pleasure of open areas. Considering the investment in such activities and the importance of preserving recreational opportunities as our metropolitan complexes grow, the costs of relocation or undergrounding intruding transmission lines may be relatively modest.

Many of the more scenic mountainous areas are the location of power sources and the beginning of a transmission line. Not only are the towers sometimes silhouetted against the horizon as they cross the hills, but chemical sprays are often used to maintain a clear right-of-way.

Impact on cities and suburbs

Little is known about the impact of transmission lines, towers, and corridors upon urban and suburban areas. Crossing through a planned suburban community or a densely settled area, the lines clearly have a substantial effect upon the settled environment, but there is no precise, impartial evaluation of the extent and cost.

Obviously, land condemned as right-of-way for a power corridor is barred for future development. There can be no question that this can have a direct effect on local real estate tax revenues and on community planning, but the nature of this effect—whether a net gain or loss—has never been assessed. Land may be lost from the tax rolls, other land may be devalued for tax purposes, or new structures may increase the tax base.

At the present, the costs of a transmission line right-of-way are usually determined under laws and precedents originally established when the paramount need was to expand the Nation's power system. The courts may not now consider other factors than value of the property immediately taken, but this does not mean that adjoining property is not affected. The failure of the courts to allow a noncontiguous landowner to recover a claimed loss resulting from the erection of transmission lines cannot be construed as proof that the land value has not been affected. Adequate information would help all parties concerned to reach equitable solutions to the inevitable problems. In one case reported in the hearings, availability of information concerning actual damage involved a difference of $48,000 per mile in an award.

There is some evidence that the towers and lines may have an impact extending far beyond the immediate right-of-way. People near these lines sometimes experience interference with television and radio reception. This is particularly true on amateur bands. People express the fear that the structures looming over suburban areas have a depressing effect on the real estate market and decrease the value of property.

To describe the situation in this manner is not to assume that the effect of transmission lines is always disruptive and harmful nor to imply that unfavorable impact on the environment can always be avoided.

Industry and growing communities need reliable and economic power. When there is a conflict between this need and the need

to preserve a livable environment, it becomes necessary to work for a compromise, but the only way such a compromise can be worked out is if all of the economic factors are known. These factors are not known today and will not be known until there is an adequate study.

Safety

The impact of transmission lines and towers on the public safety has never been adequately studied. Organizations representing airplane pilots were able to give documented and detailed information on the hazards to air navigation and on airplane accidents attributable to electric power transmission lines. Reference has been made to injuries and deaths resulting from falls from the towers, from accidental contact with lines while flying kites and from contact with downed lines in storms and other accidents. While it is possible that such hazards are not as significant as many fear, an impartial study would aid in answering the questions.

Impact on planning

Transmission facilities can have a devastating impact upon community planning and zoning efforts. Increasingly, communities and builders have come to recognize the value of long-term planning and zoning efforts. Substantial long-term investments are dependent upon such planning; and disruption can not only involve significant direct economic losses, but also undermine public confidence, the cornerstone of sound planning.

One dramatic example was described in the hearings. A community in the Northeast had developed a long-range plan for the improvement of school facilities. This plan involved the construction of separate junior and senior high schools which were to share common facilities. Economy dictated the construction of the high school first. After the high school was constructed, plans were announced to build a transmission line down a corridor that would pass directly through the site planned for the common facility. The entire school program was delayed for several years.

The Federal Government has taken a leading role in encouraging community planning and coordinated development. The creation of the new cabinet-level Department of Housing and Urban Development is a clear expression of the importance that is attached to this objective, and clearly, there is a problem here of sufficient scope to warrant Federal attention.

UNDERGROUNDING

The most obvious alternative to overhead lines and towers is to place them underground. This is now being done to a considerable extent with distribution lines and to a much lesser extent with certain transmission lines.

The distinction between transmission and distribution is not always clear, even to the power engineer. In general terms, transmission involves the transportation of large blocks of power, usually in excess of 69 kilovolts, to switching stations where it is broken down for distribution to consumers in smaller voltages over smaller lines.

In the mid-1950's, many communities began to exert pressure to put the distribution lines underground. At this time, it cost 10 times as much to put these smaller lines underground as to put them overhead in the traditional manner.

However, in the face of mounting pressure, the utilities developed new techniques, and today the ratio is reported to be about 1½ to 1. The Department of Housing and Urban Development has given this trend a new impetus by providing for undergrounding of distribution lines in new Federal Housing Administration developments.

Unfortunately, the technology of underground construction has not kept pace with that of transmission lines, at least in the United States. As a result, there is very little accurate information as to costs for lower voltages and practically no information concerning either technology or costs for lines with a capacity in excess of 345 kilovolts. This is a very serious deficiency, since the expansion over the next decade will unquestionably occur in these higher voltage ranges.

At the committee hearings, estimates of the cost of underground construction ranged from 2 to 26 times that of overhead. In part, this reflects the general lack of actual construction experience upon which to base estimates, but it also reflects the lack of accurate information about the true costs of overhead lines to the communities through which they pass.

When utilities estimate the cost of overhead construction, they understandably take into account only the expenses of land acquisition and construction for which they pay. As previously noted, the costs to local communities, if any, in lost revenue, disrupted planning, and depreciated real estate value are not computed. Recently, however, the cost of land acquisition in some metropolitan areas has risen so, that undergrounding has become economically desirable from the utility point of view.

The Interior Department report to the President on underground technology (Program for Advancing Underground Electric Power Transmission Technology, Apr. 27, 1966), which reflected a close identification with industry problems, recognized this cost factor in recommending that all transmission lines within 30 miles of the center of populated areas should be placed underground within the next decade.

Such absolute determinations obviously cannot, and should not, be made in the absence of more complete information on all relative costs, but the Department's recommendation clearly represents a growing awareness on the part of the industry that a problem does exist which needs attention. That report and the Woodside, Calif., experience, described in detail below, suggest that perhaps Federal agencies will begin to set precedents in proposing solutions. Previously, there has been little indication of awareness at the Federal level.

OTHER ALTERNATIVES

Placing transmission lines underground would answer many of the objections raised against transmission lines. It is, however, not necessarily the only way to resolve environmental conflicts.

In selecting overhead transmission routes, the utilities naturally choose the route which is most economical. At the present, having no data on the cost of such installations to local communities, they necessarily base this judgment wholly upon land acquisition, construction, and maintenance costs. When the complete cost factors are available, it will be easier to determine not only whether underground construction is warranted, but also whether the proposed overhead route is, in terms of total cost, the most economic. This will provide a useful basis for working out compromises when conflicts arise in the future.

ALLOCATION OF COSTS

Once the problem of attempting to set values on these community costs has been attacked, there still remains the question of who should pay any additional expenses that are incurred in relocation or undergrounding.

Should a community which derives no direct benefit from the power transmitted be required to pay for a more expensive routing or undergrounding necessary to protect local property? Should consumers in a city help pay for the costs of protecting the property values of a community through which their power is transported?

Finally, are there areas of sufficient importance so that the costs of rerouting or undergrounding should be borne by the entire nation?

None of these questions can be answered until there is some way to calculate the relative values and benefits involved.

SOURCES OF DATA

The State and Federal agencies responsible for approving routes and authorizing construction often have no figures of their own. In the main, they rely upon the utility involved. The utility, as a regulated industry, is charged with responsibility for keeping costs low. Extra costs must be passed on to their consumers in the form of rate increases. Unless the communities or individuals are able to translate damages into dollars-and-cents figures which can be assessed, the utilities do not, and perhaps cannot, consider them in evaluating the most economic route for a line.

Unfortunately, there are not many experts in this field, and difficulties have been experienced in obtaining objective data. Unless a Federal agency, not involved with the utility industry and not marketing power of its own, but experienced in planning and environmental studies, undertakes to develop impartial data, there is less chance that the needed cost figures will be made available.

HISTORY OF THE RESOLUTION

Senate Joint Resolution 189 was originally introduced as S. 2507, and was, in part, the subject of 3 days of hearings.

These hearings gave an opportunity for the great public interest in transmission line construction to be voiced. Many Federal agencies, individuals, and citizens groups were heard, and communications from a great many more were received.

The committee also reheard the now classic story of the transmission line at Woodside, Calif. This 220,000-volt line was being built by the Atomic Energy Commission to supply the linear accelerator at Stanford University. The town of Woodside requested that the line be put underground to preserve the scenic beauty of the area. This request was denied and Federal legislation was needed to clarify the authority of the Atomic Energy Commission with respect to these matters. The President appointed Mr. Laurance Rockefeller to make recommendations on this matter. One of those recommendations was that the line should be placed underground in 5 to 7 years, if the local community had made reasonable progress to underground its own lines. In the meantime, the AEC line was specially constructed to attempt to make it blend into the natural environment of the area. In a situation such as this, the study contemplated in Senate Joint Resolution 189 would have been of immense value. As it was, the Congress, the President, and a panel of private citizens were involved in trying to reach a solution. (See appendix.)

As the hearings developed, however, it became clear that S. 2507 would have to be redrafted. S. 2507 was originally drafted to have the Department of the Interior bear the major responsibility for the study. It became apparent that, because of the Department's significant interest in the operation of hundreds of miles of overhead transmission lines, the charge of bias could be raised. In addition, the expertise of the Department of Housing and Urban Development in the problems of cities and their outlying regions became clearer, as well as the fact that there was no preexisting relationship with the electric industry. Accordingly, the Department of Housing and Urban Development was selected to be the prime mover in the study.

The original bill contained broad language, but was aimed at rather specific objectives. In the committee's redrafting process, it became clear that the various concerns and details could be better expressed in the resolution form rather than bill form; hence, that change was also made.

COMMITTEE COMMENT

Based on the hearings held over a 3-day period and on the significant number of communications received, it has become apparent that, while many decisions involving transmission lines are supposed to be decided on the basis of costs, the complete costs are in fact not known. In some instances, not only are the costs unknown because they were not considered, but some costs are unknown because the means of measuring them are difficult, if not impossible, with presently available techniques.

The difficulty of measurement should not be used as an argument for not attempting to measure them. In view of normal business requirements and the legal obligation of a regulated industry to maintain low rates, the industry cannot and should not be expected to calculate all of these factors. There is a clear Federal role in attempting to make these measurements.

The resolution is drafted to authorize the Department of Housing and Urban Development to conduct these studies. The question of the ability of HUD to make these measurements was posed to that Department. Their response was as follows:

"As to the specific issues raised in your letter, it will not be easy to develop objective standards for assessing the impact of overhead lines. Perhaps the major area susceptible measurement will be the changes in property values. However, the difficulty of constructing definitive standards should not be permitted to discourage efforts to develop them. On the contrary, it becomes all the more necessary to provide the best possible basis for making informed professional judgments based on the best available data and opinions."

The committee considers this response to be sufficiently encouraging to make this resolution meaningful and even essential.

The question may be raised as to whether the Department of Housing and Urban Development is the proper agency since much of the impact of transmission lines falls on rural areas. The Department addressed themselves to this point when they stated:

"Clearly, a study of this kind is related to the mission and programs of this Department. Our most direct interest would lie in the determining of the impact of high-tension lines on the quality of the urban environment, changes in urban land use and values, and the comprehensively planned development of communities of all sizes. This type of research would, of course, have to be closely correlated with the work of the Office of Science and Technology and the Department of the Interior on the technological problems involved in undergrounding."

The committee considers it essential that such work be closely correlated with the Department of the Interior and the Office of Science and Technology, as well as other groups so that the greatest expertise can be brought to bear on these difficult problems.

In addition to Government agencies, it is important that private groups be consulted. The Edison Electric Institute has offered their assistance and they have suggested that the Electric Research Council, which encompasses all segments of the industry, may be able to help.

SAN DIEGO'S 200TH BIRTHDAY

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. VAN DEERLIN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. VAN DEERLIN. Mr. Speaker, in 1969, my home city of San Diego will celebrate her 200th birthday. It will be an auspicious occasion, for during these past two centuries San Diego has grown from a sleepy Spanish village into a gleaming metropolis of more than 600,000 modern Americans.

The city has become a hub for commerce and industry, tourism, and national defense. And San Diegans, justly proud of their heritage and achievements, are making elaborate plans for the bicentennial observances.

I am pleased today to join with my San Diego colleagues, the gentlemen from California [Mr. BOB WILSON] and [Mr. UTT] in introducing legislation to provide for the striking of national medals to commemorate the 200th anniversary of the founding of San Diego.

The bill we are proposing would authorize the Treasury Department to prepare the medals—but at no cost to the taxpayers. All expenses for the production of up to 500,000 of the commemorative mementos would be borne by San Diego 200th Anniversary, Inc., the nonprofit corporation in charge of preparations for the year-long celebration.

From the public sale of the congressionally approved medals, the corporation hopes to raise money for such anniversary year activities as the commissioning of commemorative works of art and a possible visit by Pope Paul VI. Also planned are the establishment of a center for San Diego's newest industry—oceanography—and the designation of special months for recognizing the contributions of the city's traditional industries.

Two foreign nations, Spain and Mexico, have been invited to take part in the observances.

I urge the House to give prompt and favorable attention to this legislation to help a gracious city mark her 200th anniversary.

WORLD FARM CENTER

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HANNA] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. HANNA. Mr. Speaker, the Congress of the United States has the opportunity to endorse and encourage the development of a meaningful and farsighted idea. I am introducing a resolution, today, that will, if passed, give congressional endorsement to the development of a World Farm Center.

The concept of a World Farm Center offers one of the most imaginative and creative opportunities for world agriculture. The Center would put on display the great panorama of agri-related products, ideas, and potential that is such an integral and vital part of the world economy.

The question of world food supply and production is probably one of the two most critical issues of the time. With as much as two-thirds of the world's population suffering from nutritional deficiency, it is to the mutual advantage of all to encourage the development of institutions that will participate in shaping the needed solutions to this immense problem.

The idea of a World Farm Center was originated some 7 years ago by a group of Californians experienced in the areas of farm equipment, farm production, food processing and packaging, and farm finance. After years of preliminary planning, research, and groundwork, this original group of men succeeded in gaining the support and encouragement of every responsible segment of California agri-business.

Our Nation's responsibility and leadership in agriculture is undisputedly recognized the world over. Realizing this, the proponents of the Farm Center postulated that an institution that brought the whole of the great American agricultural technological revolution together would be of inestimable value. The Farm Center would be an institution designed to demonstrate in one place the essential interworkings of the various component elements of our huge agribusiness—a business that has given our Nation the greatest yield per acre in history and has delivered our bounty to the consumer at the lowest unit cost.

The World Farm Center will be an entirely private endeavor. The Center will not require any Government expenditures, or financial subsidies.

Secretary Freeman, in a favorable report issued on this resolution in the 89th Congress, said that it called "attention to the vital importance of agriculture in the national economy, and to the tremendous economic gains that have resulted from technological progress in agriculture. It points out that the World Farm Center is designed to improve understanding between agriculture and the general public."

Mr. Speaker, the Congress' endorsement of the World Farm Center would greatly add to an already tremendous concept. In addition, it would show the world that our Nation's political leadership encourages and supports the private initiative of its citizens in dealing with the great issues and needs of the day. This is an opportunity to demonstrate that every resource at our disposal will be used in combating man's most persistent and increasingly most acute problem—hunger.

VETERANS' ADMINISTRATION MEDICAL RESEARCH—1967

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. TEAGUE] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, there is published in Washington on a semimonthly basis a magazine entitled "U.S. Medicine." As its name implies, it is devoted exclusively to reporting medical activities which occur in the Federal Government.

The first issue of the new year is devoted to a review of events in the Federal medical world in 1966 and I am happy

to note that considerable recognition has been given to the activities of the Veterans' Administration. VA medicine has pioneered in many fields and not the least of which has been research for the benefit not only of veterans but for all mankind.

The publisher of "U.S. Medicine" has been kind enough to grant permission to reprint a portion of the material contained in the first issue of the new year and I commend to the Members of the House the articles by Dr. Benjamin B. Wells, Assistant Chief Medical Director of the Veterans' Administration for research and education. Dr. Wells was keenly interested in the landmark law which the 89th Congress passed and which has been designated as Public Law 89–785.

Dr. Wells was of great assistance to the committee and I am expecting nothing short of tremendous results in this field; here again, the benefit will be not only to the veterans of this country but the entire populace.

The article follows:

A STORY OF GROWTH—VA RESEARCH PROGRAM IS CLINICALLY ORIENTED

(By Benjamin B. Wells, M.D., Assistant Chief Medical Director for Research and Education in Medicine Veterans' Administration)

In the eleven years which have passed since the Veterans Administration first received a direct appropriation from Congress specifically for medical research, the research program has undergone a transition as significant as the growth from infancy to adulthood.

In size it has grown from a hopeful handful of investigators to an organized team of scientists which in 1966 consisted of 5,780 investigators working on 6,552 projects. More important, it has developed in its capacity for fruitful productivity as reflected in the 2,750 scientific papers presented at national scientific and professional meetings and 3,417 scientific articles published in recognized national journals in the last year alone.

The following description of some of our major programs in progress and some of our major accomplishments during the past year will make it apparent to the reader that a major portion of the program is clinically oriented.

CLINICALLY ORIENTED

Actually, clinical research related to disease—its treatment, amelioration, and better understanding—constitutes more than 85 per cent of the Veterans Administration's medical research effort. The balance of the program consists of essential supportive investigations of the basic research type considered to be scientifically meaningful and relevant to extending knowledge of human health and disease.

This predominant orientation of the investigative program towards clinical aspects of medicine was not deliberate, it was predestined. Medical research in the VA is a mission oriented program that is responsive to the needs of the veteran population.

Our research is accomplished largely by physicians whose first interest, and major objective, is the welfare of the patient. It was therefore inevitable that these physicians would participate in research on clinical problems confronting them at the bedsides of their patients. There can probably be no better direction of medical research than this—nor better motivation.

Many of the investigators work independently of their projects. Others choose to collaborate with staff members of their own hospital or the affiliated medical school to approach problems of common interest simultaneously from several aspects. Still others pool their observations of similar patients under similar treatment in different hospitals.

These researchers take full advantage of one of the greatest opportunities offered by the VA, its unparalleled resources for the study of clinical conditions: enormous numbers of clinical cases, uniform medical records maintained according to a standard of excellence—all within a single, highly organized, integrated hospital system.

Diseases which are rare in a single hospital, or in the experience of a single investigator, become relatively common when totaled throughout all the VA health facilities, which collectively constitute the largest medical care system in the world.

RESEARCH IN AGING

The establishment by the United States Government during 1966 of Medicare to assist the aging citizen in his medical needs attests to the general concern over the results of the scientific advances: the numbers of individuals who live beyond the sixth and seventh decades has been expanded markedly.

Census figures indicate that by 1970, 28 million Americans will have passed the age of 60, compared with 24 million in 1960. This has brought into focus the lag in solving the problems of chronic disease and deterioration that increase with advancing age. The problem that faces us now is to assure these larger numbers of elderly citizens healthy and purposeful lives in their later years.

The patient population of the Veterans Administration reflects the increased utilization of hospital and clinic by this older group. The average age of all veterans is now 47 years. In 1956, the average age of the veteran patient in VA and non-VA hospital facilities was 49.4 years; in 1965, it was 54.3 years. Thus, a major concern of VA medical authorities is the care and treatment of the older veteran.

This has been reflected in the dramatic rise in the numbers of VA hospitalizations for arteriosclerotic heart disease (hardening of the arteries of the heart), the most common cause of death in the United States. Hospitalization of such cases in the VA rose from just under 12,000 in 1957 to almost 17,000 in 1965. The average hospital stay of each of these VA patients in 1965 was 34.1 days.

Strokes and other brain damage accompanying aging rose from 6,810 in 1957 to 13,111—almost double—in 1965. The average VA hospital stay for this type of case was 84.4 days.

Patients with aging lung disease (emphysema and chronic bronchitis), excluding tuberculosis, numbered 10,460 in 1957. By 1965, this had more than doubled to 21,373 VA patients, each hospitalized an average of 38.9 days.

Predicated on the FY 1965 average inpatient day cost for general hospital care of $30.99, these three diseases of aging alone resulted in VA inpatient care costs of approximately 78 million dollars during 1965. Loss to the national economy through the loss of productivity of the affected individuals can be estimated at an almost equivalent amount. Completely immeasurable, however, is the impact on the afflicted veterans and their families in terms of the future that the Great Society holds out as a goal for every American.

EMPHASIS ON AGING

Emphasis therefore continues, as it has for the past several years, on solutions to the health problems of the aging veteran. These range from the nearly 300 individual projects, part of the 6,552 projects active during 1966; through large scale major studies by teams of professionals based in one locality; to the true cooperative study of specific therapeutic approaches to disease, involving pooling of ex-mental results obtained in a number of VA hospitals. There are 33 of the latter now underway in the VA, involving from 3 to 30 hospitals each. Four of these involve medical approaches to the prevention and treatment of aging of the blood vessels in heart; two involve the treatment of mental deterioration with aging; and two are studies of how the endocrine glands change with aging.

Three aging studies now underway are worthy of specific comment since they represent prototypes of research to which the Veterans Administration is uniquely suited.

EXERCISE AND AGING STUDY

Despite the medical opinions of some of the most prominent physicians on the beneficial effects of regular exercise on retarding or relieving the process of hardening of the arteries with age, the difficulties of setting up a truly controlled study have prevented the acquisition of acceptable scientific evidence to prove or disprove these opinions. Indeed there are a number of scientists who suggest, again without proof, that exercise may be harmful in this respect. At the VA Center in Bay Pines, Florida, a large scale study in its early stages whereby a group of patients with proven arteriosclerosis is being tested extensively, divided into an exercising group and a non-exercising group, and followed for a period of years. The two groups will be retested periodically and carefully checked for development of further disease in an effort to see what difference exercise has made in their health.

The Bay Pines-Jacksonville-Tampa area is particularly suited to such a study because of the large population of elderly veterans in this area, and because of the geographic stability of this population. Older citizens who settle there rarely move away again; and this, of course, is crucial to carrying out such a study over a period of years.

DOMICILIARY DIET FAT STUDY

In the VA Center at Los Angeles, a large scale study is underway in which 400 domiciliary members have had their diets altered so that the normal fat has been four-fifths replaced by unsaturated fats. This study is double blind, neither the patients nor their doctors know which patient is receiving the experimental diet and which the regular.

To set this up required unprecedented collaboration between the food industries and the investigators to develop foodstuffs such as milk, ice cream, sausage products and others that have been altered in fat content but not in taste or appearance; between the nutrition sections of the VA and the investigators, train dietitians and kitchen workers in new techniques (special meat cutters dissect each side of beef as completely fat free as possible); and between records and data handling experts, to keep the continuous flow of information on each of the patients in organized and readily available form. This study should settle the problem of the value of unsaturated fat in preventing or ameliorating arteriosclerosis in the human arteries.

NORMATIVE AGING STUDY

A long-term study of the aging process among healthy men has been undertaken by the Boston VA Outpatient Clinic. Known as the Normative Aging Study, it aims to delineate selected anatomic, biochemical, physiologic and psycho-social aspects of aging in 1,500 initially healthy males ranging in age from 25 to 65 years. The subjects volunteer to return for periodic examinations for the rest of their lives. The subjects include all socio-economic and occupational groups which are representative of the general population. This study is expected to provide descriptions of normal aging processes, prediction of later outcomes, and correlation of variables, cross-sectionally and longitudinally.

SATELLITE LABORATORY PROGRAM

In an effort to focus more intensely on the mechanisms of aging—an understanding of which will ultimately provide the means of

retarding or preventing aging-related disease and deterioration—the Veterans Administration Research Service, in 1964, conceived its Satellite Laboratory Program. Under this unique concept outstanding non-VA senior researchers are able to undertake investigations of the nature and causes of the aging processes which are related to their particular areas of interest. Laboratory facilities are provided at VA stations in close proximity to the organizations of the collaborating scientists.

By June 1966, seven satellite laboratories had been established; the calibre of the senior scientist collaborators is such that these laboratories represent a major effort in aging research in the VA hospitals in Bedford, Mass., Baltimore, Md., Downey, Ill., Buffalo, N.Y., and Sepulveda, Calif. The latter hospital is the site for three separate units.

The unit at the Bedford hospital is under the sponsorship of Doctor Marott Sinex, Chairman and Professor of Biochemistry at Boston University School of Medicine. This laboratory is concerned with changes in RNA and DNA, the substances that are the basis for inheritance. Under investigation there is one of the theories of aging—that it is a process "programmed" at birth by the genes inherited from ancestors.

At Baltimore VA Hospital, Doctor Bernard Strehler, Chief of the Biological Research Section of the Gerontological Institute at Baltimore City Hospital is the sponsor of a laboratory concerned with basic cell biology. This unit is testing systematically three proposed mechanisms of aging: that mutation of cells is responsible for the changes called aging, and ultimately for determining length of life; that the process that controls growth and differentiation of the body parts (i.e. body height, number and length of fingers, etc.), has built into it the changes of aging; and that the accumulation of certain waste materials in the cells have a role in the aging process.

Doctor Arthur Veis of Northwestern University is the sponsor of a research group at Downey VA Hospital studying the lens of the eye as a model for the aging mechanism.

At the Buffalo VA Hospital, Doctor Noel Rose from the Department of Bacteriology and Immunology, of the State University of New York heads up an investigation of the theory that aging is caused by changes in body protein, changes to which the body reacts by mobilizing its immense mechanisms by which it defends itself against "foreign" substances.

Doctor Albert Tyler, Chairman of the Department of Biology, California Institute of Technology is the sponsor of two of the three satellites at the Sepulveda hospital. These two laboratories are exploring aging from the developmental biology approach. They are separately headed by independent scientists pursuing different experimental areas.

One is concerned with the effects of manipulation of the embryo on the rate and nature of aging, and the effects of aging on the reproductive system. The other is studying the effects of one type of cell on another in the same tissue culture and on transplantation from one animal to another. The mechanisms whereby these interactions influence normal growth, aging, and abnormal growth (cancer) are the focus of the work. The third laboratory at Sepulveda is sponsored by Doctor Linus Pauling. The mechanisms of memory and their changes with age are the areas under investigation. The relationship of these mechanisms to normal sleep and to surgical anesthesia is also being studied.

RESEARCH IN INTERNAL MEDICINE

Research in internal medicine continues to be the largest segment of the Veterans Administration medical research program. Of the $40 million allocated for the total program, almost $11 million were utilized for research in this specialty in fiscal year 1966.

Over 2,500 individual research projects are included covering a wide range—from purely clinical studies on the incidence, natural history, and therapy of specific diseases, to investigations into the molecular and cellular changes associated with disease. Some of the problem areas and related investigations may be described only briefly in the following paragraphs.

CARDIOVASCULAR DISEASES

Since heart disease is the leading killer of adult males in the United States today, much of the VA's research program in this area reflects the urgency attached to uncovering mechanisms for better treatments for this group of diseases.

During FY 1966, 688 research projects were being conducted in the cardiovascular area. These can be more finely divided: 323 projects were concerned with the detection and prevention of heart and blood vessel disease; 254 projects, with new approaches to treatment of these diseases; and 111 projects with the clarification of mechanisms of heart and blood vessel disease.

A physician-investigator in VAH, Birmingham has found that analysis of the motion of the chest over the heart not only gives important information on what diseases of the heart, if any, may be present; but also, by computer analysis, can yield significant information on the moment-by-moment efficiency of the heart as a pump. Such information in the past has been gathered only by such elaborate procedures requiring heart catheterization.

A physician in VAH, Washington, D.C., has been successful in detecting the degree of hardening of the arteries in patients by analyzing the shape of the pulse wave as it is transmitted through the arteries of the neck or the wrist. Since hardening of the arteries occurs at different ages in different individuals, this now enables physicians to pick out at an early age a high risk group of patients for intensive anti-arteriosclerosis treatment.

A physician in Coatesville VAH has found an abnormality of the electro-cardiogram that appears to be peculiar to a certain group of mentally ill veterans. The effects of some of the potent drugs used in treating the mentally ill on the electrocardiogram is now under investigation by him.

EXPERIMENTS WITH DOGS

In Houston VAH, doctors are experimenting on dogs with complete transplantation of heart and lungs. Only when the problems and techniques have been effectively solved in animals can any such procedure be applied to patients.

In Minneapolis VAH, specific changes in the structure of the heart in patients with chronic alcoholism are being studied for clues to treatment of this type of heart disease and for a better understanding of the nutritional requirements of the heart.

In Omaha VAH, a physician has described a form of heart disease that is associated with drinking large amounts of beer daily. Details of the nature of the heart disease and its treatment are being investigated.

ARTHRITIS AND RHEUMATISM

Although not one of the major killers of our time, this disease poses an important sociological and economic problem. It leads to repeated and frequently prolonged hospitalization, and eventually cripples and deforms its victims. It is an important cause of hospitalization among the veteran population and, as a consequence, investigators at a number of VA hospitals are working on various facets of the rheumatoid arthritis problem.

The VA Arthritis and Rheumatic Diseases Study Group has completed its cooperative study assessing the value of intra-articular corticosteroid treatment of small joints by means of Hypospray jet injection, and submitted the results for publication. In this double blind study of patients with comparable bilateral active rheumatoid synovitis of the joints of both hands and wrists the results showed a clear comparative difference in favor of medication administered by this method over placebo.

In addition, members of the Study Group compiled their experience in the clinical use of Hypospray jet injection of small joints among some 200 patients with 800 jet injection administrations. Clinical results were highly favorable.

As with diabetics, the earlier one can detect an arthritic individual and institute therapy, the more apt one is to delay the ultimate crippling and disability. A long term study of this problem continues to accept patients who have peripheral joint complaints insufficient for a definite diagnosis of rheumatoid arthritis. Each accepted patient has a normal control matched by sex and age. Clinical and laboratory progress of each patient is observed yearly.

It is hoped that long-range observation of these patients with mild disease may furnish invaluable information about the pattern of the progress of early rheumatoid disease.

GASTROENTEROLOGY

Over 500 research projects in gastroenterology, individual and collaborative, are currently underway in VA Hospitals. Cooperative studies, each of which involve several hospitals are being carried on in areas such as cancer of the esophagus, treatment of various hernia conditions involving the gastrointestinal tract, treatment of peptic ulcer, and treatment of gastrointestinal hemorrhage.

The VA Gastric Ulcer Cooperative Study has compiled pertinent information on over 800 patients and a book is being written reporting the findings regarding management of this common disorder and the reliability of stomach X-ray examination and response to medical treatment in differentiating this benign disorder from stomach cancer.

A special Purpose Research Laboratory for the investigation of liver diseases has been recently established at the Washington, D.C. VA Hospital, and is directed by an outstanding specialist in this field.

RESEARCH IN NEUROLOGY

The research program in neurology is directed into all aspects of the broad field of neurology with the exception of neurological problems of childhood. Because of the gradually increasing number of veterans in the older age group, emphasis is being given to research in diseases which are more likely to occur in this group, however, research not necessarily related to aging continues to receive strong support. Neurological diseases occurring in younger age groups which hold special interest are epilepsy, multiple sclerosis, and spinal cord injury.

A major effort to learn more about the causes and to discover improved methods of treatment and prevention of stroke continues. Two important cooperative studies on drug lipids are in progress. In one, Premarin® or a similar appearing placebo has been used in the treatment of more than 600 stroke patients in a statistically designed clinical trial. In a somewhat similar study chlorophenoxyisobutyrate (CPIB), Astromid-S, is being investigated as a therapeutic agent.

Two University-VA centers for research in the field of cerebral vascular disease, under joint National Institute of Neurological Diseases and Blindness-Veterans Administration support, have been established. The Duke-VA Center for Cerebral Vascular Research at the Duke University Medical Center and the Durham VA Hospital is investigating the biologic and clinical aspects of cerebral vascular disease. The Boston University

Aphasia Research Center has been developed at the Boston University Medical Center, the Boston VA Hospital, and the Joseph P. Kennedy Memorial Hospital, for a center-type of total language research.

The use and development of new techniques of stereotactic neurosurgery are being employed at selected VA hospitals for improved treatment of Parkinson's disease as well as other involuntary motor disorders. Studies are underway for wider clinical application of the therapeutic possibilities of these types of treatment in other diseases, such as intractable pain associated with strokes and cancer. Basic scientific research continues on methods for improved diagnosis as well as assessment of clinical improvement in certain motor disorders after various types of medical and surgical treatment.

SPINAL CORD INJURY AND DISEASE

The area of spinal cord injury continues to be one of high priority in the VA neurological research program. Although much has been done in improving our knowledge of care of the bladder and bowel in a patient who has sustained a spinal cord injury, not only in regard to the prevention of infection and the avoidance of the hypertensive crises that occur in patients with high spinal cord injury when proper bladder drainage is disrupted, there has, as yet, been no breakthrough in the ability to promote regeneration in the spinal cord once its pathways have been interrupted. Both neurochemical and neurophysiological approaches, individually and combined are being used in an attempt to solve that basic problem.

RESEARCH IN SURGERY

Surgical research in the past year has shown a steady increase in the number of projects with 87 stations engaged in over 700 individual research protocols, including 214 new projects. This research was conducted by 650 investigators. There were 524 publications, a 20 per cent increase in the number of publications over the previous year. Interest continues heavily in gastrointestinal, heart surgery and arterial disease investigation.

The Veterans' Administration continues to play a prominent role in organ transplantation research. New developments in methods of preventing rejection of transplanted organs are being pursued at VAH West Roxbury, VAH Denver, VAH Nashville, VAH Coral Gables, and several other stations. Recent developments in improved techniques to select donors have increased successful transplants by 20–30 per cent. The investigation of anti-lymphocyte serum to reduce the rejection phenomena is receiving intensive study and beginning trial.

Hyperbaric medicine is under investigation in six hospitals with one large hyperbaric tank being in active use at Buffalo where investigative efforts are being pursued in the field of shock and peripheral vascular disease. All stations with hyperbaric facilities (of which there are four) are banded together under a single protocol to treat patients with gas gangrene.

The new technique for treatment of prostatic hypertrophy by the use of profound cold is currently under investigation at four Veterans' Administration hospitals. Initial results are most encouraging and indicate that the technique may be especially useful in treating older and debilitated patients. The use of cryosurgery has been extended to other types of cancer, especially of the mouth and tongue, with encouraging initial results. A possible increase in the patients' resistance to cancer following the freezing procedure is under investigation.

Transplantation of the heart in animals has been accomplished at the Palo Alto VAH with some long term survival in these animals. Extremely valuable physiologic information has been developed. This work has proven the feasibility and satisfactory function of a heart deprived of all nerve connections. Continued success in liver transplantation in animals is bringing this nearer to clinical application.

Several surgical cooperative studies are producing important information. A highly successful study of the value of four different operations for the very common duodenal ulcer is producing data which may lead to a better means of selecting the best type of operation for patients. The cooperative study of surgery for bleeding esophageal varices is the largest in the world and is beginning to produce important evidence and indications for the operation. The evaluation has carried out several very large studies of which more are planned. This study prepared an exhibit recently for the American Medical Association convention in Chicago and was awarded the Billings Gold medal.

Three new cooperative projects are beginning. Coronary artery disease is being evaluated by coronary angiography and surgery is being prescribed partly on the basis of the findings of this procedure. Five hospitals are ready to embark on a project to assess the value of implanting the internal mammary artery in the left ventricular wall.

RESEARCH IN CANCER

The incidence of treated cancer in the Veterans Administration continues to increase. There were approximately 45,000 cancer cases last year. The Veterans Administration's efforts have been both in the basic research with a study of epidemiology and immunology of cancer. There are six cooperative studies in cancer in the Veterans Administration involving evaluation of various treatment methods, including drugs, surgery, and x-ray therapy. These six cooperative studies involve 84 groups of investigators.

Over 5,000 patients with inoperable cancer of the lung have been treated and observed. No drug has proved more effective than nitrogen mustard which is of very limited value. Thirty-seven new cancer chemotherapy compounds have been evaluated in over 3,000 cancer patients. A large series of studies of satisfactorily screened drugs have been assessed in patients with all types of tumors.

The value of various cancer drugs in conjunction with surgical removal of tumor of the lung, colon, rectum and stomach has to date shown no beneficial effect. The invaluable experience and capability has, however, been developed as a result of these studies, providing an instrument for continued evaluation as new agents and approaches to the treatment of cancer are produced.

Prostatic cancer treatment has been studied and over 2,000 patients treated and observed up to three years. Accepted treatment methods will have to be carefully reviewed as a result of this work.

PROSTHETIC AND SENSORY AIDS

The most significant accomplishment of the prosthetics research program during the past year was the refinement of immediate post-surgical prosthetic fitting techniques.

The VA-sponsored research project at the VA hospital, Seattle, Washington, continued to demonstrate excellent success with this exciting method of fitting a prosthesis immediately after amputation. Some 100 cases have been fitted with excellent results. Healthier stumps, with rapid healing, have been produced. Early ambulation, frequently beginning with assistance one day postoperatively, has resulted and post-surgical pain and discomfort have been markedly reduced.

Training in the use of a prosthesis has proceeded with minimum delay, and hospitalization stays have been shortened considerably. The technique has permitted the surgeon to amputate below the knee, rather than above, an estimated three to four times more frequently than he would have considered prudent using conventional procedures. The psychological, and economic advantages of the immediate post-surgical technique have stirred the interest of the medical community.

In the VA prosthetics center in New York City, research continued on immediate post-surgical fitting by conducting evaluation of prosthetic components and by instrument development. Several pylons designed by commercial manufacturers for use in immediate fittings were checked for adequacy. The Center also developed its own pylon which has great potential for conversion to a permanent prosthesis.

Moreover, the Center has developed an instrument to be used in tension myodesis surgery to permit better measurement of the tension applied to the muscles as each is sutured to the bone. An instrumented pylon was designed to give readings of torsion, vertical load, and shear as an amputee takes his first steps on the prosthesis, thus allowing clinical control of early progressive ambulation plus recording of later improvements.

The New York Center further investigated stance-control systems for above-knee prostheses by conducting evaluations of polycentric mechanisms developed by several VA research contractors. These evaluations combined with others are expected to result in a set of principles for clinical use of special stance-control mechanisms.

At a VA-sponsored project at the University of California at Berkeley and San Francisco, initial testing was substantially completed on a pneumatic swing-control system for above-knee amputees. This device appears to be effective and durable. Metal knee-shank assemblies for use with these pneumatic swing-control systems have been proclaimed and are also adaptable for knee-disarticulation cases. Another potentially significant contribution is the development of methods for designing linkages for knee and hip joints in artificial limbs and braces.

The possibilities of using external power in prosthetic devices continued to be studied at VA projects at the University of California at Los Angeles, Northwestern University, Evanston, Illinois, and Gilmatic, a laboratory in Northridge, California. Electrically powered artificial arm components have been developed for possible use in mechanical arms, as well as ultimate use in completely powered prostheses.

RESEARCH IN PSYCHIATRY

Particularly significant work on the effects of endocrine and nervous system responses to stress is being done at the Developmental Neuroendocrinology Research Laboratory at the VA Hospital in San Fernando, California. Productive stress studies are also underway at the VA Center in Biloxi, Mississippi and the Psychosomatic Research Laboratory, VA Hospital, Houston, Texas.

Forty-five VA hospitals are engaged in research on alcoholism, a national problem which has been largely shunned by research organizations outside the government. The VA hospital at Topeka, Kansas, which has had such a program underway since 1946 is currently using a problem-solving approach in a group-training setting.

Variant approaches are being tried at other VA hospitals. The one at Houston features a special room where the alcoholic patient can go for intensive help when he feels he must have a drink. The Coral Gables hospital has conducted research on aversive electric shock conditioning in animals for several years and recently adopted the technique to human beings with marked success. At the Salt Lake City, Utah hospital, a three-pronged therapy is used—an orientation clinic to which physicians can refer their patients for initial examination and treatment, a preliminary series of group therapy meetings, and later intensive group therapy.

Two of the VA's psychiatric research projects have attracted considerable attention nationwide during the past year.

Doctor D. Ewen Cameron, director of the Psychiatry and Aging Research Laboratory of the Albany VA Hospital, has been testing a chemical to evaluate whether or not memory can be improved by a drug. His preliminary results indicated that memory was aided in all test subjects who had scored 60 or better on a memory quotient test before being placed on the drug. Most of the subjects used in the study were in the 50–65 age range. Improvement ranged from slight to dramatic—the better the memory quotient was at the beginning, the greater was the gain after administration of the drug. Doctor Cameron found that a relatively small gain in the memory quotient score shows up as a considerably greater gain in the subject's social behavior and ability to handle himself in day-to-day situations.

The drug tested, Cylert, is produced by Abbott Laboratories. The principal side effect noted was that the chemical may prove slightly over-stimulating to a patient in the same fashion as the psychiatric energizers. Although the drug appeared quite effective in increasing the memory quotient of a normal subject, it did not appear to help the senile or brain-damaged patient. Its future potential appears most likely as a preventive measure in persons just starting to show memory impairment.

A new dimension in treatment of psychiatric patients has evolved at the Tuscaloosa VA Hospital. Doctor James C. Folsom, a VA psychiatrist, years ago was stationed at the VA Topeka facility. While there he was exposed to Doctors Karl and Will Menninger's ideas on the importance of consistency of attitude of all concerned with the care of the mentally ill. Experimenting since 1952, Doctor Folsom has modified the original Menninger concept, leading to the formulation of five basic attitude "prescriptions".

Under this concept each psychiatric patient entering the Tuscaloosa hospital is prescribed one of these five attitudes to be used by all the hospital staff in dealings with the patient. This unique therapeutic approach has produced such effective and successful results that it has attracted inquiries from other psychiatric treatment facilities throughout the country.

RESEARCH IN PSYCHOLOGY

The complexity of the psychological aspects of the causes of disease, treatment and rehabilitative procedures in a modern health program is reflected in the broad and diverse research activities conducted by VA psychologists during the past year.

Highly qualified investigators at the VA Hospitals in Salt Lake City, Phoenix, and West Haven, have developed sophisticated instrumentation and methodology for exploring brain-behavior relationships. Rapid advances are being made in relating behavior phenomena to structure and function of the brain utilizing the evoked potential techniques. When a sensory stimulus, such as a flash of light, tap to the skin, or a sound such as a click is delivered to a man or animal, it evokes in the brain a complex sequence of minute electrical changes called evoked potentials.

The character of these cerebral evoked potentials indicates that they represent activity in several different parts of the brain and are produced by different nerve pathways. These investigators have discovered that the resultant complex wave patterns are reliable measures of cortical activity and reflect individual differences. Such investigations hold great promise for the development of objective methods for examining the functioning of the central nervous system especially in patients who cannot or will not cooperate with the usual clinical methods of sensory examination. The psychology laboratories at VA Hospitals, Sepulveda, Pittsburgh (Leech Farm Road), and Kansas City, are complementing this work through studies in behavioral pharmacology, brain biochemistry behavior interaction and biochemical and physiological bases of learning and memory. The effects of specific brain lesions on behavior is being systematically pursued in other laboratories.

One VA psychologist at Bedford, Mass., discovered and has developed a novel electronic method, "feedback" electroencepalography, to study cortical activation and the psychological, neurophysiological, and neuropathological conditions which modify it. Among other things he is using this technique to explore automatic regulation of level of alertness without stress.

APHASIA STUDIES

Although the amount of research effort devoted to aphasia on a national level lags in relation to the magnitude of the problem, VA research psychologists are in the forefront of significant work being done in this area. For the past two years, a psychologist at the Boston VA Hospital has pursued experimental procedures for detecting brain hemisphere dominance by differential efficiency in recognizing auditory and visual linguistic stimuli presented to one side of the brain or the other. Concrete applications of this issue lie in determining the risk of producing aphasia by operating on the side of the brain affected by a removable lesion or the ability of the unimpaired half of the brain to recover speech lost by injury to the other side.

Other studies are producing evidence as to anatomic allocation of certain linguistic processes in the brain, making it possible to diagnose aphasic defects more reliably. Another research psychologist, at the Los Angeles VA Center, has developed an automated teaching system for testing and retraining of brain damaged patients who show disorders in the area of visual language functioning. Work is now in progress in the Los Angeles laboratory to determine if lengthening the delay period between speech sounds in words will eventuate in better performance by aphasics.

At the VA Hospital, West Haven, an investigator's years of careful study of normal and pathological language, resulted last year in the compilation of a conceptual dictionary of over 26,000 entries for use in language analysis. This work, of major significance, is directed toward a deeper understanding of the adaptional processes of patients as we may know them through the patient's language and also directed toward understanding the patient's integration into small groups.

PIONEERING STUDIES

The pioneering efforts of VA research psychologists at the Los Angeles VA Center in the scientific study of suicide have received world-wide recognition and have resulted in greater understanding of this behavior and development of preventative programs, both in the veteran and non-veteran population. A promising new approach to the wide range of self-destructive behavior is currently being developed in this laboratory in a study of patients who seem to be embarked on a long, devious, indirect road to self-destruction. This study will include, for example, diabetic patients who appear and reappear in hospital wards having neglected their diet and/or insulin regime. Also considered are alcoholics, drug addicts, the accident prone, careless cardiacs, inappropriate risk takers and others. Important work on the meaning of death is also being done at the Los Angeles VA Outpatient Clinic.

Clinical and research psychologists continued investigative activities in the front line laboratories of patient wards. Their effort is directed toward more accurate definition and quantification of behavior, increased knowledge of traditional procedures for altering or modifying behavior, and investigation of programs designed for more effective and successful return of patients to the community.

A research psychologist at Palo Alto VA Hospital has developed a community lodge, outside of the hospital itself, for discharged patients. No professional person is required by lodge members except on a consulting basis and one lay leader is currently on duty to supervise the productive work activities in which lodge members participate. Compared with matched controls in usual post hospital programs, these men are more frequently employed, remain out of the hospital longer and are more satisfied with their lot in life.

RESEARCH IN INFECTIOUS AND PULMONARY DISEASES

Allergy, immunology and infectious diseases are intimately interrelated. VA research in this broad area is supported by about 5 per cent of the annual research budget and includes approximately 80 programs of individual research, three cooperative studies—in chemotherapy and chemoprophylaxis of tuberculosis and therapy of fungus diseases, and three special laboratories.

Tuberculosis continues as a significant but decreasing problem among veteran patients. The tuberculosis cooperative studies of the VA-Armed Forces continue to evaluate and improve chemotherapy. A study of a new drug, capreomycin, was completed during the past year. This antibiotic was shown to be a staisfactory substitute for streptomycin in treatment of tuberculosis. A report of the study has been submitted for publication. Other studies have shown that tuberculosis of the spine can often be treated effectively with drugs alone with less frequent need for surgical fusion. It has also been shown that minimal and non-cavity pulmonary tuberculosis requires less intensive drug treatment than that needed for more extensive disease.

A number of research laboratories continue the studies of other aspects of tuberculosis. Investigators at Baltimore, East Orange, Jefferson Barracks and Minneapolis are studying drug resistance mechanisms of tubercle bacilli in relation to metabolic and nutritional requirements of the bacilli. Other investigations relate to immunization to prevent tuberculosis, and chemoprophylaxis to prevent reactivation of arrested diseases. Diagnostic tests have been improved and standardized on the basis of VA studies.

An extensive study of mycobacteria other than *M. tuberculosis* has been underway for the past decade in several research laboratories and for the past five years as part of the tuberculosis cooperative studies. The infections produced by these bacteria resemble tuberculosis but are often more severe and respond less well to treatment. Continued research, particularly at the Atlanta, Salt Lake City and San Fernando VA hospitals has resulted in better understanding of these bacteria and better diagnosis and treatment of the mycobacterial infections they cause.

FUNGUS DISEASES

Fungi which produce human infections are being investigated in basic research laboratories at Atlanta, Brooklyn, Cleveland, Fresno, Houston, Jackson, Kansas City, Long Beach, Memphis, Oklahoma City and San Fernando. The clinical diseases caused by fungi are being studied on many hospital services and great advances in the knowledge of these diseases have been made within the past decade including better definition and recognition of the clinical manifestations of fungous diseases, improvement in treatment and better identification of the epidemiology and methods of prevention of infection.

Bacterial infections such as pneumonia, osteomyelitis, pyelonephritis and dysentery are being subjected to investigation at Albuquerque, Chicago (Research), Hines, Kansas City, Long Beach, Los Angeles, Madison, Minneapolis, Nashville, Philadelphia and Washington VA hospitals. Studies in im-

munity are basic to improvement of treatment of infections as well as to development of methods for prevention of infectious diseases. Studies of pathogenesis which are underway can lead to prevention of recurrent attacks of pyelonephritis, brucellosis and similar infections. The urinary problems of paraplegic patients are receiving special attention at the Long Beach hospital.

Virus infections have come under special study particularly at the New York, Hines and Memphis hospitals. Technics have been developed for isolation and maintenance of viruses in tissue culture. These technics are essential to the development of vaccines. Investigators at Bronx, Cincinnati and New York hospitals are studying further the relationship of viruses to cancer. One more important aspect of these studies is to establish that vaccines grown in tissue cultures can be produced without contamination with other viruses which could cause cancer.

Basic studies in immunobiology continue to seek the mechanisms by which the body recognizes and rejects foreign living tissue. Until these can be fully understood and prevented, transplantation of tissues and organs cannot be accomplished except under unusual circumstances. Successful treatment and prevention of disease such as rheumatoid arthritis will depend on understanding and controlling the immunologic factors that underlie the diseases.

Allergy, immunology and infectious disease research in the VA provides opportunity for strictly basic laboratory study of fundamental biologic mechanisms as well as applied investigation into day by day clinical problems in wards of VA hospitals with close interrelation of these two types of research approach.

LUNG DISEASES

The principal disease of lungs which afflicts veterans is chronic obstructive lung disease. This disease complex includes asthma, chronic bronchitis and pulmonary emphysema. The similarities and differences among these disease entities have been well documented by VA investigators and others both in the U.S. and Great Britain. The physiologic derangements which result have been clearly documented and numerous methods of measuring the incapacitating effects have been devised.

Attention has been focused recently by VA investigators on studies of the etiology and pathogenesis of chronic obstructive lung diseases. If the cause or causes can be determined, programs for prevention can be developed. This would be a much more effective approach than treatment of the disease once it has become established.

Many factors have been identified as probably related—such as air pollution, smoking which provides a specific pollution of the air in the lungs, recurrent respiratory infections, allergic disorders, vascular changes and perhaps congenital predisposition. Several research laboratories are concentrating on testing these relationships. It has been found that exposure of animals to nitrous oxide absorbed on carbon particles can duplicate many of the changes seen in human lungs caused by emphysema. Similar changes can be produced by drugs and particles which obstruct the blood supply to the lungs.

Most recently it has been demonstrated that changes resembling emphysema can be produced in dogs that have been made to smoke cigarettes regularly. This work was accomplished by Doctor Oscar Auerbach in his laboratory at the VA Hospital in East Orange, New Jersey.

Radioisotope labeled serum albumen particles have been adapted to produce lung scan studies. This provides a most successful method of mapping many diseases of the lungs, especially those which involve the blood vessels. These studies are being compared with other diagnostic techniques in one large investigation to determine the best method of detecting early and occult pulmonary embolism.

Other investigators are studying the biochemical changes that take place in lungs with diseases, both acute and chronic, compared with the changes which result from aging without diseases.

Diagnostic technics receive considerable attention in VA pulmonary disease research laboratories. Cardiac catheterization, special X-ray studies, improvement of endoscopic methods and refinement of the tests of respiratory function receive critical study but many of these which have been developed in recent previous years are now routine service tests. The VA hospitals have received higher operating budgets to apply these procedures routinely. This has freed research money formerly committed to the support of these laboratories. This makes it possible to support new and different research programs. Currently, about 3 per cent of the VA research budget is used for pulmonary disease research.

The research summarized in the preceding paragraphs constitutes the major portion of our diversified program. But in addition to the foregoing the VA is conducting investigations in many other fields—in oral diseases, social work, pathology, in physical medicine and rehabilitation, clinical nursing, and, of course, in basic sciences.

SMALLER PROGRAMS

These smaller programs, although lesser in size and scope due to funding limitations, have produced equally significant scientific results.

The work of Doctor Liberson at the Hines VA Hospital, for instance, has attracted international attention in the field of physical medicine and rehabilitation. Development of a tartar inhibiting toothpaste by Doctor Charles M. Belting at the Sepulveda VA Hospital provides promise of eliminating the primary cause of most gum disease. It is but one of the dental research program's outstanding accomplishments. The work of Doctor Leonard Skeggs, Cleveland VA Hospital, in developing the now famous "autoanalyzer" which has revolutionized laboratory procedures is yet another accomplishment which has received widespread acclaim.

The point I am trying to make is that all good research does not necessarily have to come out of a large program; there is no correlation between size and quality in research.

CONCLUSION

It can be readily realized that a medical research program, predominantly clinically oriented in its goals and completely intramural in its constitution, provides ideal conditions for the rapid translation of results of successful research efforts into established clinical practice within a unified hospital system. Veteran patients thus stand to gain immediate and direct benefit whenever improved patient care results from VA medical research.

But such health benefits are not restricted to veterans alone. The acquired knowledge is communicated to the medical community at large through presentations at professional meetings, publications in scientific and professional journals, and through articles in the lay press. These additions to the fund of medical knowledge thus become available for use in improving the health of all mankind.

TO CREATE A NATIONAL INSTITUTE FOR CRIME PREVENTION AND CONTROL

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. SCHEUER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. SCHEUER. Mr. Speaker, the Federal Government is spending more today on fighting tooth decay than it is spending on the fight to lower the Nation's crime rate. The Federal Government is spending more for research into the uses of coal in fiscal 1967 than it is spending on research into the spiraling increase in crimes against society in this country. Our national crime rate is a matter of great concern to all Americans. In 76 percent of all crimes in this country no apprehension of the criminal is made. In many cities in the United States, both large and small, people are afraid to go out of their houses at night. Millions of Americans have in a very real sense lost not only their valued right of freedom of movement, but have also come to fear the very environment in which they live.

I am introducing today a bill to create a National Institute for Crime Prevention and Control. The purpose of this Institute would be to provide for the Justice Department a research arm comparable to the National Institutes of Health. This Institute would have as its primary task the job of assisting State and local law enforcement agencies, courts and correctional institutions in the prevention and control of crime. This assistance would be given in the form of support and coordination of research activities in the area of crime prevention and control.

The National Institute for Crime Prevention and Control would be authorized to spend $100 million in fiscal 1968 to coordinate research of four types. The first type of research would involve the selection of police personnel. What type of man makes a good police officer? The second type of research concerns discovery of better methods for training police and correctional personnel. The third type of research would be to encourage the development of police equipment in tune with our 20th century technological capabilities. Finally, the Institute would conduct basic behavioral research on the more effective involvement of the public at large in public safety programs.

The research budget of the National Institutes of Health is over $1.3 billion this year, while the budget of the Justice Department for crime research is only $7.2 million. This means that the Federal Government is spending over 180 times as much on research in the health area as it is spending for crime research. Unfortunately, the sad comparison does not end with health research. The research budget of the Department of Agriculture this year is approximately $139,468,000, 19 times greater than the amount spent on crime research and the Department of Interior research budget of $129,707,000 is 18 times greater than the Federal budget for crime prevention and control.

We must reverse this trend and revise our list of priorities. We must bring the fight against crime into the 20th century.

Our law enforcement personnel are still largely dependent on 19th century weapons and procedures to fight the sophisticated techniques of the 20th-century criminal. The possible application of space age science and communications technology to police work is boundless. Yet the practical application of this advanced science and technology to police work is undoubtedly one of the most neglected aspects of current public safety programs.

Two recent incidents in my South Bronx constituency are indicative of the need I am citing here today. In one incident an innocent bystander was wounded in an exchange between police and a holdup man. In another incident a 12-year-old boy was shot by a policeman while trying to escape from a stolen car. In both of these very unfortunate incidents the patrolman was only doing his duty, but the result in each case was a very serious physical injury, as well as a potential riot-producing situation. It is unlikely that either of these serious injuries would have occurred if the New York police had had at their disposal a gun that would stun or temporarily disable, but not kill.

The saddest part of these two incidents is that neither is unique nor isolated. Innocent bystanders and youthful offenders are all too frequently the unfortunate victims of a deadly weapon used in the pursuit of the public safety. We owe it to our patrolmen on the beat and to the citizens who walk our streets to provide our police with the best possible equipment with which to do their job. It is inconceivable that a nation which is about to land a man on the moon at the cost of untold billions of Federal tax dollars cannot provide its law enforcement personnel with more efficient weapons than they use today.

The application of space age technology is by no means limited to law enforcement personnel alone. Over this past weekend New York City was victimized by a series of taxi cab holdups, a common event in many American cities. It is well within our current technological capabilities to provide taxi cabs with an instant emergency detection device. We also have within our current capacities the ability to provide law enforcement agencies with instantaneous identification of fingerprints and with immediate data on stolen automobiles via closed-circuit television. These are only a few small examples of the potential applications of current technological advances to police problems.

But the problem of crime in this country requires more than the development of better weapons and better police methodology, as important as these are. The National Institute of Crime Prevention and Control would also carry out an extensive program of behavioral research into the causes of crime, into the effectiveness of various means of preventing crime, and into cost-benefit techniques for reducing recidivism among those released from correctional institutions.

Every survey I have made of my own Congressional District in the South Bronx has shown that neighborhood security is the most critical concern of the residents in this area. This anxiety is not unique. People in our major cities across the country as well as in rural areas live in fear of becoming the targets of unrestrained criminal activity.

Police chiefs throughout the country, in response to my recent inquiry, have stated that the lack of adequate research funds is a universal deficiency. Most of our State and local governments have virtually no funds to devote to research activities and where funds do exist the lack of coordination is virtually universal. Criminologists, sociologists, and jurists have likewise pointed up the lack of adequate funds for the large-scale research and demonstration projects that are needed to provide us with better information into the causes of crime as well as for testing existing theories of how to prevent criminal activity.

I expect that the National Crime Commission will soon be issuing its long-awaited report, and I am confident that these findings will serve as a valuable guide for an all-out attack on crime in America. The President has also promised in his state of the Union message that he will send to Congress this year a safe streets and crime control bill. Congress has already taken an important step in this area with the passage of the Law Enforcement Assistance Act of 1965, which was definitely a step in the right direction.

Grant-in-aid programs to local police departments, however, will not solve the problem of inadequate research into weapons technology and criminal behavior. No one would ever have expected State and local grant-in-aid programs to produce a Manhattan project, a supersonic transport, or a Telestar satellite. Why then should we place the enormous burden of the types of research that I have discussed today on our State and local governments?

The National Institute of Crime Prevention and Control would provide the basic research tools, the funds, and the expertise to improve the work of those involved in reducing crime. Communities across the Nation are desperately looking to the Federal Government to attack this problem which can only be solved with the commitment of substantial Federal funds and strong Federal leadership.

CONGRESSMAN STRATTON INTRODUCES BILL TO CONVERT FOUR NATIONAL HOLIDAYS INTO 3-DAY WEEKENDS, AS IS NOW DONE WITH LABOR DAY

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. STRATTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. STRATTON. Mr. Speaker, I have recently introduced legislation in this Congress, as I have every year since I first came to this body in 1959, to shift the designation of four of our major national holidays which have no religious bearing so that each year they will automatically provide the basis of a 3-day holiday weekend, as is now done only in the case of Labor Day which falls regularly on the first Monday in September.

My bill, H.R. 1292, would reset Washington's Birthday, Memorial Day, Independence Day, and Veterans Day so that, like Labor Day, they too would always fall on a Monday. Because of their religious or semireligious significance, however, no change is proposed in Thanksgiving Day, Christmas, or New Year's.

Under my bill Washington's Birthday would fall on the third Monday in February rather than automatically on February 22, Memorial Day on the last Monday in May rather than May 30, Independence Day on the first Monday in July rather than automatically on July 4, and Veterans Day on the second Monday in November rather than November 11. In this way each of these holidays would make possible a 3-day weekend every year, which happens now only infrequently. When these holidays fall in the middle of the week, as Washington's Birthday falls on a Wednesday this year and Memorial Day and Independence Day fall on a Tuesday, they make a long weekend impossible unless of course one chooses to stay away over 1 or 2 additional business days.

This proposal, Mr. Speaker, has two important advantages:

First. The 3-day weekend would make more time available for family vacation trips and outings over these holidays, which cannot be done so easily when the holiday is observed on a single day in the middle of the week.

Second. It would reduce the absenteeism and disruption on adjoining days which business and manufacturing plants report always occur when holidays do fall in the middle of the week, and people try to stretch the holiday observance into a 4- or 5-day weekend anyway.

Although I have introduced this legislation for the past 8 years, I believe chances for enacting it are far more encouraging in this Congress than they have been before. The first reason for this is that a survey taken last fall by the U.S. Chamber of Commerce revealed that 85 percent of those responding favored establishing these holidays on Mondays, in line with the provisions of my bill. In addition to that, the national Sunday supplement, This Week, has just conducted a nationwide poll from its readers on the same subject and has come up with an overwhelmingly favorable response. In fact officials of This Week inform me that the mail ballot response to their article was the greatest they have ever received. They tell me that they already have on hand 21 mailbags of replies, estimated to total more than 100,000 votes. Preliminary samples indicate about 90 percent of those replying favor my recommendation. This Week officials told me they were themselves amazed at the size of the favorable response.

I recognize, Mr. Speaker, that objections have been expressed to my bill, chiefly two which I would like to deal with here briefly:

First, some people feel there is something not quite proper in celebrating Independence Day on July 5, let us say, rather than July 4. But the fact is the Declaration of Independence was signed over a period of almost a year, beginning on July 2. The designation of July 4 as Independence Day was thus a fairly arbitrary decision. Similarly, Memorial Day, which originated in my own congressional district in Waterloo, N.Y. in 1866, was first observed on May 5. Veterans Day now commemorates veterans of all our wars not just of World War I, which ended on November 11.

The second objection most frequently mentioned is that if we had more 3-day weekends the traffic death toll would be much higher. But statistics of the National Safety Council actually demonstrate that the traffic death count for single-day holidays falling within the middle of the week is far higher than for any single day of a 3-day weekend. The obvious reason is that families often try to get in a long trip even over a 1-day holiday, but the pressure of time and increased fatigue result in a higher accident rate. On the other hand, with 3 days instead of 1 in which to make the trip, drivers proceed at a somewhat more leisurely pace and the total traffic death toll is therefore less than for an ordinary weekend plus a 1-day holiday.

Mr. Speaker, I believe that the results of the surveys by the U.S. Chamber of Commerce and This Week clearly indicate the public recognizes that the advantages of my legislation far outweigh the supposed objections. I believe that my bill should be considered and enacted promptly, so that the difficulties created this year by so many of our national holidays falling in the middle of the week will not occur in the future. I have called on the chairman of the Committee on the Judiciary, my colleague the gentleman from New York [Mr. CELLER] to schedule hearings as soon as possible and I hope that this can be done. I invite the support of all my colleagues.

Under leave to extend my remarks I include a copy of H.R. 1292:

H.R. 1292

A bill to provide for uniform annual observances of certain national holidays on Monday

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) each of the following holidays shall be observed as a holiday in each year as follows:

(1) Washington's Birthday on the third Monday in February.

(2) Memorial Day on the last Monday in May.

(3) Independence Day on the first Monday in July.

(4) Veterans Day on the second Monday in November.

(b) Each law of the United States in effect on the effective date of this section, which refers to any holiday named in subsection (a) of this section, shall be held and considered to refer to the day prescribed for the observance of such holiday by such subsection (a).

(c) All laws or parts of laws inconsistent with this Act are modified and superseded to the extent necessary to eliminate such inconsistency.

SEC. 2. The foregoing section of this Act shall become effective on January 1 of the year following the date of the enactment of this Act.

CONGRESSMAN ANNUNZIO INTRODUCES LEGISLATION TO REQUIRE ALL INSURED BANKS TO CLEAR CHECKS AT PAR

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ANNUNZIO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, today, I am happy to join my distinguished colleague from California, Hon. RICHARD T. HANNA, who is a member of the House Banking and Currency Committee, in introducing legislation which is long overdue on the statute books. My bill would require all banks whose deposits are insured by the Federal Deposit Insurance Corporation to pay all checks drawn upon them at par.

Many banks presently make exchange charges. They refuse to honor their outstanding checks at full face value. This is an abominable practice, Mr. Speaker, and the evil results are crystal clear and undeniable. Checking accounts represent the great bulk of our money supply, and exchange charges are thus no different from clipping dollar bills or coins. It interferes with the free functioning of our banking system and affects interstate commerce. Exchange charges are much more than a mere inconvenience. Millions of dollars annually are involved. This borders upon financial extortion.

The banks which make exchange charges refuse to redeem their own obligations at par and benefit at the expense of the customers of all the other banks which live up to their obligations. Millions upon millions of the banking public are subsidizing the customers of the "nonpar" banks. Nearly all our banks now clear their checks at par and this exchange practice is evil, reminiscent of the days of "wildcat banking."

Banks which enjoy the benefit of a banking system behind which is the strength of the U.S. Government should no longer be permitted to interfere and impair this system by "clipping" their checks and "clipping" the public.

RESOLUTIONS IN BEHALF OF PRESIDENT JOHNSON

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, I believe that the resolutions recently adopted in Texas by the United Automobile Workers Texas Leadership Council bespeak the mind of all Texans. I take pride in asking unanimous consent that these resolutions be printed in the RECORD at this point. I also take this opportunity to congratulate the Texas UAW and my great friend and fellow Texan, H. A. Moon, the area director, for his thoughtfulness in making them available to me. They follow:

RESOLUTION OF TEXAS UAW LEADERSHIP COUNCIL

Whereas President Johnson's domestic and foreign policies merit the support of every American and

Whereas we, the assembled representatives of 25,000 UAW members in Texas, pledge our unwavering support of the President's program to strengthen freedom at home and abroad and

Whereas the achievements of the Johnson administration are many and great and his courage in leadership has moved the nation to recognize the long neglected weaknesses in our society and to chart solutions. And with strong voice he has told the world that Americans are determined to assist the weak and the menaced in other parts of the world in their struggle to win and maintain freedom and

Whereas we deplore the recent snide attacks on the President. The late Sam Rayburn often reminded us that any President who helped the poor and oppressed was destined to be the target of such attacks, citing Presidents Jackson, Lincoln, Roosevelt and Truman. History now adds President Johnson to that list.

Whereas the late President John F. Kennedy made the judgement that Lyndon B. Johnson should be his running mate. The voters of the nation overwhelmingly reaffirmed that judgment in the 1964 elections.

Therefore be it resolved that the representatives of the UAW membership in the State of Texas are unanimously in support of the President's legislative goals and foreign policies, and that we voice our pride in him as a man and as one of history's truly great Presidents.

Adopted unanimously at Texas UAW Leadership Council meeting, January 16, 1967, Driskill Hotel, Austin, Texas.

1. Permanent voter registration. No one in a democracy should quarrel against a voting system which affords the fullest participation by all citizens. Organized labor favors a system of permanent voter registration, without fee. Registration should be by party affiliation and enrollment periods should be of sufficient duration before each primary and general election that no citizen could be deprived of the opportunity to register.

2. Single districts for State legislators. State legislatures should be composed of members from single districts. This would bring our state government closer to the people, and would prevent one economic group or any other group from dominating an entire county. It would drastically cut the expense of legislature campaigns.

3. Job safety bill. Texas is the only major industrial state without safety protection for its working people. It naturally follows that Texas has the highest injury and death rate among working people on the job. Organized labor has long pushed for protection on the job. Such legislation is not pro-labor or pro-management, but is definitely pro-worker.

4. Unemployment compensation. Benefits paid to Texas workers hit by unemployment are among the lowest in the nation, and state eligibility and disqualification rules are among the toughest. Organized labor favors higher payments and more realistic rules governing eligibility and disqualification.

5. Workmen's compensation. Again, benefits paid to Texas workers injured on the job are among the lowest in the nation.

Organized labor favors substantially higher benefits.

6. Right-to-work. Organized labor and enlightened management are opposed to restrictions on collective bargaining typified by state right-to-work laws made possible by 14b of the Taft-Hartley Act. Labor Unions may be decertified by the National Labor Relations Board for refusal to represent *all* workers in a bargaining unit whether or not they are members of the Union. Thus Union members must use part of their dues to afford non-members with contract protection against discharge, mis-classification, discrimination, etc.

7. Minimum wage law. The Federal Congress has established minimum wage protection for all workers engaged in interstate commerce. Organized labor believes strongly that workers not protected by Federal standards should be afforded protection by the individual states.

8. Anti-discrimination law. We believe that the individual states should enact laws prohibiting any form of discrimination (such as race, color, creed, religion, sex, etc.) in employment and promotional opportunities.

9. Schools. We believe the Founders of our State Constitution, when they talked of free public schools, were advocating just that—Free Schools—Elementary, Junior High Schools and Colleges—At all levels. The position of the UAW is that the only way to eliminate ignorance is through higher education.

10. Teachers' pay. We believe our school teachers—elementary, junior and high school—should be paid equivalent to at least the highest paid skilled workers in our plants and factories; and that our college professors should be paid in line with Junior Executives in our plants and factories. There is no greater commodity than the youth of our State, and in order for the schools to turn out students who will be the better citizens of tomorrow, the best qualified teachers must be provided for them. To attract the best salaries must be raised to a level commensurate with salaries of private industry.

11. State department of labor. We believe there should be a State Department of Labor that has authority, backed up by statute, that will give meaningful protection to the working people of our State.

12. Insurance laws and loan sharks. We believe that the Legislative and Executive Branches should take a long hard look at the Loan Sharks and Insurance Laws of this State. There should be a maximum ceiling on interest—not to exceed 10%. Our Insurance laws should be revised wherein they would create genuine competition among insurance companies.

13. Crime. We believe that more can be done to eliminate crime in this State, and that the State and Local police should receive better pay. Untrained and unfit police should be eliminated. We should have laws imposing severe penalties for brutality in the police forces of this State.

U.S. MEDICAL FIELD SERVICE SCHOOL URGENTLY NEEDS FACILITIES

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. GONZALEZ. Mr. Speaker, ever since the 1700's San Antonio has been a city of military activity. The Spanish Viceroys who governed the Southwest at the turn of the 18th century believed that a garrison at the headwaters of the San Antonio River would serve very well as a place from which to mount frontier exploration, and to protect settlements of the King of Spain. So it was that in San Antonio a presidio was built. A hundred years later one of these combination fortresses and churches was the scene of a battle in the Texas revolution—the Battle of the Alamo. In the latter part of the 1800's the U.S. Army restored the Alamo and used it as a quartermaster depot. Troops were garrisoned along the San Antonio River, but they were later moved to the place where Fort Sam Houston stands today.

Fort Sam Houston started as a cavalry garrison. The troops stationed there protected the city of San Antonio against Comanche raids, and the border against depredations from Mexico. Today, this post is the headquarters for the 4th U.S. Army and site of many vital military activities. Among other things, Fort Sam Houston is the home of the U.S. Army Medical Training Center. This Center is the place where every soldier in a medical career field receives his basic medical instruction. This is where battlefield medics are trained, and where research is done on ways and means of saving lives by bringing sophisticated medical care closer to the frontlines. Techniques developed at Fort Sam Houston are responsible for our being able today to have a man in an air-conditioned operating room within 15 minutes or so of being wounded in battle; and it is responsible for developing the medical techniques that reduce our battle deaths to 1 percent or less of casualties who actually receive medical treatment.

When a soldier is wounded or injured, three things become vital: aid on the spot, speed in moving him to trained surgeons and readily available hospital equipment. The final requirement is filled by portable hospitals; the second is filled by helicopters; and the first is filled by medical aid men. I submit that our troops' lives depend upon the courage and skill of medical aid men, whose job is to keep wounded men alive long enough to get them to treatment.

Mr. Speaker, those men must be trained, and their training takes place at the Medical Field Service School.

Today, the Medical Field Service School is operating in old and inadequate facilities. I have inspected those facilities myself; it is a tribute to the skill and dedication of the Army that training can take place in these facilities as well as it does. The Medical Field Service School is using no less than five old barracks that have been converted to classroom and demonstration use. They were never intended for this purpose. Troops are being forced out of these barracks and into old quarters that should not be in use at this time.

Congress in 1965 authorized the expenditure of $8.3 million to furnish the facilities that the Medical Field Service School so urgently needs.

I believe that favorable consideration is required at an early date, so that this project can get underway. I urge my colleagues to support the work of this school by approving the funds that it needs. If we fail to approve this request, we will be failing the men upon whom our soldiers must depend for their lives, if they fall victim to the bullets, mines, or traps of the enemies they face.

FEDERAL MOTOR VEHICLE INSURANCE GUARANTY CORPORATION

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROSENTHAL] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. ROSENTHAL. Mr. Speaker, I am today introducing a bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation. Identical legislation is being introduced in the Senate.

The bill would create a Federal corporation to compensate policyholders and accident victims in cases where automobile insurance companies become insolvent. The corporation would protect citizens much as the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation protect people with deposits and savings accounts.

The need for such legislation has been apparent for a long time. In the last 6 years, 73 companies writing motor vehicle liability insurance have been placed in liquidation and receivership. Senate Antitrust and Monopoly Committee investigations conducted in May 1965 revealed that most of these insolvencies were caused by carelessness or by specific acts of management dishonesty.

The human suffering these insolvencies have caused are staggering. Currently, there are some 300,000 unfortunate policy holders and accident victims, many of whom have been seriously injured, seeking an estimated $600 million in claims out of net collectable assets of $25 million. Obviously, these claims will be settled for far less.

Something must be done to protect the poor and others considered to be high auto insurance risks. Most of them have no choice but to deal with these fly-by-night auto insurance companies, and ultimately find themselves unprotected when it comes time to collect.

Of the 73 auto insurance companies which became insolvent in the last 6 years, half of them wrote policies in States other than those in which they were chartered. Thus, Federal legislation appears to be the only effective way of getting to the heart of the problem.

These are the main features of the bill:

First. Its basic purpose is to guarantee the contractual performance of insurers issuing policies of motor vehicle insurance in interstate commerce, and it also provides coverage for insurers issuing policies only in the State in which they are chartered, if they wish to apply for guarantee status.

Second. Any insurer whose policies are guaranteed by the Corporation shall include a statement in each policy to that effect.

Third. Once any insurer whose policies are guaranteed is declared insolvent by the final decision of the appropriate court, the Corporation shall assume and perform all the obligations of the insolvent insurer.

Fourth. The Corporation would have broad examination powers to examine insurers making application for guarantee status and those insurers whose policies are guaranteed.

Fifth. In carrying out its examination functions, the Corporation should coordinate its efforts with the appropriate State supervisory authorities and with the National Association of Insurance Commissioners.

Sixth. A fund consisting initially of $50 million capitalized through the Treasury, to be repaid, would enable the Corporation to be self-supporting by means of a nominal semiannual charge of one-eighth of 1 percent of each insurer's net direct premium writings. All administrative costs of the Corporation, including those of examinations, would be borne by the fund.

I believe that this legislation would go far to reduce both the frequency of auto insurer insolvencies, and the magnitude of financial loss suffered by policy owners. I strongly urge that we take this first important step to protect buyers of automobile liability insurance.

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1954, PROVIDING ADDITIONAL $600 PERSONAL EXEMPTION FOR THE WORKING COLLEGE STUDENT

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentlewoman from Hawaii [Mrs. MINK] may extend her remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mrs. MINK. Mr. Speaker, I am today introducing a bill designed to amend the Internal Revenue Code of 1954 to provide an additional $600 personal exemption for the student who is working his way through college.

We may well reflect with pride on the legislation we passed in the 89th Congress to provide financial assistance for a college education. The new guaranteed loan program, work-study funds, educational opportunity grants, and the National Defense Education Act loans were our major contributions toward opening up educational opportunity for all qualified young people.

Yet we cannot pretend that our work is finished and that we are now providing the means for a college education for all. Consider the guaranteed loan program, for example, whose implementation depends to a large part on the willingness of financial institutions to participate. Because of the well-known tight-money squeeze, preliminary reports indicate that this program has not received the wholehearted acceptance on the part of lenders that we had hoped for, and that the 6-percent interest rates guaranteed by the Government are not as attractive as the much higher returns being realized on personal loans. With loan funds in short supply, it is predictable that many students will not be able to avail themselves of this program.

Nor are the National Defense Education Act and other assistance funds unlimited. Therefore, I am reintroducing the bill which I also sponsored in the 89th Congress to provide a deserving incentive to the working student who makes his own effort to meet the costs of education. Scholarship and loan funds may not be adequate, even though they are available, or the student may choose to avoid a loan because of the immediate financial obligation to begin repaying it. I firmly believe that we should encourage individual initiative and make sure that this type of student is not overlooked in our general aim to provide financial assistance. My bill will allow the working student to earn approximately $1,500 a year tax free, which is not much when we consider the rising costs of college fees. In the 1964–65 school year, the average cost of attending a public college was $1,560, an increase of 30 percent from 10 years ago. In the same academic year, the student attending a private college or university paid an average of about $2,370—a 40-percent jump from the $1,700 average cost of a decade ago. Furthermore, these expenses will continue to rise as institutions of higher education are forced to raise fees to meet their operating costs. Statisticians predict that the cost of a college education will go up by an estimated 50 percent in the next 10 years.

I might point out also that we provide tax relief for interest on home mortgages, flood damage, health expenses, and a variety of other special situations. Why should we not consider the education of our youth as much in the national interest by providing a tax incentive, at least for the working student? Many tax-credit bills have been introduced in past sessions but have drawn the disapproval of the executive branch, which opposes them on account of the consequent loss of tax revenues. It seems inconsistent that this same administration endorses the loan programs, for these are direct cash outlays and similarly a drain on revenues.

It is the responsibility of this Congress to seek out those avenues of assistance for our youth to enable them to fulfill their educational goals. We have provided students with scholarships and loans. We know that in most cases this is not enough to maintain the student in school, pay for his food, housing, and other expenses. We know that many of them must work in order to meet these costs. Certainly the Government should be willing to adopt a policy which seeks to encourage these students to self-help. Thus far we do not recognize these working students. My bill is only a modest attempt to grant them a tax advantage which will encourage many to retain part-time jobs knowing that everything they earn up to approximately $1,500 will be tax exempt.

The approach of allowing deductions for college expenses, books, and tuition, is, of course, much broader in coverage and therefore more liberal in application. It does not, however, meet the problem which my bill seeks to alleviate. Most students who do work while going to college would not be helped greatly by deductions for expenses alone, for many are nontuition paying and are in college on scholarship programs and would not have allowable deductions, for the expenses are not out-of-pocket. The cold war veteran, whose tuition is paid for by the Government and who must work, will also not be helped with only a deductible provision for expenses.

I urge my colleagues to join me in sponsoring legislation that I am convinced will keep many working students in college. The types of jobs which are ordinarily available to such individuals are not high salaried and thus cannot be expected to meet the annual increases in fees, books, and board that each student faces. I hope that the 90th Congress will continue to build upon the fine record of previous Congresses in the field of education, and I respectfully submit this bill as one steppingstone to our eventual goal of a college education for all qualified young Americans.

The full text of my bill follows:

H.R. 3980

A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for a taxpayer who is a student

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 151 of the Internal Revenue Code of 1954 (relating to allowance of deductions for personal exemptions) is amended by adding at the end thereof the following new subsection:

"(f) ADDITIONAL EXEMPTION FOR TAXPAYER WHO IS A STUDENT.—An additional exemption of $600 for the taxpayer if he is a student."

(b) Section 151(e)(4) of such Code (relating to definitions of student and educational institution) is amended by striking out "paragraph (1)(B)(ii)," and inserting in lieu thereof "subsection (f) and paragraph (1)(B)(ii) of this subsection."

SEC. 2. The amendments made by the first section of this Act shall apply with respect to taxable years beginning after December 31, 1966.

LEGISLATION INTRODUCED TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO PROVIDE THAT SERVICEMEN TRAVELING ON LEAVE, FURLOUGH, OR PASSES SHALL BE EXEMPTED FROM THE PAYMENT OF EXCISE TAXES ON AIR TRAVEL

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. CAREY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CAREY. Mr. Speaker, I have introduced today legislation that would amend the Internal Revenue Code of 1954 to provide that servicemen traveling on leave, furlough, or passes shall be exempted from the payment of excise taxes on air travel.

Taxes on transportation by rail or bus have been repealed in toto, whereas the

5 percent on air fares continues in effect. This means, of course, that the serviceman and all other persons who choose to travel by train or bus may do so without paying any excise tax. If, however, a member of our Armed Forces elects to fly so that he may have more time at home with his family or is forced to travel by air because of an emergency, he is required to pay the 5-percent tax on his ticket.

Because of our increased military obligations overseas, particularly in southeast Asia, the number of men and women in uniform has increased substantially during the last few years. The serviceman returning from Vietnam with a limited amount of time is dependent in most instances on air transportation. I believe we should try to lessen the burden of his service in every way possible, and one small, though significant, way the Congress could express its awareness and appreciation of his sacrifice is to amend the Internal Revenue Code to grant our military exemption from excise taxes on air fares.

I think the very least we can do is to extend to our servicemen who travel by air the same consideration we have given to everyone who travels by rail or highway.

Simply stated, I do not believe the few dollars in pay servicemen accumulate for recreation and visiting home should be taxed in any way when they are traveling on air transport.

FIRST ORGANIZATIONAL MEETING OF THE NATIONAL COMMITTEE OF DIOCESAN DIRECTORS OF THE CONFRATERNITY OF CHRISTIAN DOCTRINE

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HANLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. HANLEY. Mr. Speaker, the 1960's are truly days of sweeping change—in religious reforms, educational awareness, and societal consciousness. It is altogether fitting then that a meeting which took place in Washington this week should be noted here in Congress. I am referring to the first organizational meeting of the newly formed National Committee of Diocesan Directors of the Confraternity of Christian Doctrine. The 23 Catholic priest-educators who attended the session are the elected representatives of more than 200 diocesan educators from every part of the United States.

I am particularly pleased to hail this meeting because the newly elected chairman of the committee is a close personal friend of mine, and one of the most outstanding priest-educators in the Diocese of Syracuse, N.Y., Rev. John S. Russell.

While we here in Congress are seriously deliberating the state of our national educational structure, our religious bodies are likewise underscoring their educational obligations—particularly in the field of adult religious education. This very field was high on the agenda of the Confraternity's National Committee. As Father Russell pointed out to his colleagues:

> The present demands of religious education—especially continuing religious education for the adult—are so vast and so acute that only by a coordinated effort of all educational agencies can we hope to make continued progress.

Mr. Speaker, beyond the mere occurrence of this meeting there lies a greater significance. This newly coordinated effort is a direct result of the second Vatican council only recently concluded. In keeping with the spirit of the council, the national committee prepared a memorandum for the bishops' committee specifying, first, the members' concern for the upgrading of all religious educators; second, keen awareness of the need for collaboration of all agencies; third, indicating how the confraternity's religious education apostolate to the child and adult can be further perfected and strengthened.

It is important to note not only the coordinating nature of the committee but also its national complexion. Elected as officers to work with Father Russell were the Very Reverend John J. Scanlon, San Francisco, vice chairman; Very Reverend John L. Burton, Pittsburgh, secretary; and Rev. Joseph J. Brunner, Miami, treasurer.

Mr. Speaker, I commend the committee and pray for their success.

BILL INTRODUCED TO PROVIDE PERIOD OF ENTITLEMENT TO EDUCATIONAL ASSISTANCE FOR VETERANS

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. DULSKI. Mr. Speaker, I am today introducing a bill to provide that the period of entitlement to educational assistance for veterans shall be computed on the basis of 1½ months of entitlement for each month of service on active duty after January 31, 1955. At present, this subsection provides that it be computed on the basis of 1 month of entitlement for each period of service on active duty after January 31, 1955.

Under the original GI bill—Public Law 346, 78th Congress—the period of entitlement for World War II veterans was computed by adding 1 year to the total period of active service after September 16, 1940, and the period of entitlement of Korean conflict veterans under Public Law 550, 82d Congress—was determined by multiplying the active service performed after June 26, 1950, by one and one-half. In the case of the World War II veteran, the period of entitlement could not exceed 48 months and for the Korean conflict veteran 36 months.

Although chapter 34 of title 38, United States Code, provides that those with service after January 31, 1955, may have entitlement up to 36 months, I feel the conditions of service in the Armed Forces today are on a par with service in the forces during the Korean conflict—both under conditions of war. Therefore, if a grateful Government accorded the one group a program under one formula, the other group should not fare less.

In addition, since the current draft system favors the selection for military service of those who do not have sufficient means to attend a college or university upon graduation from a secondary school, the 2-year period of active duty performed should be the basis of educational assistance for 36 months—or 4 years of college level education.

UNENLIGHTENED TRADE STAND

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. REES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. REES. Mr. Speaker, the Denver Post suggests clearing the air of outmoded viewpoints in considering President Johnson's proposals to broaden nonstrategic trade with Eastern Europe.

Unfortunately, the newspaper charges, the Republican leadership is pursuing a narrow, unenlightened position on the issue.

Eastern Europe no longer represents the monolithic bloc of the 1950's, the Post declares editorially. Other nations are increasingly asserting their political and economic independence from Russia.

Moreover, as the newspaper says, the blunt fact is that if we are unwilling to deal with Eastern Europe, other Western countries are more than willing to do so.

Presidents Johnson, Kennedy, and Eisenhower have seen the advantages of widening trade with that part of the world.

To help keep those advantages in sight, I ask that this editorial be made a part of the RECORD.

[From the Denver Post, Jan. 19, 1967]

GOP'S TRADE STAND UNENLIGHTENED

In searching for a way of criticizing the administration's Vietnam policies, the Republican leadership in Congress is unwisely pursuing a narrow, unenlightened position on East-West trade.

Sen. Everett M. Dirksen, R-Ill., and Rep. Melvin Laird, R-Wis., in particular, have been ill-advised on the facts behind President Johnson's recommendations for broadening nonstrategic trade with the Soviet Union and other Eastern European countries.

The GOP leaders this week were trying to marshal opposition to proposals for increasing trade with Iron Curtain nations that are providing military equipment for North Vietnam. Their main argument, reverting to outmoded cold war strategy, is that U.S. trade will strengthen the economies of the

Iron Curtain countries who, in turn, will be able to give more help to Hanoi.

This approach made sense in the 1950s when the Eastern European states were part of a monolithic bloc directly controlled by the Kremlin, and the flow of East-West trade was insignificant.

But in recent years, significant changes have occurred among and within the Iron Curtain countries. The "satellites" increasingly are asserting their political and economic independence from the Soviet Union. And, as a result, peaceful trade with the West—notably with Western Europe—has increased tremendously.

The blunt fact is that if the United States is unwilling to trade with Eastern Europe, other Western countries are more than willing to do so.

Thus, for example, if Congress ties the President's hands in a proposed multi-million-dollar machine tool deal for a Soviet auto plant, Moscow will merely take its business elsewhere in the West.

Three presidents—Eisenhower, Kennedy, and Johnson—have recognized the commercial and diplomatic advantages for the United States in widening our trade with Eastern Europe.

The war in Vietnam, of course, has distorted our foreign policy priorities, but it should not be permitted to halt the gains three administrations have made in opening "windows to the East."

We hope that the Republican leadership does not maintain a narrow, stubborn view on the trade issue, but instead listens to some of the voices of such progressive newcomers as Sen. Charles H. Percy, R-Ill., who last weekend publicly commended the President for promoting East-West trade.

NATIONAL GUARD TECHNICIANS RETIREMENT AND OTHER BENEFITS

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. FULTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. FULTON of Tennessee. Mr. Speaker, today I have joined with Mr. HÉBERT and others in cosponsoring legislation to give our National Guard technicians retirement and other benefits where not provided by the States.

We passed a bill in the House last year but it was not acted on by the other body.

This bill will provide retirement and other civil-service-type benefits to these technicians who, in 31 States, have no coverage.

Under the bill all technicians not covered by State programs would be eligible for coverage. Those currently under State programs would be given an opportunity to come under the Federal program.

This legislation is long overdue. These people perform unique duties and their duty routine is unique in that though most work a 40-hour, 5-day week they are subject to irregular recall. In addition, these people are performing a vital role in our efforts in Vietnam through their support operations and I firmly believe it is time they were accorded first-class treatment as Federal employees.

BILL TO ALLOW TRANSFER OF PROPERTY KNOWN AS THE KENNEDY HOSPITAL TO THE MEMPHIS STATE UNIVERSITY

Mr. BRINKLEY. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BLANTON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. BLANTON. Mr. Speaker, I introduced a bill that will allow the transfer of property known as the Kennedy Hospital to the Memphis State University, in Shelby County, Tenn. This property falls under the jurisdiction of the Veterans' Administration and while I realize there is an established form for dispersement of surplus property, I would like to set forth the reasons I feel that in this case an exception is warranted.

Mr. Speaker, Memphis State University now has an enrollment of more than 14,000 students. The curriculum has been constantly expanding to meet the urgent and constantly growing needs of the student body. It is projected by the university that by 1970 there will be over 20,000 students. Memphis and Shelby County are one of the largest and most rapidly growing areas in America. Memphis State University is serving the Midsouth and is responsible for the educational needs of a majority of high school students of this area.

I feel it is imperative that the acquisition of this property be expedited to the fullest extent. The existing buildings can be utilized immediately and a professional plan has been designed toward the ultimate goal of new facilities blending in with existing ones.

Therefore, on reference of this bill to the committee, I shall desire to appear and request those who share my feelings to join with me and urge that the committee act expeditiously on this urgent and justified matter.

A like bill has been introduced in the Senate by Senators GORE and BAKER.

WE MAY ALREADY HAVE WHAT COULD BECOME AN OMBUDSMAN

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. STEIGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Speaker, my distinguished colleague from Wisconsin [Mr. REUSS], on Monday of this week, inserted in the RECORD a scholarly presentation on the concept of a congressional ombudsman embodied in his bill, H.R. 3388.

The question of how best to effectively deal with administrative and constituent problems is one which deserves the serious attention of this body. Mr. REUSS has proposed that this be done through a centralized office to be known as the congressional ombudsman.

A very convincing case can be made for the ombudsman idea and my colleague cited the warm praise his legislation has received in a book written by a most learned gentleman, Prof. Walter Gellhorn, a past president of the Association of American Law Schools and a member of the faculty of the Columbia University School of Law.

Of Professor Gellhorn's book, "When Americans Complain," Mr. REUSS cited for our perusal pages 87 to 94. Indeed, in these pages there is an approving discussion of H.R. 4273—89th Congress—for an administrative counsel of the Congress or congressional ombudsman.

What I would like to call to the attention of my colleagues today is more of Professor Gellhorn's book. I recommend the whole book, but wish to point particularly to those pages after page 94.

Professor Gellhorn recalls that a law enacted in 1964, but still not in operation, provided what—in his words—"might very possibly become a sort of American ombudsman." This institution, now on the books, is the Administrative Conference of the United States.

One wonders, of course, why there is no operating Administrative Conference in 1967 when it was specifically provided for in 1964. The answer is that the President has thus far failed to appoint a person to the 5-year chairmanship. Hence, we have no Administrative Conference and therefore what could be the initial step toward the creation of an ombudsman has not been taken.

Mr. Speaker, because of this body's clear interest in administrative and constituent problems, I ask that Professor Gellhorn's fine description of what we should expect of the Administrative Conference be included in the RECORD following my remarks.

I might stress one sentence of the Gellhorn discussion because it mentions parenthetically Mr. REUSS' proposal:

> Enough has been said . . . to suggest that the Chairman of the Administrative Conference might very possibly become a sort of American Ombudsman for broad aspects of administrative functioning, while congressional casework (whether or not referred to the Administrative Counsel proposed by Representative Reuss) might continue to salve individual hurts.

I believe on this matter we would do well to review what already exists. The question of effectively dealing with the increasing volume of individual problems is one which we cannot ignore. But perhaps we would do well to inquire as to why nothing has been done with the Administrative Conference so that we might better chart a course for tomorrow.

THE ADMINISTRATIVE CONFERENCE OF THE UNITED STATES

Many years ago administrative lawyers urged that dissatisfaction with governmental methods and attitudes could be reduced if bureaucratic experience were pooled and then strained through the meshes of objective analysis. The Attorney General's Committee on Administrative Procedure, after

perhaps the first penetrating examination of all federal administrative rulemaking and adjudication recommended in 1941 the establishment of "a permanent organization to devote attention to the agencies' common procedural problems." The Committee well recognized that refinements of procedure and practice would be determined less by outside forces than by "the agencies' own sensitivity to the need for self-criticism and improvement." Still, these could be "stimulated by an organization especially qualified to perceive existing defects and suggest correctives."[60] The proposal was kept alive in various forms, notably through the efforts of the American Bar Association.[61]

Now, thanks to a statute enacted in late 1964 but not yet operative in mid-1966, opportunity exists to discover whether improvements really can be "stimulated by an organization especially qualified." The statute in question[62] establishes the Administrative Conference of the United States, composed of the heads of major administrative bodies, other administrators, and persons who can broadly represent "the views of private citizens and utilize diverse experience"—practicing lawyers, scholars in the fields of administrative law and government, and others "especially informed by knowledge and experience." The Chairman, appointed for a five year term by the President with the Senate's approval, is to be compensated "at the highest rate established by law for the chairman of an independent regulatory board or commission," a materialistic indication that his post is taken seriously and that he is meant to be a man of distinction.

The Administrative Conference has been given a wide field of operation. It is to concern itself with the adequacy and fairness of the means used in effectuating any federal program that "involves protection of the public interest and the determination of rights, privileges, and obligations of private persons through rulemaking, adjudication, licensing or investigation." In that connection it can look at "any aspect of agency organization, procedure, or management which may affect the equitable consideration of public and private interests, the fairness of agency decisions, the speed of agency action, and the relationship of operating methods to later review"; but the Conference is not to address itself to the statutory scope of an agency's substantive powers or to policy matters that have been committed to its best judgment.

The Conference may make whatever studies it thinks desirable; information it needs from the agencies "shall be supplied to the extent permitted by law." Then the Conference may formulate recommendations to administrative agencies (singly or en masse), to the President, and to Congress. Moreover, the Chairman is to report annually to both Congress and the President, and he may transmit to either or both of them additional interim reports he thinks might be useful. Thus the way is open to press hard for whatever may be needed to translate the Conference's opinions into acts.[63]

The Chairman is the chief executive of the Conference. In that capacity he has been empowered, among other things, to "make inquiries into matters he deems important for Conference consideration, including matters proposed by persons inside or outside the Federal Government." And he is to be "the official spokesman for the Conference in relations with the several branches and agencies of the Federal Government and with interested organizations and individuals outside the Government, including responsibility for encouraging Federal agencies to effectuate the recommendations of the Conference."

Events and personalities are more influential than statutory verbiage in shaping reality. In this instance they remain as yet unknown. Enough has been said, however, to suggest that the Chairman of the Administrative Conference might very possibly become a sort of American ombudsman for broad aspects of administrative functioning, while congressional casework (whether or not referred to the Administrative Counsel proposed by Representative Reuss) might continue to salve individual hurts. The Chairman may freely inquire into "matters proposed by persons inside or outside the Federal Government," selecting those he believes might be "important for Conference consideration." A complaint by a particular pensioner that his benefit rate had been miscomputed would presumably not be in that group; inquiries in the pensioner's behalf, if made at all, would continue to be made by a congressman or, were he to exist, the Administrative Counsel. On the other hand, a report that a great many pensioners believed themselves to have been victimized by miscomputations might raise the question whether the Conference should look for flaws in existing decisional methods.

The Administrative Conference, in concept, has one particularly marked advantage over the ombudsman systems now in use abroad. That is the administrative agencies' direct involvement in recommendations affecting some or all of them. The Conference membership, heavily infused with important administrators and at the same time with professionally respected non-governmental figures, adopts whatever proposals it thinks will make for improved administrative methods. Views formulated by such a body—constituting, one might almost say, a specialized legislature—should carry very considerable weight. If those conclusions can be effectuated by direct action of the agencies, this is likely to occur with considerable frequency.[64] If Presidential directives or remedial legislation be needed to bring them into force, they are likely to claim more respectful attention than if they were but one man's opinion. All of the existing ombudsman systems have exhibited a common weakness, namely, the ineffectiveness of the ombudsman's general proposals. When an ombudsman has dealt with a concrete issue, his recommendations have almost invariably been speedily adopted. When, however, he has sought to speak more broadly about administrative procedures, his thoughts have been received respectfully, but very little has then happened. Nor have proposals for legislation been conspicuously successful. The unfruitful outcome of most of these essays in reform may well be attributable to the ombudsman's isolation. He dwells alone on an eminence. His solitariness gives him a detached outlook. His freedom from governmental involvement fortifies public confidence in his objectivity. But isolation has its weaknesses as well as strengths. It encourages the supposition that an ombudsman, like a cloistered scholar, may be "too theoretical"—a pejorative phrase whose users seemingly feel no need to inquire further into whether the theoretician's views are sound. Moreover, an ombudsman has no testing ground, no forum in which a generally wholesome idea can be discussed until, by modifying it here and refining it there, it gains acceptance. When making a proposal to a particular administrative body about a specific issue, every ombudsman exchanges thoughts with the affected administrators before formally announcing his conclusion. He has less readily useful machinery, however, for similar exchanges when broader topics engage his attention. This weakens assurance that he has fully perceived and considered all ramifications of problems to which general recommendations may be addressed.

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[60] Final Report of the Attorney General's Committee on Administrative Procedure, S. Doc. No. 8 77th Cong., 1st Sess., 123 (1941). Shortly afterward a somewhat similar recommendation was made in New York, following a searching investigation of that state's agencies. See R. M. Benjamin, *Administrative Adjudication in the State of New York* 18 (1942).

[61] Compare Boyer, note 57 (above), at 158–165.

[62] 78 Stat. 615, 5 U.S.C. § 1045 (1964). For legislative background, see S. Rep. No. 621, 88th Cong., 1st Sess. (1963), H. Rep. No. 1565, 88th Cong., 2nd Sess. (1964). And see also "The Administrative Conference Act," 53 *Georgetown Law Journal* 457 (1965); V. G. Rosenblum, "Federal Legislative Activity: Appendix to Report of Committee on Administrative Law," *1964 Proceedings of the Association of American Law Schools* Part I at 24; M. P. and A. N. Farley, "An American Ombudsman: Due Process in the Administrative State," 16 *Administrative Law Review* 212 (1964).

[63] No judicial or other review of Conference actions is contemplated by the statute. Like an ombudsman, the Conference can only recommend: it cannot command administrators nor change past decisions either to the advantage or disadvantage of private parties. If an administrative body regards the Conference's criticisms as unwarranted and its suggestions as unwise, it may simply ignore them. The Conference can then do no more than make public its views and their rejection. Appeals to reason are reviewed by those to whom the appeals are made, and no formal mechanism need be provided for that purpose.

[64] This is not an entirely speculative assertion, for administrative agencies have made substantial responses to past advice. Many revised their procedural regulations extensively in the light of recommendations made in 1961 and 1962 by a temporary Administrative Conference of the United States, created by Executive Order of President Kennedy with functions and powers much like those now embodied in statute. The temporary Administrative Conference addressed thirty recommendations to particular agencies or to all; some were of large importance. See Selected Reports of the Administrative Conference of the United States, S. Doc. No. 24, 88th Cong., 1st Sess. (1963).

The Attorney General's Committee on Administrative Procedure reported in 1941 (note 60 above, at 4) that even its preliminary discussions with administrative personnel had "stimulated agencies themselves toward the improvement of their own procedures. Some agencies, made conscious of procedural problems by the Committee's inquiries, have already substantially altered existing practices, either as a result of their own thinking or in accordance with informal suggestions of the Committee or its staff."

The two Commissions on the Reorganization of the Executive Branch of the Government, commonly called the First and Second Hoover Commissions (1947–1949, 1953–1955), put forward 585 proposals of which 69.5 percent were adopted. Of those adopted, approximately two thirds were put into effect by direct administrative action. This information is derived from Dechert, note 56 (above), at 178, which in turn draws on data from Senate Committee on Government Operations. Summary of the Objectives Operations, and Results of the Commissions on the Reorganization of the Executive Branch of the Government, Committee Print, 88th Cong,. 1st Sess., May 1963.

The Administrative Conference will not share that weakness. Whatever proposals may emerge from its discussions will reflect diverse experiences of "practical men," keenly aware that immobilizing governmental processes does not improve them. Moreover, the full-time Chairman will be discharging the responsibility, laid on him by law, of "encouraging Federal agencies to effectuate the recommendations of the Conference." Without constant fanfares of trumpets, a tactful Chairman could well offset the defeatist attitude that "mistakes, carelessness, delay, rigidity, and perhaps heartlessness" [65] are bureaucratic inevitabilities. They need not be so if pains are constantly taken to assure proper organization, procedures, and above all spirit.

CONGRESSMAN WILLIAM O. COWGER DISCUSSES URBAN POLITICAL POWER TODAY

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. STEIGER] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Speaker, one of the most crucial problems our Nation faces is that of the growing urban areas, our rapidly expanding cities. It is not often that we hear a sound assessment of that problem and, in particular, the problems in the city where we now work, Washington, D.C.

When a former distinguished mayor of one of this Nation's larger cities discusses this problem, I think it would do all of us well to listen and learn. I would, therefore, like to include at this point in the RECORD the remarks of my distinguished colleague, the Honorable WILLIAM O. COWGER of Kentucky, before the District of Columbia Republican Executive Committee on January 25 of this year.

REMARKS BY THE HONORABLE WILLIAM O. COWGER, MEMBER OF CONGRESS, THIRD DISTRICT OF KENTUCKY, LOUISVILLE, BEFORE THE DISTRICT OF COLUMBIA REPUBLICAN EXECUTIVE COMMITTEE, WASHINGTON, D.C., JANUARY 25, 1967

I very much appreciate this opportunity to be with you briefly today and to discuss one of the compelling problems of America. President Lyndon B. Johnson has stated, "Our society will never be great until our cities are great. Today the frontier of imagination and innovation is inside those cities, not behind their borders." We are now in the very midst of the great urban revolution of the 1960's. In my opinion, the course of our cities determines the greatness of our nation. The list of problems facing municipal government is steadily increasing. We are faced with doubling the size and capacity of our present urban areas before the turn of the century. This means that we shall in effect reproduce in less than 40 years the urban physical plant which has been developed over a two-century period. The cost will be a staggering one, requiring an investment of between one and two trillion dollars.

As a new Republican Member of the 90th Congress and a former Mayor of the City of Louisville, Kentucky, I share with all of you a concern for the trend that is evident here in Washington, D.C. I need not tell you that no city in the United States is in more dire need of municipal administration than this—the Capital of our country. Here we have located the White House, the Capitol Building, wide boulevards, magnificent monuments, and gleaming new office buildings. Over nine million Americans visit this city each year. They have found, as I have, that behind the broad tree-lined avenues, behind the beautiful and expensive Federal buildings exists one of the most depressing slum cities of America. The crime rate reaches higher each year and Americans are discovering that their Capital City is unsafe after dark: Nowhere in the United States will you find a more poorly organized and least efficient municipal government.

As a former Mayor, I look upon the poor municipal management of the District of Columbia as one of the outstanding failures of the "Great Society" under President Lyndon Johnson. The President and the National Democratic leadership are advocates of what they refer to as "Creative Federalism". This is a theory that the White House can direct all of the great society programs with efficiency and dispatch. But here in Washington, D.C., which should be a model for the "Great Society," we see a depressing failure of mismanagement. The municipal administration for Washington is directly under the jurisdiction of the White House. It is here that the President's anti-poverty program has been one of the great failures. It is here where urban development lags and stumbles. It is here where traffic is snarled beyond description and it is here where Federal aid to education is a failure.

It is my opinion, that we are now faced with one of the most critical periods in our history. Municipal government across the nation, and more particularly here in Washton, can no longer be hog-tied to a set of old crony ideas or blind alley solutions for the future. I submit to you that the facts of life in America are the urban facts of life. Nourish your community; help your community and you have helped and nourished the nation. Ignore the problems of the cities and you have ignored the problems of America. I feel that the Republican Party here in Washington has a perfect opportunity to exert the leadership necessary to lead this city out of the dark ages. I have been astonished to learn that here in the Nation's Capital where there has been a perennial clamor for home rule and voting representation in Congress that more than 60% of the eligible voters failed to go to the polls in the Presidential Election of 1964. With a concerted effort on the part of the Republicans of this community they could in 1968 help elect a President who would bring to an end the municipal mismanagement of your city. It is, therefore, important for us as a party and for you as individuals to begin the action now that would lead to victory in 1968. In addition to the mechanics of registering voters, we must be the party representing new ideas in the field of municipal administration. That distinguished jurist, Oliver Wendell Holmes once said, "I find the great thing in this world is not so much where we stand, as in what direction we are moving. We must sail sometimes with the wind and sometimes against it, but we must sail and not drift nor ride at anchor." The Republican Party has never had a better opportunity to chart a course toward victory in 1968. However, it must be a true course—one that offers answers and solutions to the problems of our cities. The urban areas of America are fertile grounds for recruitment to our party. Certainly here in Washington, D.C. with the example of the Johnson Administration you have nothing but a bright future. But please remember that victory must be served as well as sought, served in terms of presenting a positive program, served with dedication, and above all, served in terms of good hard work.

SOME REFLECTIONS ON THE NEW BUDGET

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. ASHBROOK. Mr. Speaker, the Washington Daily News of January 25, 1967, carried two provocative items concerning the Federal budget which require no comment. I include herewith the column by Ray Cromley, entitled "L.B.J. Budget Adds Up to $700 More to Family's Cost," and the editorial, "The 1968 Deficit Statement," in the RECORD at this point:

L.B.J. BUDGET ADDS UP TO $700 MORE TO FAMILY'S COST

(By Ray Cromley)

President Johnson's budget, if enacted as is, will put stiff upward pressure on living costs for the average man.

When analyzed, the President's program, including hidden items and some juggling, shows an average living cost increase of close to $700 for each family in the United States in the 15 months beginning about March 1 this year.

Vietnam war requests are up between $15 billion and $16 billion.

THE POOR AND AGED

Aid to the poor is up almost $5 billion. Mr. Johnson says help to the poor will be close to $26 billion in fiscal 1968.

Payments to the aged, including Social Security, will increase something over $5 billion over and above the increased aid to the poor. Some $4 billion of this will be the result of new payment schedules proposed by President Johnson in this budget message.

Housing, slum clearance and urban renewal, including the model cities program and increases in Federal mortgage insurance, are going to cost somewhat over $2 billion more than in the past year.

Increased postal rates, aid to education, increased costs of the public debt and a host of other smaller programs will call for increases of between $2.5 and $3.5 billion.

WON'T BE ENOUGH

The proposed increases in taxes and postal rates are not expected to cover the increases in costs and spending, despite optimistic forecasts.

The result is likely to be continued increasing inflationary pressures.

The men who planned the budget are counting on the increases in Federal, military, Social Security, welfare and housing aid payments to stimulate the economy sufficiently to produce enough income to hold the budget deficit to $3.8 billion for 1967 and $2.1 billion for 1968.

The actual deficit will be closer to $18 to $20 billion total for the two years. (It is impossible to split the deficits between 1967 and 1968 because of Mr. Johnson's juggling of his budget figures.)

A study of Federal 1967 expenditures to date indicates that even with the increased

[65] The quoted phrase comes from G. Powles, "The Citizens' Rights Against the Modern State, and its Responsibilities to Him," 13 *International and Comparative Law Quarterly*, 761, 773 (1964).

burdens of the Vietnam war excluded, Mr. Johnson a year ago in his mesasge to Congress seriously underestimated what his budget programs would cost.

OVER BY $4.3 BILLION

Excluding Vietnam, Mr. Johnson has now found that his 1967 programs cost $4.3 billion more than he'd estimated they would. He says that $3 billion of his mistake was due to the tight money market and $1.3 billion a result of underestimating public assistance, Medicare and postal service costs.

Mr. Johnson says he underestimated Vietnam costs for fiscal 1967 by $9.6 billion.

President Johnson has consistently underestimated costs in presenting his budgets to Congress. He thus has regularly had to come back to Congress for large supplements, not only for Vietnam (which is understandable) but for a variety of other programs as well.

This experience leads to the supposition that the President will again be back for sizable supplements next year. That is, based on his record, Mr. Johnson will spend this next 15 months at a faster rate than his budget calls for.

This greater than estimated spending will further increase the pressures on the economy and on living expenses for the average family.

THE 1968 DEFICIT STATEMENT

It used to be the budget makers in Washington made a stab at sending a balanced budget to Congress, at least on paper.

It was a risky business and usually didn't come out as calculated. (Since 1930, only six Federal budgets have wound up in the black.)

But at least the budgeteers gave the appearance of trying.

No more.

The last "balanced" budget was sent to Congress by President Kennedy for the 1963 fiscal year. He planned a year end surplus of $463 million altho it turned out to be a deficit of more than $6.2 billion.

The last year end surplus managed by Washington was in fiscal 1960 when President Eisenhower planned to spend $1 billion less than income, and actually finished with a surplus of more than $1.2 billion.

In the Johnson Administration, the deficits have been planned. Even talk of balancing the budget some day has vanished.

So, again for the 1968 fiscal year, Mr. Johnson is proposing a deficit—of $8 billion this time.

As Mr. Johnson appears to see it, the answer is simple: Just raise the national debt to $335 billion.

About everything in Mr. Johnson's deficit statement is a record of some type—record debt, record spending, record authority to spend more in the future, higher pay for Government employees, more employees (most since World War II), more for health, more for cities, more for welfare, more for interest on the debt (naturally) and even the same old wasteful subsidies for farms.

Before LBJ, the biggest year of Government spending was 1945, peak year of World War II. But nearly 90 per cent of that budget went to the war effort.

In World War II, the war had a priority on everything.

In this war, Mr. Johnson is proposing increases in non-war programs as well as war spending.

In short, he refuses to balance the budget.

"The economy, the budget and the aims of our society," he says, "would be jeopardized by either a larger tax increase or by large slashes in military or civilian programs."

There is no jeopardy in giving the war, where Americans are dying, a top priority. There is no jeopardy in paying for whatever we do while we have the resources to pay. There is no jeopardy in testing Mr. Johnson's rash of programs for validity and usefulness.

The American economy, LBJ says, has "performed superbly" in recent years.

It has for sure. It has withstood the inflationary pressure of the rising Government debt—altho not so well lately. It has produced goods for war as well as a booming consumer market. It has endured tax incentives given and then taken away. It has survived the mountainous regulation and paperwork imposed by the Government. It has financed Government apparently on a permanent spending spree.

Question is: Can it do this forever? Mr. Johnson seems to think so.

Before it tinkers with Mr. Johnson's too little too late tax and postage increases, before it continues all of the unproven welfare programs he wants, before it agrees to ride the easy road to ever bigger deficit spending. Congress ought to think it over thoroly:

Can we do something at once? And not pay for it? Who ultimately will pay up: Our great grandchildren, or our great great grandchildren? The interest on the debt is now bigger than the whole Federal budget of 1941.

U.S. AID TO POLISH COMMUNIST GOVERNMENT

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. DERWINSKI. Mr. Speaker, this week I introduced legislation to keep U.S. dollars from going to Castro via the United Nations Special Fund—dollars which would have been used for the training of Communist youths in electronics, radar, and military communications only 90 miles from our shores.

I would also like to take this opportunity to say that I am opposed to the giveaway to the Polish Communist Government. I find it incredible that the State Department proposes that the $26 million in debts which Poland owes the United States for food shipments should not be repaid to the United States in dollars, but in Polish currency to be spent in Poland. This would, in effect, subsidize Polish Government shipments of industrial materials and goods to Cuba.

Only this month it was reported in the press that Cuba and Poland have signed a trade agreement by which Poland will supply food, consumer goods, and industrial and agricultural machinery to Cuba in exchange for Cuban sugar, rum, and minerals. If the State Department's proposal is accepted, it will mean that our supplies of food to Poland will allow Poland to supply food to Cuba.

It is inconceivable to me that at a time when Communist tyrants of Poland are openly supporting and assisting the Hanoi regime in North Vietnam, our Government can consider what amounts to simply giving that nation millions of dollars.

Late last year, a Hamburg newspaper dispatch noted that on one side of the harbor of Stettin, Poland, American wheat was being unloaded, while on the other side of that same harbor weapons to be used against American soldiers were loaded.

As long as the Polish Government is contributing to the export of Cuban communism to the Western Hemisphere and to the deaths of our servicemen in Vietnam, I find any effort to give them economic assistance absolutely unthinkable.

Mr. Speaker, we must keep in mind the distinction between the oppressed Polish people and the Soviet puppets which rule them. The plan of our State Department to further subsidize the Polish Reds perpetuates them in power to the detriment of the Polish people.

The propaganda, by which Ambassador Gronouski was used as the mouthpiece, is poor policy for the United States, poor policy in terms of the welfare of our servicemen in Vietnam, and another blow to the aspirations of the Polish people for freedom.

In this legislative session there will be a number of specific occasions when we can come to grips with the misdirected foreign policy now being applied to the Soviet Union and its Eastern European satellites.

DESECRATION OF NATIONAL FLAG SHOULD BE FEDERAL CRIME

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. LANGEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LANGEN. Mr. Speaker, every time our national flag is publicly mutilated or trampled upon, we are reminded that there is no Federal law prohibiting such shameful incidents outside of the District of Columbia.

Last year there were several flag-marring incidents which received nationwide publicity, I, like all responsible citizens who learned of these deplorable activities, was thoroughly disgusted that an American would even think of desecrating the symbol of our freedom and proud heritage.

To deter and punish any further efforts to deliberately damage our national flag, I have today introduced legislation to make desecration of the flag a Federal crime, with punishment by imprisonment up to 5 years or a fine up to $10,000, or both. This penalty is the same as that prescribed for draft card burners by a 1965 amendment to the Universal Military Training and Service Act.

I cite several examples where a public display was made of desecrating the national flag last year: An Illinois schoolteacher trampled on the flag in front of his class; demonstrators in Georgia pulled down the flag from courthouse grounds and proceeded to tear it, trample and spit on it; a speaker on a college campus in Indiana spit on the flag, then ripped it into pieces, threw it on the floor, and stomped on it; and a New York theater sponsored the burning of the flag on the stage.

At a time when our soldiers are engaged in a war halfway around the world, we, at home, should not hesitate to insure proper respect and protection for our national flag. Accordingly, Con-

gress should take favorable action on my bill at the earliest possible time.

RUSSIA: ENEMY IN VIETNAM

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Washington [Mr. PELLY] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PELLY. Mr. Speaker, the American people can fervently hope that Defense Secretary Robert S. McNamara is not over-rosy in his latest evaluation of the Vietnam war situation. Over the years he has been all over the lot in his various appraisals. Of course, this time his statement that the North Vietnamese buildup is leveling off is tempered by his adding that his conclusions are tentative. So I hope this first public statement on the overall effects of the various phases of our recent military actions were not self-serving to justify administration policies.

Meanwhile, little is said by public officials as to the stepup of military assistance that Hanoi is receiving from the Soviet Union. I fear this strengthening of the enemy is being played down while the administration calls for greater trade and friendship with Moscow.

It seems to me, Mr. Speaker, that the House of Representatives owes the American people a full and complete debate on the southeast Asia situation. How can public opinion be right without all the facts?

Mr. Speaker, the current issue of U.S. News & World Report has a most revealing article; it is entitled "Russia: The Enemy in Vietnam."

This article points out that Soviet Russia, not Red China, is the major enemy and that a steadily expanding Russian involvement is not told to the American people. Instead, high officials have pictured Russians anxious for peace.

With President Johnson having let down the bars on trade restrictions to Communist bloc countries, and having asked the Congress to provide guarantees and credit for increasing trade, the fact that the Russians are at war with us in Vietnam is ignored. I think, Mr. Speaker, the Congress should assure that all the facts are made public about Russian deliveries of strategic and military goods to Haiphong as reported by our intelligence sources.

THE COST-PRICE SQUEEZE ON FARMERS

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. FINDLEY] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. FINDLEY. Mr. Speaker, I have today joined Republicans from several other States in introducing a resolution which points up the growing cost-price squeeze on American farmers.

It called upon the administration to stop using Government stockpiles and other tools to depress commodity prices. Farm costs continue to rise—at the same time the outlook for commodity price increases is blooming. In fact, indications of a decline in net realized income are ominous. With parity ratio at only 77, the farmers deserve every possible consideration. Certainly the Government should not manipulate stockpiles and sales policies in a manner which drives down prices. I am drafting legislation which will limit the authority of the Secretary of Agriculture to dump stockpiles.

The full text of the resolution follows:

CONCURRENT RESOLUTION

Whereas the present administration is persisting in using American farmers and ranchers as scapegoats of inflation in spite of predictions by the Economic Research Service of the U.S. Department of Agriculture that realized net farm income will decline by at least 5 per centum during 1967; such decline being caused:

(1) by inflationary domestic fiscal policies which unduly increase farm production costs, such costs having increased 19 per centum since the year 1952; and

(2) by market price manipulations which have decreased prices received by farmers, such prices having decreased 6 per centum since the year 1952 with the result that the December 1966 parity ratio stands at only 77; and

(3) by failing to recognize that increased consumer prices have not been caused by farmers, such consumer prices having increased 17 per centum since the year 1952; and

(4) by the Secretary of Agriculture dumping huge quantities of grain upon the domestic market in order to break and depress grain, cattle, hog, mutton and lamb, and poultry market prices; and

(5) by the Secretary of Agriculture's expressions of pleasure with the fact that the prices of farm products had dropped in 1966; and

(6) by the Secretary of Agriculture's action to increase imports of raw sugar into the United States, such action being designed to lower market prices for United States sugar producers; and

(7) by stimulating the increase of wheat and feed grain production without providing adequate price incentives; and

(8) by a large and unilateral increase in Cheddar cheese and other dairy imports without seeking or attempting to secure reciprocal trade concessions from other nations to expand United States agricultural exports overseas; and

(9) by a sharp curtailment of purchases of pork and dairy products by the Department of Defense; and

(10) by permitting or condoning price and wage increases for other segments of the national economy: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity.

EAST-WEST TRADE

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, the Commerce Department, which in my opinion has been caught up in a web it spun itself, apparently has felt compelled to issue a denial relating to my statement to the House of Representatives January 17, 1967, beginning page 685 of the CONGRESSIONAL RECORD, on the subject of East-West trade.

In going about this, the Department attempts to set up the all-too-familiar strawman by righteously denying that a list of revisions to the Commodity Control List published by the Department October 12, 1966, includes jet aircraft engines, diesel engines, and machine tools as items that may be shipped to the U.S.S.R. and other Eastern European countries without a validated license. The implication is that I stated or indicated that these items are included in that category.

An allegation along the lines of the Department of Commerce press release is contained in a statement by the gentleman from the 26th Congressional District of California [Mr. REES] which was placed in the CONGRESSIONAL RECORD on January 18, 1967.

Any charge or implication that I contended in my statement that the October 12, 1966, list clears jet aircraft engines, diesel engines, and machine tools for export to the U.S.S.R. and Eastern European countries without a validated license is completely without foundation.

The Department also denied that it misled the public in connection with its statements relating to its consultations with the intelligence community concerning decontrol of certain items for export.

For the RECORD, following is set forth a portion of my January 17, 1967, statement bearing on this matter:

Following President Johnson's announcement, the Department of Commerce on October 12, 1966, removed hundreds of commodities from the list of items requiring specific validated licenses to be shipped to other countries. The Department published a 68-page bulletin which provides a detailed listing of the items which now may be more freely exported, including the 400 items referred to by the President in the state of the Union message that can be freely exported to the Soviet Union and East European Communist countries.

And the Department of Commerce at that time issued a press release declaring to the American people that the items removed from the control list "fall into the category of peaceful goods, which may be freely exported without any risk to the United States national interests."

Also, the Department of Commerce asserted that the Department had "consulted with other interested departments, including Defense, State, Agriculture, Interior, and the Intelligence Community, in taking this step."

Something immediately seemed wrong, for though press preferences concerning the action seemed to stress only that decontrols on cereals and other food preparations were involved, it was obvious from a mere glance at the 68-page bulletin that many vitally important items were listed,

including such items as diesel engines, jet aircraft engines, machine tools, rifle cleaning compounds and other chemicals, and scientific and controlling instruments.

This raised the question: Could the Intelligence Community really have been consulted before these items were removed from export controls, particularly those who should be most concerned, the military intelligence agencies?

As is seen, Mr. Speaker, I pointed out step by step, inasmuch as the Commerce Department stated that the "intelligence community" had been consulted in connection with the decisions to place hundreds of items on the list of goods that could henceforth be freely exported to other countries, why in my opinion, it was necesary to check with the intelligence agencies on this point.

The reason for my concern, of course, is that policies adopted in this area have potentially far-reaching effects on our national security.

I therefore requested the heads of military intelligence organizations to describe whether the Commerce Department had consulted with their organization in connection with the October 12, 1966, revisions to the commodity control list. The document containing the revisions is identified as Current Export Bulletin No. 941.

For the information of the House I am again setting forth the text of letters from the chiefs of the service intelligence organizations and from the Director of the Defense Intelligence Agency. These were also included in my January 17, 1967, statement. I invite careful attention to the letters, which follow:

DIRECTOR OF NAVAL INTELLIGENCE,
Washington, D.C., October 26, 1966.

Hon. GLENARD P. LIPSCOMB,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. LIPSCOMB: The interim reply from my Deputy, to your letter of 18 October 1966, concerning Current Export Bulletin Number 941 indicated that my Staff would research the matter in which you have expressed an interest.

I can report that the Office of Naval Intelligence, definitely a member of the "Intelligence Community," had no part in the consultations which preceded the revision of the Commodity Control List. It can be further stated that ONI did not give its authorization for the removal of specific licensing requirements for the categories of commodities listed in Bulletin Number 941.

I trust that this information satisfactorily answers your questions with respect to the Office of Naval Intelligence.

Sincerely yours,

E. B. PLUCKEY,
Rear Admiral, U.S. Navy.

DEPARTMENT OF THE AIR FORCE,
HEADQUARTERS, U.S. AIR FORCE,
Washington, D.C., October 28, 1966.

Hon. GLENARD P. LIPSCOMB,
House of Representatives.

DEAR MR. LIPSCOMB: Thank you for your letter of 18 Otcober 1966, and your inquiry into the recent revision of the Commodity Control List.

In response to your specific questions, I take this opportunity to inform you that no intelligence office of the United States Air Force participated in the revision of the Current Commodity Control List. I have no evidence to indicate that any other United States Air Force agencies participated in this revision.

Sincerely,

JACK E. THOMAS,
Major General, USAF,
Assistant Chief of Staff, Intelligence.

DEPARTMENT OF THE ARMY, OFFICE
OF THE SECRETARY OF THE ARMY,
Washington, D.C., October 25, 1966.

Hon. GLENARD P. LIPSCOMB,
House of Representatives.

DEAR MR. LIPSCOMB: This is in response to your inquiry addressed to Major General John J. Davis pertaining to the Department of Commerce Current Export Bulletin Number 941 and interest of Assistant Chief of Staff for Intelligency, United States Army (ACSI–DA), in selection of commodities approved for export to Communist Bloc countries.

The ACSI–DA was not consulted regarding the commodities listed, since the scope of interest does not include the intelligence aspects of strategic materials.

I regret I am not able to assist you in this matter.

Sincerely,

RAYMOND T. REID,
LTC, GS.

FOR J. L. BLACKWELL,
Colonel, GS, Office, Chief of Legislative Liaison.

OFFICE OF THE
SECRETARY OF DEFENSE,
Washington, D.C., October 27, 1966.

Hon. GLENARD P. LIPSCOMB,
House of Representatives,
Washington, D.C.

DEAR MR. LIPSCOMB: This letter is in response to your letter to General Carroll, dated October 18, 1966, which requests a description of the consultations of the Department of Commerce with the Defense Intelligence Agency (DIA) concerning Current Export Bulletin Number 941.

DIA does not participate in decisions on commodities to be deleted from or added to the Commodity Control List issued by the Department of Commerce. Intelligence concerning such items is provided by DIA, but not directly to the Department of Commerce.

Upon request of the Office of the Assistant Secretary of Defense for International Security Affairs which represents the Department of Defense on these matters, DIA provides intelligence on the military application of commodities that might be of a strategic nature. However, DIA was not requested to supply intelligence on the 400 commodities that are covered in Current Export Bulletin Number 941.

Sincerely,

C. R. RODERICK,
Major General, USAF,
Director, Office of Legislative Liaison.

On the basis of these responses, clearly there is no justification to indicate or imply that the entire intelligence community had participated meaningfully in the deliberations.

In essence therefore the denial of the Commerce Department is a diversionary tactic, a smoke screen to try to obscure the issue and hide the fact that these intelligence agencies were not in fact "consulted" in any true meaning of the word.

Let it also be noted that the Commerce Department in effect is centering attention on the matter of goods that can be freely shipped abroad without a validated license. This is an important aspect of our trade control program. However, developments of potentially far greater significance are taking place in the area of shipments or proposed shipments abroad that require validated licenses issued by the Department of Commerce.

When the bars are lowered on the granting of licenses authorizing the shipment of advanced equipment, goods, and technologies to the Communist bloc, as is occurring, this can have a highly significant impact on our national security.

Following is a listing of some of the licenses approved authorizing shipments to the Communist bloc in 1966. Some of the licenses were for commodities; others refer to technical data cleared for shipment:

U.S.S.R.: Airborne communications equipment; tin ore concentrating machinery; generator for electronic equipment used to control aircraft; silicone siliclad boring machine; micro switches; oil seals; tire cord factory; instrument transformers; insecticides; herbicides; synthetic resins; organic chemicals; rubber antioxidants; chemical corrosion inhibitor; cellulose acetate butyrate; ball bearings; special purpose vehicle; magnesium oxide; mining equipment; diethylene glycol; ammonia factory; nitric acid factory; information on how to make foamed polystyrene; rubber compounding agents; methyl bromide; methyl pyrrolidone; methylene chloride; diethylene glycol; isobutyl alcohol; phenyl dimethyl urea; fingerprinting kits; lift truck; grinding machines and parts; construction equipment; ball and roller bearings; communications equipment; airborne navigation equipment; electronic computer and parts; electrical testing instruments and parts; electric motors and transformers; rubber processing machines and parts; diamond core bits; tungsten carbide bits; synthetic rubber; chemical woodpulp; ethylene chlorohydrin; oxygen analyzers and handling system; filtering and purifying machines; magnetic tape instruments and spares; liquid scintillation system and accessories; radiation measuring instruments; diesel engines and spare parts; steel tubing; statistical machines and parts; tires, tubes and flaps; relief maps; coast and geodetic charts; ammonia; nitric acid; urea; ammonium nitrate; nitrogen solution factories; glass envelopes for TV tubes; ethylene oxide; ethylbenzene; pulp mill equipment; waste gas disposal units; glycol evaporator; sodium chloride crystallization; chlorine dioxide; electrostatic precipitation; pyrite roasting and reduction; alunite processing equipment; styrene; polyethylene tubes; iron ore pelletizing; tin ore dressing tables; rotary earth digging augers; shankplates and digging teeth; carbon tetrachloride; fractional hp refrigerator compressors and cabinets; melamine; iron ore concentrates; ship stabilization system; petroleum coke; analgetic agent; pulp mill; synthetic Vitamin A; carbon tetrachloride and perchloroethylene glycerol; sufuric acid.

Czechoslovakia: Ethyl cellulose; semi-conductors; synthetic rubber; ball and roller bearings; petroleum products; hydrogen plant; electric lift trucks; neoprene latex; electron tubes; instrument parts for measuring and checking temperatures; nuclear radiation detection and measuring instruments; synthetic rubber; methyl bromide; neoprene; resin; polyethane glycol; monoethylene glycol; methyl cellulose; nuclear radiation detecting and measuring instruments; nylon filament; mental valves and parts; ball and roller bearings; electronic computer system; polishing machine and converter; aluminum alloy; vanadium pentoxide; cellulose acetate butyrate; neoprene; isophthalic acid; rubber compounding agent; electrical measuring and testing instruments; nylon strapping; disk-file and parts; electronic computers and parts; pyrotechnical rocket engines; heat transfer oil; nickel alloy; woodpulp for rayon tire yarn; semiconductors and resistors; transmitter radio

beacon and parts; glass fibers; pulp mill equipment; cold tube reducing mill; diamond wheels; carbon dioxide removal; atmospheric crude distillation, vacuum distillation and hydrosulfurization units; ethylene oxide/ethylene glycol; xyleneisomerization; hydrogen plant; para-xylene.

Rumania: Industrial instruments and parts; synthetic rubber; iron oxide catalyst; airborne radar, navigational equipment and parts; automotive replacement parts; petroleum drilling and production equipment; electrical testing instrument; signal generators; material and equipment for construction and maintenance of catalystic cracking unit; transceivers; diesel fuel; rubber antiozonant; iron oxide catalysts; petroleum and gas equipment; gas compressor and recorder; lubricating oil; samples of iron and steel; sheet glass and fibrous glass material; compressors; benzene; cold rolling mill; copper rod mill; acrylonitrile; carbon dioxide removal; blooming mill; ethylene/propylene; heaters for ethylene plant; polybutadiene/polyisoprene; detergent; pipeline centrifugal compressors; vinyl chloride; synthetic glycerine; ethylene dichloride pyrolyses furnace; polyvinylchloride; paraxylene; carbon tetrachloride and perchloroethylene; polyethylene; hot aluminum sheet mill; aluminum cold strip mill.

Bulgaria: Chemical analysis equipment; pumps and compressors; glass fiber factory; ammonia phosphoric acid factory; superphosphate factory; enzymes; catalysts; industrial equipment and parts; electrical and electronic equipment and parts; lubricating and fuel oil and grease; roller bearings; isobutyl alcohol; molybdenum catalyst; palladium catalyst; industrial chemicals; refining equipment and parts; metal cutting machine; airborne communications equipment; airborne radar (transponders) equipment; airborne navigation equipment; steel powder; sulfate crystallization; ammonia, phosphoric acid, sulphuric acid, nitric acid and complex fertilizer factories; sulphuric acid; hot dip tinning line; 2, 4-dicholorophenoxyacitic acid; carbon disulfide; heat exchangers; turbine and generator; tires and tubes; electrolytic tinning line; automotive tires and tubes; iron ore pelletizing.

Poland: Copper cable; spectrum measuring instrument; styrene factory; hypoid generator and tooling; electrical steel sheets; electrolytic tinning and coil preparation line; components and tubes for electrical equipment; magnetic tape units; metal working and cutting machine and parts; computer equipment and parts; radiocommunication receiver and parts; coaxial cable; aromatics extraction unit; subcritical oil fired steam generators; glass fibers; aluminum foil; diesel engine valves; valves, steering linkages, ball joint suspensions, manual steering gears and piston rings; sulphuric acid; control and piston valves; fractional hp refrigerator compressors; grinding machine; aroma chemicals, polyethylene; benzene; high speed turbine-driven generators.

Hungary: Scientific and professional instrument parts; electron tubes; crankshaft welder; physical properties testing equipment; statistical machine parts; optical measuring and checking instruments; steel samples; vacuum gauges; cellulose acetate; ethyl cellulose; triethylene diamine; ethylene glycol; methyl cellulose; electronic navigational aids; digital computer; radiation detection and measuring instruments; airborne communication equipment and parts; micro switches; butanol (butyl alcohol); electronic computer systems and parts; nuclear-radiation detection and measuring instruments; metal cutting and working machines and accessories; diesel engine exhaust manifolds; electronic testing, measuring and recording instruments; railway equipment and parts; tire recapping and repair parts; metal samples; heat transfer oil; airborne navigational equipment and parts; synthetic rubber; electrostatic precipitator; herbicides.

Yugoslavia: Copper scrap; semi-conductors; oscilloscopes; electrical measuring instruments; electronic computer parts; petroleum products; aircraft parts; communication cable.

East Germany: Gas chromatograph; machine for manufacture of polystyrene powder; nuclear radiation detecting and measuring instruments; boring and drilling machines; magnetic tape; data processing system; tractor shovel loader; electronic computer input/output device; virgin mercury; synthetic rubber; electronic computer with space parts; spectrometer system; lubricating oil; glass fibers; V-belt cord treating system; impregnating system for belt fabric; ethylene oxide/ethylene glycol; lime mud reburning system; crude oil topping and coke unit; cold strip rolling mill and tandem temper mill; pulp mill equipment; cyclohexane; rotary combution engines; air separation; dimethylformamide/methylamines; synthetic ammonia.

The entire field of export control is very much in need of congressional scrutiny and evaluation. For this reason I believe the creation of the House Select Committee on Export Control is essential. I have introduced a resolution for this purpose, House Resolution 67, and respectfully request support for this resolution.

AFTER THE KENNEDY ROUND, WHAT: NEW HORIZONS IN FOREIGN TRADE

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CURTIS. Mr. Speaker, for the past 4½ years the foreign trade policy of the United States has been primarily concerned with initiating and bringing to conclusion the so-called Kennedy round of trade negotiations conducted under the mandate of the 1962 Trade Expansion Act. At the end of the day on June 30, 1967, the President's power to cut U.S. tariffs through mutually advantageous trade negotiations will expire. The United States will be faced with the task of fashioning a new trade policy and new trade legislation to implement that policy. Already there is much discussion about its nature.

During the period of our concentration on the Kennedy round many problems have emerged that have had to remain of lesser importance. They will now take center stage, and addressing these problems will constitute the essence of future U.S. trade policy. An article by Mr. William Diebold, Jr., titled "New Horizons in Foreign Trade Policy," in the January 1967 issue of the Foreign Affairs Quarterly, discusses these new areas of concern. Mr. Diebold, senior research fellow of the Council on Foreign Relations, identifies nontariff trade barriers, agriculture trade, and trade of less developed countries—LDC's—as major concerns of future policy.

In an article in the New York Journal of Commerce on October 31, 1966, I expressed my own views on what should occur after the Kennedy round. My observations are remarkably similar to those of Mr. Diebold. I agree that agriculture, nontraiff barriers and LDC trade problems will be major concerns, except that I stress another area of commercial relations that relates to problems of industrial property, such as patents and copyrights. But Mr. Diebold is also concerned, as I am, about the role of huge transnational companies and their possible effects on national economic policies.

Mr. Diebold includes yet another area: trade with the Soviet Union and the Communist countries of Eastern Europe. This is a rather different policy problem—it does not come to our attention primarily as a result of the Kennedy round, and it is not likely to be handled in the context of legislation designed to cope with the problems of industrial, agricultural, nontariff, and LDC trade. Rather, trade with Communist countries is less an economic and more a political question than these, and Mr. Diebold recognizes the special circumstances of this element of trade policy.

A central idea in my article was that regardless of the outcome of the Kennedy round a period of reexamination should begin immediately after its conclusion and that a new set of trade policy goals should be formulated so that forward momentum and cohesion might be maintained. Mr. Diebold, too, seems to favor this approach. He does not seem to favor the idea, now gaining currency, that there should be a trade policy "detente" until 1969 and a new Presidential term.

To fashion a new trade policy and legislation will require leadership, leadership from the President and his delegate in charge of trade policy—the Special Representative for Trade Negotiations. This post now lacks a permanent appointee. I submit that the President should appoint to this post without further delay a man of the ability to carry forward the work begun by Governor Herter, a man able to fashion a timely and informed new trade policy and an organization able to implement that policy.

With unanimous consent Mr. Diebold's article in Foreign Affairs and my article in the Journal of Commerce of October 31 follow:

[From Foreign Affairs, January 1967]

NEW HORIZONS IN FOREIGN TRADE

(By William Diebold, Jr.)

Unless there is new legislation, the President will, at midnight on June 30, 1967, lose his power to cut American tariffs in trade bargains with other countries. The situation is familiar enough. Eleven times already the country has faced the question of renewing the grant of power first made in the Trade Agreements Act of 1934. Each time, Congress has prolonged the power, sometimes enlarging and sometimes reducing it. Mixing long-run policy and short-run tactics to get the best possible terms for the renewal of trade legislation is an old art in Washington. But this renewal is different.

It is different because if the Kennedy Round—the tariff negotiations that have been going on in Geneva for the last few years—comes out as it seems likely to, we shall be on the threshold of a period in which trade negotiations among industrialized countries will take on new forms and a greatly enlarged scope. Sooner or later, though not necessarily in 1967, the President will have to be given new kinds of powers to engage in trade negotiations: an extension of the existing ones to cut tariffs will no longer suffice. (And if the Kennedy Round does not live up to reasonable expectations, the issues involved in a 1967 renewal will look different again, but for other reasons.)

Though trade negotiations may not be quite as unpredictable as dice or cards, it is surprising how much agreement there is among those who have looked into the matter as to what may come out of the Kennedy Round. The main impact will be on trade in manufactured goods among the advanced industrial areas—North America, Western Europe and Japan. Some important products will not be touched but for many others duties will be cut in half (the largest possible reduction under American law, with a few exceptions). For still other goods there will be some kind of in-between cut, especially if one country has very high tariffs and another very low ones. Averaging tariffs is a questionable practice, but some brave souls find it reasonable to say that the total effect will be a reduction of tariffs amounting to perhaps 25 percent or, with luck, as much as 35. Something may also be done about non-tariff barriers, but for the most part this will be unfinished business, opening questions for the future.

Agricultural exports are important for the United States, but it is hard to see how anything more can be expected than tariff concessions on a few products, some temporary understandings about the course of trade over the next few years in some major products and the beginning of a serious effort to negotiate in quite new ways so as to mitigate the costly clash of national farm policies in the future.

All this sounds prosaic enough. Where are the new horizons? Only as we look at the problems that will have to be dealt with after the Kennedy Round does the new prospect unfold.

II

The tariffs that remain after the Kennedy Round will not be negligible, and any new legislation aimed at them will have to start by renewing at least the President's existing powers. But would another 50 percent reduction be worth the trouble of going through the mill of another massive multilateral tariff negotiation? Simpler ways can be found, provided, of course, governments are willing to make further cuts. For example, tariff rates might be reduced a certain percent each year. Or levels could be set to which all countries would reduce their duties on certain products, thus producing a degree of "harmonization" which many people feel desirable. Rules can be devised to allow enough flexibility to permit each country to move a little more slowly on its hard cases if it moves a little more rapidly on others, or to permit a country with low duties to reduce them more slowly than those with higher rates. Formulas are neither magical nor scientific, but one can see that a general rule of this sort would simplify trade negotiations and probably enhance their effect.

Tariffs on trade among the industrial countries have been reduced much more than is generally realized. Many are far lower than at any time since the depression or, in some cases, since the end of the last century. The United States has quite a few rates that are one-quarter of what they were in 1934 and many that are almost as low. Within the Common Market and the European Free Trade Area, tariffs will soon disappear. If the Kennedy Round cuts duties by another quarter of a third, much of the world's trade in manufactured goods will move at tariff rates of less than 10 percent *ad valorem*, or not much more. Inevitably one asks, "If that much can be accomplished in twenty years without great disturbance, why not more?" Can the remainder not be removed in, say, another ten—gently, year by year?

This picture may, however, be illusory. The last quarter of a tariff may be what really protects, so that it would prove harder to remove than the first three quarters. A 10 percent tax can be very important in a highly competitive market; also, it may be equivalent to several times that much if what is being protected is only the cost of manufacturing, when raw materials are imported at low or no duties. (But then past cuts may also have been greater than they seemed.) An opposite view of things after the Kennedy Round would be that if tariffs are low enough they make so little difference to trade that they may not be worth the effort of removing. The evidence on all these points is limited and conflicting; generalizations are unwise. The fact of the matter is almost certainly that some low tariffs have a significant effect while others do not, and that negotiations will reveal more than analysis will about which further steps will be relatively easy and which very hard.

We can be sure in advance that governments will not be willing to apply simplified procedures for the reduction of tariffs to all their trade. Some of the hard cases might be attacked instead by a new way of negotiating that is taking shape during the Kennedy Round. Called the sector or industry-by-industry approach, it largely grew out of the fact that there was a danger of no significant tariff reductions being made in several major industries because one country or another wanted to hold out key products from the across-the-board cut of 50 percent. Consequently others were unwilling to make their best offers. So long as the approach was product by product, reluctance in the most timorous country blocked all action, often to the disadvantage of other parts of the same industry. In chemicals and steel, for instance, several major countries have both an export interest and a protected sector. By looking at each of these industries as a whole, the negotiators opened the possibility of working out balanced bargains covering tariffs and non-tariff barriers as well. Too little is publicly known as yet to make a confident appraisal of this technique. It suggests questions about relations between governments and businesses and among producers in various countries that will have to be looked at warily. Still it is noteworthy that Eric Wyndham White, the Director General of the General Agreement on Tariffs and Trade, has suggested that this approach could provide a way of moving toward free trade in a number of industries, particularly those with large enterprises and fairly advanced technologies.

If that technique works in the hard cases, and deep cuts are made in other across-the-board duty rates, then the Kennedy Round will have opened the prospect of the elimination of tariffs on trade in manufactured goods among industrial countries. Free trade, so long an impossible ideal for some and a worrisome specter for others, will become, for the first time in nearly a century, something that can be seriously contemplated as a reasonable objective of policy. But the Kennedy Round has also made clear—if there was ever any doubt—that the removal of tariffs does not by itself produce free trade.

One of the advantages of the industry-by-industry approach has been to clarify the significance of non-tariff barriers in each industry and to help link their removal or modification to tariff changes. But no matter what technique is used, non-tariff barriers will have a prominent place in future trade negotiations. So far as quotas and exchange controls are concerned, the question is largely one of enforcing existing rules. But large numbers of other barriers fall outside any agreed international code and present difficult problems. Their variety is great. Some devices enhance the effect of tariffs—for example, by using artificial prices to calculate duties and assigning goods arbitrarily to customs classifications with higher duties. There are suspected abuses of legitimate practices, as in the application of anti-dumping duties. "Buy American" laws are only the best-known example of the very widespread practice of discriminating against foreign goods in governmental purchasing. Some European countries have taxes that fall disproportionately on large (and therefore largely American) automobiles. Sanitary rules, marking and labelling requirements, copyright and trademark laws, and many other regulations may also have the effect of restricting trade. So do some private business practices. Sometimes restriction is a by-product of activities that have other major purposes, but many practices are undoubtedly subterfuge. How damaging each is, and to whom, are matters still in dispute.

These barriers are too numerous and too diverse to be dealt with in a simple, comprehensive way. Some would require detailed agreements; some might yield to a more general code; others will undoubtedly have to be dealt with case by case, or under some kind of complaints procedure. Concern with nontariff barriers is not entirely new, but the Kennedy Round has moved them to a new position of prominence and set them firmly on the agenda of future trade negotiations. As tariffs become less restrictive, non-tariff barriers become more important; and they affect the pace of tariff reduction as well. For example, European countries may link their reductions of duties on chemicals to the modification of the "American selling price" rule which has the effect of raising United States duties on some of their products. Other non-tariff barriers are likely to be treated in the same way in the future. What Percy Bidwell christened "the invisible tariff" is becoming more visible.

This prospect that the Kennedy Round has opened leads to another one. To start talking about non-tariff barriers is to open a subject that has no logical end. All manner of government activities undertaken for all sorts of reasons may have the effect of restricting trade, or at least of putting foreigners at a disadvantage compared to domestic producers. What is a trade barrier? When will it be brought into international negotiations? These are questions of new scope for the future. For example, border taxes related to domestic turnover taxes and the like have traditionally been regarded as not affecting foreign trade. Now that idea is being called in question, but the implication of change reaches deep into national tax structures and raises questions about exchange rates as well. And as tariffs fall, national laws and policies about prices, wages and business practices take on a new international importance. The foreigner's concern with depreciation allowances, shipping laws, government-financed research and the more recondite forms of subsidy grows. Only far in the future can one imagine international negotiations covering quite so wide a range of subjects, but much sooner there will be questions about these practices and others that influence trade negotiations.

Agriculture, for so long the bad boy of international trade liberalization, is already posing similar questions. For decades large segments of agricultural trade have not only been exempted from the general process of lowering trade barriers but have been subjected to new restrictions. More than simple protectionism and the political strength of farmers went into this process. Many of the restrictions were the logical consequence of domestic farm programs like those in the

United States which kept domestic prices above world levels and often sought to limit output as well. In the Kennedy Round the United States and other producers outside the E.E.C. found themselves faced with a complicated new agricultural policy applied to the whole Common Market. Close and ingenious attention had been given to working out its implications for imports with a degree of logical rigor that promised to create something very much like a self-sealing mechanism. For some important products the outside world seemed likely to be put in the position of being able to supply the Six only when their own production fell short. The effect was enhanced by an increase in production and productivity coming not only from the prices offered under the new policy but even more from a technological revolution in agriculture comparable to that which put the United States back into its historical position as a low-cost exporter.

There is no way out of this impasse if negotiations are confined to trade barriers alone. So long as countries adhere to policies of this sort, there is little hope of liberalizing agricultural trade except by agreements that affect the policies themselves, not just the tariffs, quotas and variable levies that support them. If there is to be progress at all, governments have to be willing to talk, negotiate and give undertakings about such things as price-support levels, subsidies, production control and the financing of surpluses, as well as about the regulation of imports. This awkward fact is widely recognized, but whether governments will be willing to act on these premises, will be able to reach agreement and will then be able to overcome the obvious domestic political obstacles to putting agreement into effect are questions which give some inkling of the difficulties of future trade negotiations. The most the Kennedy Round can do is to start the process—and it could fail in the effort.

Agriculture as a mid-sixties exemplar of future international trade negotiations is about as unlikely a picture as one could imagine. The reasons are peculiar to agriculture. The agreements that might be made are not at all like those to be sought in negotiations about manufactured goods. The position in agriculture has been reached through the impossibility of dealing with trade barriers in the conventional way, while in industry it results from success in removing them to the point where other barriers stand revealed. And yet the two have something in common: both indicate that the trade policy of the future, if it is to make progress at all, will entail international discussion, negotiation and perhaps agreement on a whole range of things normally regarded as domestic.

That conclusion is not quite as shocking as it may seem at first sight. Defense and its economic impact have been of mutual concern to the United States and its allies for a long time. We made the domestic economies of Europe and Japan our business from the end of the war on. It is not just our difficulties with the balance of payments that have given other countries reason to be concerned about American recessions, inflation, interest rates, wage policies and general economic health. From concern has come international discussion, sometimes negotiation and, in varying degrees, undertakings. National autonomy has not given way to international obligations but it has not been left immune either. So it is not surprising if trade, the biggest international economic nexus of all, should lead in the same direction.

At the same time that what was thought to be domestic is becoming of greater international concern, the international economy is developing in ways that raise questions about what is any longer national. Europeans and Canadians ask themselves whether American ownership of segments of their industries and American involvement in their financial systems are denationalizing their economies. In underdeveloped countries some people who long ago thought they knew the answer to that question are now beginning to wonder if the expansion of the economy that is theirs to control does not depend in part on a willingness to accept more foreign enterprise. Oil-producing countries that are financially weaker than some of the companies that operate within their boundaries are finding ways to balance the seesaw while the international companies try to become good citizens of a dozen countries at once. Americans too have some questions. In 1964, manufacturing companies in Western Europe of which Americans owned at least 25 percent, and which they usually controlled, had sales equalling $16.5 billion, over twice the amount of U.S. exports to Western Europe that year. The figures are not strictly comparable and they are obviously very different in their economic meaning, yet they raise questions. Can one fully understand the American trade interest in Europe by looking at exports alone? What is the relation of American investments to European trade barriers? More fundamentally still, what is the American economy? Clearly it is not just a geographical entity surrounded by a tariff and an invisible monetary line. Our foreign trade is not just something that crosses the customs frontier or involves the exchange of dollars for other currencies. But how to define the economy is not clear, and so there must be doubt about how to define the national economic interest as well. With the United States government and most foreign governments declaring, in common but for different reasons, their interest in American investment abroad, it takes no vivid imagination to see how the area of international discussion will broaden.

III

Broad as they are, these prospects opened by the Kennedy Round apply only to part of American foreign trade. The possibilities of free trade in manufactured goods, negotiations about national farm policies, greater attention to non-tariff barriers and the increasing international discussion of formerly domestic issues are relevant primarily to our trade with Western Europe, Canada and Japan. The third of our trade that is conducted with the underdeveloped countries and the less than 1 percent with the Communist countries present quite different perspectives.

Trade with the Soviet Union and the Communist countries of Eastern Europe has some of the characteristics of trade among the industrial countries of the free world, but not many. Its own peculiarities make it a realm in which different approaches are needed. This is not just a matter of the security control the United States applies to its exports to these countries. The far larger West European trade with the East still involves quotas, bilateral balancing and even barter. No one has yet found a satisfactory way of laying down a set of rules for relations between state trading bodies and private enterprises. It makes sense to permit Communist states to take part in GATT under reasonable conditions, if they want to, but it is wrong to think that this will solve many problems. What it will do is to provide a way of dealing with the problems of this trade and, as time passes, may produce a more satisfactory kind of relation, perhaps even a workable body of rules. Decentralization of economic authority in the Communist states makes it a bit more likely that they can be fitted into a reasonable system; it even gives their tariffs more meaning than in the past. Trade can expand without all the problems being solved, but not satisfactorily if they are ignored.

In relation to the Soviet Union, the United States needs more flexibility than it has had in the past so that the President can negotiate effectively. He already has considerable discretion over export controls, but its use depends on political circumstances. He needs the power called for in a bill not passed by the last Congress to end tariff discrimination against the Communist countries in return for satisfactory commitments on their part. Not commercial advantage but the ability to negotiate should be the main American aim.

Trade with the less developed countries is different again. Our concern with their growth and stability might reasonably lead us to agree to some rather one-sided trade bargains. There is already agreement that the rich countries will not ask full reciprocity from the poor ones, at least so far as the removal of trade barriers is concerned. But this should not be taken to mean that the less developed countries have a blank check and no obligations. If their trade policies amount to nothing more than protection, restriction and the subsidization of exports, they will choke their development instead of fostering it. And even if they follow very enlightened policies, what they can do for themselves in trade depends largely on the developed countries' willingness to open their markets to the competitive products of the poor, low-wage countries.

What blend of measures will contribute most to development and a rational pattern of world trade is a subject going beyond this article. The problems are not simple. For example, a whole choir calls for tariff preferences in favor of the exports of the less developed countries. But any prescriptions ought to be written with a clear recognition that the developed countries have shown less willingness to remove barriers to imports from less developed countries than on trade among themselves. Generous talk about special treatment should always be compared with the reality of the elaborate international arrangements to restrain trade in cotton textiles, one of the few manufactured products that a number of less developed countries are able to export in quantity.

The interconnections between these two segments of trade somewhat blur the distinction implied by saying that the United States needs different policies toward these two kinds of trade. Pointing in the same direction is the fact that a simple division of countries into developed and less developed is too crude to guide policy for very long. Both considerations remind us that the basic elements of American trade policy involve more than the reduction of trade barriers. Other essentials are an agreed body of rules, an organization to look after their application and a way of discussing problems and hearing complaints. This last function becomes increasingly important not only as special categories are recognized, such as "advanced less developed countries," but also as negotiations among the industrialized countries move from the familiar field of tariffs into the unfamiliar ones of non-tariff barriers and other practices that interfere with trade but are not covered by clear-cut roles. One more fundamental of American policy is support for the principle of equal treatment. That statement may ring oddly in a world full of discriminatory trade practices and juxtaposed to acceptance of the case for special treatment of less developed countries. But there is no real inconsistency. To accept departures from the principle of non-discrimination because they permit the removal of trade barriers, as in the case of the Common Market, or to meet special circumstances, as in the case of the less developed countries, is entirely different from abandoning the framework of non-discrimination. In that direction lies the hodgepodge of bilateralism that grew up in the depression, the abandonment of past commitments and the erosion of the accomplishments of the postwar period. Quite different horizons would appear from those described in the first part of this article. Not just American political and economic interest but the rational ordering of world trade depends on constant advocacy of equal treatment.

IV

No trade legislation in the coming year can deal with all these issues. Some are not ready for action, others not yet well enough understood for us to know just what to do. Whatever is done in 1967, whether modest or ambitious, cannot be the solvent for trade-policy problems for the indefinite future, but whatever is done, particularly if it is ambitious, ought to take account of the new prospects that have been opened by the Kennedy Round.

Whether to ask for little or to ask for much is one of the classic problems of the renewal of trade-agreements legislation. A cogent case can be made for the view that with so many new problems arising the best course would be an extension of the existing act for a year or two. That would permit the President to tie up the loose ends the Kennedy Round is bound to leave, while preparing at home and abroad for the kind of approach that will be needed to deal with the problems of the future. The contrary view is also cogent: equip the President to take broad initiatives immediately, in order to build on the momentum of the Kennedy Round and guard against erosion or stagnation here or abroad. This view has its attraction. President Kennedy took the plunge when treading water would have been understandable, and he got the greatest advance in trade legislation since 1934. But he had some advantages that are now absent: the chance to break with a stagnant trade policy; the widespread feeling that the United States had to meet the challenge of the Common Market; and the wish to find a concrete expression of "partnership." No political equivalent of that situation exists now. The idea of an Atlantic free-trade area, which attracts some people, not only lacks charisma but has a negative political charge in the present state of transatlantic relations. It might also create more trade-policy problems than it would solve.

Still, the possibilities warrant something more than temporizing and some positive action would be a better earnest of American intentions than putting the decision off.[1] It should not be too difficult to draw up sensible proposals for broadening the President's power to cut or remove tariffs; to start on the problems of non-tariff barriers; to act on some of the issues of concern to the less developed countries; and to negotiate effectively with the Communist countries. How much can be done depends on a number of circumstances that are not now predictable—not least on what sort of agreement the negotiators bring home from Geneva and especially its agricultural provisions. And if instead of the satisfactory outcome of the Kennedy Round assumed earlier in this article there should be a very disappointing result with only dribs and drabs of unimportant trade concessions, still another situation would exist. Then the case for delay would be strong, to give time to consider whether the failure of the most elaborate effort yet made to reduce trade barriers might not mean that we needed new ideas about how to approach the subject. That kind of outcome would also raise very serious doubts about what the American people are willing—or ought to be willing—to do in trade policy.

There is another possibility, one hopes an unlikely one. That is that the Kennedy Round will become a political sacrifice, killed or made barren by some effort to strike at the United States, the *demandeur* who has been more interested than others in its success. If that happened, we would have many decisions to make, and trade policy would quite properly have to be looked at primarily in terms of what use it might be as an instrument of foreign policy. Choices that would be considerably less than second best from the point of view of trade—such as trying to form some kind of trading group omitting the Common Market—would have to be seriously considered. But the prospects of a broad liberalization of world trade are more likely to be set back than advanced by that course.

The less dramatic course suggested earlier does not imply a divorce of American trade policy from foreign policy. Quite the contrary, it assumes that long-run American interests are on the whole well served by persistence in the long and slow process of trade liberalization. There are moments when some foreign-policy aim can hasten the process by galvanizing the country to action it would not otherwise take. There are also risks of setting back the process in the effort to make trade policy respond too closely to relatively short-run political circumstances. Certainly the United States can afford economic sacrifices for foreign-policy ends; it makes them every day. But it is also easy to exaggerate the value of trade policy as a political weapon.

Perhaps trade relations among the industrial countries of the free world—though not East-West or North-South trade—have reached the point at which they should ordinarily be looked at as workaday matters rather than as a form of diplomacy. Certainly the prospects sketched in the earlier part of this article are not those of a preacher's promised land to be attained by those who will be moved to action by a vision. They emerge naturally out of what the advanced industrial countries will have done over the past twenty years and more. That experience has not proved that tariffs and other trade barriers are of no importance or that their removal is the key to prosperity or peace—just that they can be removed without great disturbance and with real benefit.

To look ahead to where we can go after the Kennedy Round is not the same as showing how to get there or laying down a time schedule. The balance of payments of leading countries, and perhaps especially the United States, will offer obstacles; so will difficulties of adjustment and resistance to it. Elections, diplomacy and particular circumstances in one country or another will be at work all the time, more often to slow the process than to speed it. Protectionism is not dead and sometimes takes on new forms. The creation of regional trading arrangements liberalizes segments of trade but at the same time introduces new distortions. And the external tariff of such a group may become not just a trade barrier but also a form of political cement, as we have seen in the Common Market. Broadening the range of trade negotiations to include national policies and practices not ordinarily thought of as trade barriers will itself generate new kinds of resistance and stimulate political fright.

The next stages of trade negotiation will be more complicated than those in the past. Maybe they will be harder. There is nothing inevitable about progress toward freer trade; it depends on what governments are willing to do. Trade barriers do not fall, they are removed. That governments ought to persist in their useful if sometimes pedestrian efforts is clear enough. That conclusion was valid in 1945 when the vision of a postwar liberal trading world was new and hopes of moving rapidly toward it were high. It was valid ten years later when the obstacles to free trade seemed great and the will to pursue it was flagging, and again in 1962 when the United States made its bid to link Europe's internal trade liberalization with the world. What is new in 1967 is not the validity of the case for further liberalization but the prospect that its result will be a new concept of trade relations between nations.

[1] The Council on Foreign Relations will shortly publish a succinct analysis of future needs and specific proposals for the extension of the President's powers by John Evans, an experienced negotiator who for years headed the American delegation to GATT. I have gained much from talking with Mr. Evans and from reading his manuscript.

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AFTER KENNEDY ROUND, WHAT?—CURTIS URGES DELIBERATE ACTION

(By Representative THOMAS B. CURTIS, Congressional delegate to the Kennedy Round)

The Trade Expansion Act of 1962 gave the President authority to cut tariffs reciprocally during a five year period ending June 30, 1967. Difficult negotiations making use of this delegated Congressional authority have been formally in process since 1964. If the authority can be utilized, the high rates established by the "Smoot-Hawley" Tariff Act of 1930 which have been reduced periodically by the series of "Reciprocal Trade Acts," will be largely eliminated. Henceforth, the U.S. and other trading nations will increasingly be concerned with non-tariff trade barriers, which have been increasing as tariffs have been decreasing.

To prescribe a specific series of actions to follow the current negotiations is not now possible. We will not know the results of the Trade Expansion Act—"Kennedy Round"—effort for some months, and there is little to be gained in trying to predict them here.

POLICY FOR THE FUTURE

In spite of this uncertainty I do not hesitate to outline some steps toward conceiving a trade policy for the future—the policy that will determine "what" we do after the Kennedy Round—and how to organize to implement that policy. But any new approach must take account of what I consider to be a major trend: a return to an artificial structuring of international trade reflecting mercantilist economic theories.

First, there is the need to maintain momentum and leadership. Since the first Reciprocal Trade Act in 1934, the United States has through periodic renewals of that act and six rounds of tariff negotiations under the General Agreement on Tariffs and trade, led a forward movement toward greater world trade. It has been suggested that the Kennedy Round be followed by a "breathing space" in which no action is taken. But without such momentum U.S. trade policy could settle into a series of fragmented, ad hoc responses unrelated to economic principle. Such forward momentum can only result from an effort to achieve well conceived foreign economic policy goals. We must establish new goals toward which to move, and a strategy for achieving them.

NATURE OF GOALS

What are these goals? We should strive toward a world where agreements about fair trade and economic practices would permit a minimum of barriers to the free exchange of money, goods and men, a world economy that allows the fullest adjustment with the least friction of national economies based on hard work and innovation; a world where human and physical resources are developed and utilized to allow the maximum of human fulfillment and to produce the maximum of goods and services in increased quality and variety.

In this setting, our foreign trade policy should be directed toward eliminating the really troublesome barriers to trade, trade that is based on fair competitive forces. This is not a simple matter of removing tariffs and quotas. Foreign trade flows in practice do not respond simply in accord with the theory of comparative advantage. Trade is in fact affected by a staggering variety of devices (many in essence governmental subsidies) which result from differences in national taxation systems, concepts of economic competition and government regulation of enterprise, variable ocean shipping and internal transportation systems. Often these are devious other-than-tariff methods

of reflecting subsidies to a domestic industry or interest group—or as the interest group might say, and sometimes with accuracy, methods of retaliation against subsidies granted by foreign governments to their industries.

CODE OF BUSINESS PRACTICE

For some time I have suggested that we begin to resolve these difficult, tangled problems through negotiating an international code of business practice which would include such matters as antitrust, patent and copyright laws, anti sweat-shop labor laws, etc. To some extent the GATT itself is the embryo of such an agreement. At the same time, a program is badly needed to mesh trade with foreign private investment and with aid, to create a truly adequate policy toward developing countries that properly emphasizes the role of trade.

To devise a trade policy broad enough in scope to deal with these problems requires that we formulate what I call a "total" trade policy addressing itself to the "forgotten" trade problems. We must choose an effective strategy and mold a suitable governmental organization to carry out that policy.

ATLANTIC FREE TRADE IDEAS

As the Kennedy Round has met continuing obstacles and frustration has increased, many ideas about such future strategies have been expressed. There is a disillusionment with reciprocal tariff negotiations in a multilateral forum. Some have gone so far as to state that the unconditional most-favored-nation principle and multilateral trading have lost their usefulness. From this disillusionment with the post Smoot-Hawley approach to trade expansion two main groups spring, each with a different emphasis.

The first group wishes to move toward "Atlantic Union," which in their eyes was an important part of the initial Kennedy Round concept. They would do so by forming, perhaps by treaty, a "free trade area" of like-thinking countries that would agree progressively to reduce all barriers to trade among them. But I am not certain that this group equates removing "barriers to trade" with establishing a code of fair trade and economic practice which would remove the initial causes for the barriers being created. Any country, such as the European Economic Community, that might wish to join such a treaty in order to take part in its advantages, could do so on the condition that it accept the rules of the club. This group must be careful not to react in a spiteful and ill-considered way to what it considers the "rebuffs" of the Six, particularly France.

CONCERN FOR LDC'S

The concern of the second group is focused on the less developed countries (LDC's); on devising special trade measures on their behalf. Comparatively little attention has been given such measures in the United States. We all too often seem to satisfy ourselves with what can be called conscience payments to LDC's in the form of money transfers—aid not trade. Impetus to consider special trade measures for LDC's has come from abroad—from the developing countries themselves and their organizations, or from European countries. But these countries often seem more intent on maintaining some remnants of their colonial trade relationships for their own benefit than really permitting their former colonies to develop viable economic bases.

These nations now advocate steps that include additional commodity stabilization plans, land preferences. The need for price stability, both by the seller and the buyer, is a goal worth achieving, but the present approach to price stabilization through commodity control is of very doubtful value. International futures markets, properly regulated by government to ensure fairness and honesty, are a much more efficient way of evening out price swings, yet this approach has received very little consideration.

Schemes whereby LDC manufactured and semi-manufactured products are given preferential access to developed country markets have been emphasized by LDC's. Proposals for such preferences have advanced to a stage where much wider public understanding of them has, as a matter of the national interest, become very urgent.

UNCONDITIONAL MFN ROLE

Both lines of strategy would require a major deviation from the unconditional most-favored-nation principle, which has been a keystone of U.S. commercial policy. It is said that, after all, the unconditional MFN policy is not "holy," and indeed it is not. But in fact it has been very useful. If we decide to suspend it, we should be fully aware of what it is we are taking leave of, and what it is we will be undertaking. Suspension could lead to complete abandonment. The alternative to unconditional MFN and therefore the principle of non-discrimination among trading nations could be a chaotic international marketplace, which would surely be reflected in political divisiveness.

Neither strategy is exclusive. They could be combined and-or integrated with more traditional trade strategies. There has simply not been enough discussion and debate in order to evaluate them, and it is not yet possible to decide their merits.

How do we go about formulating the appropriate new trade policy—new goals and the strategy to implement them? There are several essential prerequisites. The first is that scholars and practicing businessmen study the problems in wider context and with a much longer perspective of the development of present concepts of international trade. Then both Congress and the Executive can give and maintain some needed leadership in shaping new legislation and implementing it.

THE PUBLIC POLICY PROCESS

The legislative process does not involve simply the passage of a bill by Congress. A bill signed into law is the culmination of a process of study and debate, involving the legislative and the executive branches, and including all concerned elements of the public—labor, agriculture, mining, chemistry, manufacturing, commercial and academic.

As with any major bill, new trade legislation will require reaching a consensus based upon public confrontation of the various theories and subject to cross examination and rebuttal testimony, in which Congressional institutions must play the major role. A first step is well-prepared public hearings by the competent Congressional committees which have authority in foreign economic policy—chiefly the House Ways and Means and Senate Finance Committees, and the House-Senate Joint Economic Committee. Here a most essential requirement is missing—the President's Annual Report on Trade does not receive the attention it needs through annual hearings by the right committee. It should have the same national attention that the President's Annual Economic Report receives.

PUBLIC RESPONSIBILITY

The creation of such firm underpinnings would minimize attempts to structure trade legislation in an unsound way. Public affairs organizations have a large responsibility here.

New legislation, when the time for it arrives, could take several forms. It might simply be a series of amendments to the Trade Expansion Act of 1962. The only sections that will expire are those that give authority to reduce U.S. tariffs. The remainder of the act could stand, and much of it could remain unchanged. But it will perhaps be necessary to shape entirely new legislation to implement the goals that we set.

I have said that a major task will be to create a suitable administrative structure to ensure that new policy goals and legislative intent will be implemented and elaborated. This structure should be provided in any new trade legislation.

NEED FOR CENTRALIZATION

The conduct of U.S. trade policy is highly fragmented and the need for centralization great. Many agencies are deeply concerned with foreign trade. The State Department retains primary jurisdiction in the area of commodity agreements, trade preferences and trading blocs, as well as concern with a wide variety of other problems, including economic development financing and technical assistance. The Treasury Department has primary responsibility for administering tax treaties, U.S. anti-dumping and customs laws. The Commerce Department administers U.S. export controls and the export promotion program. The Justice Department, Federal Trade Commission and Tariff Commission share authority in the area of international antitrust and unfair trade practices, as does the State Department with its concern in the area of foreign restrictive business practices. The Interior Department administers the large U.S. oil import quota program and is interested in trade in metals. The Agriculture Department is very active in dealing with international agriculture disposals and other problems. The Labor Department is active in the International Labor Organization (ILD) and related problems. The result is a proliferation of jurisdictions and activities—often without being related to a central core of principle and policy.

The Special Representative for Trade Negotiations was authorized to be appointed by the 1962 Trade Expansion Act, but that act did not fully establish an Office for Trade Negotiations. However, I believe the Congress clearly intended that powers be delegated to the Special Representative beyond the conduct of the reciprocal trade negotiations under the act. The act failed to make certain that the Special Representative's Office would have a professional career staff. Its dependence on the State Department for the administration and funding of its Geneva delegation and other activities is a weakness.

New trade legislation should establish an administrative structure strong enough to coordinate U.S. foreign economic policy and to make sure that sound economic judgments are made before steps are taken on foreign policy grounds.

NEO-MERCANTILISM?

There is a present danger that the U.S. will fall into a course of action simply through indirection. I note a trend toward increased, rather than lessened, government direct participation rather than simply government regulation to structure international commerce: a movement which might well be termed neo-mercantilism, as opposed to the laissez-faire reform promoted by Adam Smith and others to remove government from direct participation, and to relegate it to regulating a free and competitive marketplace. The proliferation of preferential trading areas (customs unions and free trade areas) and more recently of special arrangement 1) between a dominant industrial power and several poorer nations, 2) among a handful of countries covering one or several products, and 3) among many nations to arrange all trade in a single commodity, are strongly reminiscent of the mercantilist approach. The pious expressions about successful U.S. leadership toward a nondiscriminatory, open trading world through lowering tariffs, with which certain groups flattered themselves in the early 1960's, sound hollow in 1966.

These are reasons for an intensive national and international reexamination of trade policy that recognizes that we cannot put the new wine of increasing international

trade in the old bottles of high tariffs and neo-mercantilism. We are presented with a choice between a world economy arranged on mercantilist lines, and a world economy dedicated to maximizing the benefits of economic freedom. Yet we must be careful at the same time not to adopt casually some cute new formula, hastily conceived and ill-considered. Congress, the Executive, and the people all have a role in deciding "what" happens "after the Kennedy Round." It is for us all to decide.

LEGISLATION TO REMOVE IMPEDIMENTS TO LABOR MOBILITY

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Missouri [Mr. CURTIS] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CURTIS. Mr. Speaker, one of the continuing challenges we face is to meet the demand for increased skills in our labor force. It is a matter of highest priority that we do everything possible to develop our most important resource—manpower. Programs such as the Manpower Development and Training Act of 1962 and, hopefully, enactment of the Human Investment Act are significant steps in a sound manpower training policy.

Corresponding with the need to upgrade skills is another need which must not be neglected—that of matching the skills with the job vacancies available. Retraining the unemployed and filling the many thousands of jobs which are now going begging in our society is not a one step job. In addition to training and retraining programs, attention must be given to encouraging workers to seek out jobs commensurate with their increased skills. One effective way to encourage this is to remove the many impediments to labor mobility contained in the Internal Revenue Code.

Thus, I am today introducing three bills designed to promote labor mobility by conforming our tax laws to an enlightened labor policy.

A BILL TO EXCLUDE FROM INCOME CERTAIN REIMBURSED MOVING EXPENSES

The first of these bills provides that certain moving expenses paid by an employer shall not be included as taxable income of the employee taxpayer as under present law. American industry has long followed the practice of transferring employees to new locations for a variety of reasons such as training, staffing new facilities, and retaining valuable skills of employees where an industry activity is closed down. When these transfers occur the employer has generally reimbursed the employee for the expense caused by the employer in moving the employee, members of his family, and his personal possessions to the new location.

The Internal Revenue Service has ruled that the expense of transporting the employee, his family, and household effects to the new work location is actually the employer's expense and thus is excludable from the employee's income. This clearly is a correct interpretation. However, the Internal Revenue Service contends that all other expense created by the move and for which the employee is reimbursed by his employer is income to the employee and subject to income tax. This seems to be an unduly strained interpretation.

When either Government or industry requires an employee to transfer his work location and move his family to a new place of residence, it is only simple equity that the employer pay the expense of the move and that the employee not be forced to dip into his own pocket. Thus when the employee bears the expense because of the move which he required, it seems in error to levy a tax on reimbursed expenses on the strained interpretation that the employee has received income. Indeed, such a tax defeats the purpose of reimbursement which is to keep the employee financially whole.

The expenses involved are substantially those which the Federal Government would pay for its employees under Public Law 89–516 passed in the last Congress. To be specific, my bill would exclude from the employee's income reimbursement for the following:

The reasonable cost of moving household goods and personal effects and of traveling from the old to the new residence. These expenses are presently excludable from income under existing IRS rulings as I previously stated.

The reasonable cost of traveling by the employee and his spouse for the purpose of searching for a new residence. The civil service bill provides for reimbursement of this same expense.

The reasonable cost of meals and lodging of the taxpayer and members of his family while occupying temporary quarters, but not to exceed 30 days in the United States or 60 days in territories or foreign countries. The civil service bill provides for payment of this same expense under regulations to be prescribed.

The expenses incident to the sale or exchange of a residence or the settlement of an unexpired lease and the expenses incident to the purchase of a new residence. The civil service bill provides for reimbursement of these expenses. Neither bill would permit compensation for any loss suffered by the employee in the sale of a residence.

Miscellaneous expenses to the extent they are directly attributable to the move and are substantiated by the taxpayer. However, these expenses are limited to not more than 2 weeks' wages or $1,000 whichever is less and, in the case of a single employee without dependents, only one-half of this amount. The civil service bill provides for reimbursement of similar amounts under regulations to be prescribed.

A BILL TO PERMIT A TAXPAYER TO DEDUCT AS A TRADE OR BUSINESS EXPENSE THE COST OF TRAVEL, MEALS, AND LODGING WHILE EMPLOYED AWAY FROM HOME

The second bill which I am introducing today, also designed to make our workers more geographically mobile and thus more able to take advantage of new opportunities, provides for a redefinition of the concept of "home" in our tax laws. The discouragement to worker mobility in our tax law revolves around the outdated concept of home. In earlier days, in days of less dramatic technological change, a worker's home was, as the tax law defines it, the principal place of his employment. Today, however, this is not the case. Technological progress, as I have noted, calls for mobility and, since most workers today own their homes, to call home the place of a worker's employment ignores the fact that he may for some extended period maintain his family at his place of residence and be employed elsewhere.

Two specific cases illustrate the operation of our tax laws to discourage worker mobility. The first deals with defense industry workers, in this instance machinists working for McDonnell Aircraft Corp., who must spend extended periods away from their homes in the process of developing modern weapons. The highly complex military hardware of today often demands long periods of testing, testing which, in the case of McDonnell products, takes place far away from the company's home office and the homes and families of the workers who must participate in these tests. Some provision is made for this type of situation in the tax laws; if there is a temporary period of employment away from home, per diem paid during this time may be considered spent for business purposes. But the rule as to a temporary period is very narrow and if this period is indefinite, the worker's home in the tax sense follows his job.

The second situation is exemplified by the problem facing the Chrysler Corp.'s employees who transferred from a plant in Indiana to the company's new plant in St. Louis County, Mo. Their tax home went with the plant to St. Louis, but many of the workers left their families in Indiana for some period, waiting to sell their homes there and find suitable places to live in Missouri.

In both of these cases the tax laws discourage the worker from being mobile, from taking the job which will involve a period of work away from home or from taking a job away from one's present home. This is the direct opposite of what we need. We need to encourage mobility of our workers as well as we need to encourage the upgrading of their skills. Both of these will continue materially to the achievement of our economic goals. Allowing business expense deductions for education and training and revising the tax rules as to the definition of home, making it, for a homeowning worker, the place where he owns his home and maintains his family would be significant steps toward the overall goal of helping America meet its potential.

A BILL TO ASSIST TRANSPORTATION AND MOBILITY OF DISABLED WORKERS

Mr. Speaker, the third bill which I am introducing today would allow a disabled worker to deduct from his taxable income the costs of his transportation to and from work. The disabled worker has special problems in the area of transportation and normally such additional expenses which he may be forced to incur are not deductable from his income tax. This is an unnecessary and discouraging obstacle to any efforts to rehabilitate disabled persons and bring them back into the work force. I think that it is one of the most meaningful of human activities, the rehabilitation of the individual to permit him, as nearly

as possible to lead a normal life, and this bill would be one small step in reaching this goal.

Incorporating a suggestion provided me by the Department of Labor in 1964, the bill is now written in general language rather than listing the particular disabilities which would compel an individual to incur additional transportation costs. The intent of the bill is clearly to provide assistance to any person whose physical impairment makes it difficult to use public transportation to get to work.

YOUNG AMERICANS FOR FREEDOM STOPS MAJOR TRADE DEAL WITH SOVIET UNION

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. UTT] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. UTT. Mr. Speaker, I have been proud to serve during the last 5 years on the national advisory board of the Nation's largest conservative youth group, Young Americans for Freedom. I share this honor with many of my colleagues in the Congress and other leading American citizens. I have been pleased to see Young Americans for Freedom grow from a small group of college students in 1960 to a present membership of more than 30,000 high school and college students in over 450 chapters in every State.

I am especially pleased to inform the House that Young Americans for Freedom, singlehandedly, has succeeded in stopping a proposed major trade agreement between the American Motors Corp. and the Soviet Union. The proposed trade deal was announced last November by American Motors and as a result it seemed all but certain that the Communists would receive thousands of automobiles made in the United States. Such trade would allow the Communists to bolster their own economy and shift large quantities of strategic resources from the Russian consumer market into the production of more military aid for the Communist war effort against American fighting men in Vietnam. I include in my remarks at this point a news article from the Chicago Tribune of November 27, 1966, in which the AMC-Communist trade deal was announced:

AMERICAN MOTORS HOPES TO SELL CARS TO REDS

DETROIT, November 26.—American Motors Corporation officials today said they plan a drive aimed at selling automobiles behind the iron curtain.

If successful, A.M.C. would be the first United States auto firm to sell cars directly in the Soviet Union or other communist nations in eastern Europe.

"I'm going to Russia and I am going to sell some cars there," said William S. Pickett, A.M.C.'s vice president for international automotive operations.

ACTION IN 1967

Picket expressed hope the project would be under way next year "if we can work out some kind of selling arrangement."

A.M.C.'s sales in the United States have been sliding, but its overseas picture is bright, with its 1966 export setting a high of 45,991 vehicles.

"I know we couldn't go to the Russians and say 'here is our car, give us $1,800,'" Pickett said. "We may have to work out a barter arrangement."

He said A.M.C. could build the cars in Argentina, sell them to iron curtain countries, which, in turn, would pay for the automobiles by shipping steel to American Motors.

ARRANGEMENT NOT NEW

"We've done this before," he said. "We shipped cars to Colombia from our Belgian plant and took payment in coffee."

Pickett said a third firm bought the coffee from A.M.C.

"These are the kinds of deals we are looking for," he said. "I think the communist bloc will more than pay its way."

Details of a sales agreement have not been planned yet, he said.

Mr. Speaker, the Soviet Union and American Motors Corp. did not reckon with the energy of thousands of patriotic young Americans willing to exercise their constitutional right of free speech. After the trade deal was made public, Young Americans for Freedom launched a nationwide campaign of protest against trading with the enemy, especially in time of war. The Young Americans for Freedom national protest began on January 9 and on January 20 American Motors sent a telegram to national YAF in which they now make clear they will not trade with the Communists. At this point I wish to include a statement made to the press by Young Americans for Freedom, on January 24:

AMERICAN MOTORS DROPS TRADE DEAL WITH COMMUNISTS; YOUNG AMERICANS FOR FREEDOM CLAIMS VICTORY IN PROTEST CAMPAIGN

Young Americans for Freedom, the largest conservative youth group in the nation, today announced that they have been notified by the American Motors Corporation of Detroit that the auto making firm will not make any trade deals with "Communist bloc nations." The National Chairman of YAF, Tom Huston, called this a "victory for the millions of loyal Americans who oppose trade with the Communist enemy." Huston commended American Motors for their revised stand on the Red trade issue.

William S. Pickett, Vice President of American Motors had announced on November 26, 1966, that he was going to Russia to negotiate a trade deal. The Associated Press quoted him as saying; "I am going to Russia and I am going to sell some cars there." Pickett also said AMC was trying to work out almost any kind of agreement with the Russians, including bartering steel for finished cars. He told the AP, "These are the kinds of deals we are looking for. I think the Communist bloc will more than pay its way."

The American Motors announcement of Red trade brought strong protests from the 30,000 member Young Americans for Freedom, who contended that shipping autos to the Russians would directly aid in their assistance of the Communist war effort in North Viet Nam. In 1965 a similar YAF protest caused the Firestone Rubber Co. to cancel the building of a rubber manufacturing factory in Communist Rumania.

On January 9, 1967, Young Americans for Freedom launched a nationwide campaign of picketing local AMC dealerships. Many AMC dealers sided with the young conservatives and protested their own company's foreign trade policy. General public reaction was strongly in favor of YAF's position, especially in view of the Viet Nam war. The drumfire of local protest from YAF members in many states led to the announcement by American Motors. Privately AMC officials admitted that they had been pressured by the U.S. State and Commerce Departments to conclude a deal with the Soviet Union.

The American Motors announcement was signed by William S. Pickett, and stated in part; "American Motors has no plans, programs or intentions to trade with Communist bloc nations. . . . Our intentions are to continue our growing trade with our traditional customers all of whom would certainly be numbered as traditional allies and not members of the Communist bloc. . . . The story of November 26th was a misinterpretation."

The National Chairman of YAF, Tom Huston, congratulated AMC for reversing its previously announced intentions and called the change "a victory for the millions of loyal Americans who oppose trade with the Communists." Young Americans for Freedom is proud to have played a part in discouraging a trade deal with those who are supplying most of the military equipment needed to continue the war effort of the Communist North Vietnamese. Huston announced that YAF would continue its national efforts focusing its actions on the defeat of President Johnson's proposed liberalization of the laws governing trade with Communist nations.

Mr. Speaker, I would like to conclude my remarks by commending Young Americans for Freedom for this patriotic action on their part which stands in stark contrast to the small minority of beatniks and draft dodgers who compose the rag tag revolution of the so-called New Left. I include at this point a full account of the American Motors matter which appears in the January issue of the New Guard, the official magazine of Young Americans for Freedom:

YAF EXPOSES, HALTS AMERICAN MOTORS PLANS TO TRADE WITH THE ENEMY

Exposure by Young Americans for Freedom apparently has caused the giant American Motors Corporation, manufacturers of the Rambler, to cancel their plans to sell cars in the U.S.S.R.

The November 27 issue of the *Chicago Tribune* carried an Associated Press dispatch which quoted William S. Pickett, AMC's vice president for international automotive operations, as saying that "I'm going to Russia and I am going to sell some cars there."

According to AP, Pickett expressed hope the project would be under way in 1967 "if we can work out some kind of selling arrangement."

A month later, American Motors issued a statement saying it has no plans to sell cars to the Soviet Union and "never has had any."

"Like all companies with a large international business," it asserted, "we have discussed the pros and cons of trade in every part of the world but our plans are exclusively concentrated on our business in friendly countries."

What happened in between the two statements was the appearance of a YAF picket line in front of the American Motors dealer in Valparaiso, Ind., and unsuccessful attempts by the main office of American Motors to intimidate the YAF students by calling the city chief of police and college authorities.

Ronald Pearson, chairman of the YAF chapter at Valparaiso University, had called American Motors' main office in Detroit to get a confirmation or denial of their plans to sell cars to Russia. He was unable to get either. The rest of the story is reported by John Hill in *The Torch*, Valparaiso University's student newspaper:

"The local YAF chapter called the main

office of American Motors to inform them that plans would proceed with picketing. The officials promised to have a denial of Pickett's statement sent over the UPI wires within an hour with the stipulation that if such a wire appeared YAF would call off the picket.

"For two hours, YAF members stopped making picket signs and watched the UPI releases in the office of WVUR-FM, VU's campus radio station. Pearson finally called Chicago UPI to put a tracer on the story; the Chicago office said that the story would appear on wire by midnight.

"The statement, given to the Detroit UPI stated: 'Mr. Roy Abernathy, president of American Motors, tonight said the company has no plans to seek auto sales in the Soviet union. . . .'

"After an hour, Pearson again called the Chicago office, which said that the story would not appear because the statement by Abernathy was made only to 'placate an individual in Indiana.'

"UPI would not carry the statement because it would probably have to be retracted. It stood by the original story carried by its wire, that AMC was entering into negotiations with the Soviet Union.

"Pearson then contacted other Indiana chapter chairmen and under the circumstances decided to proceed with the demonstration.

"Further complications arose when the local YAF chapter applied for a parade permit. An AMC official from Chicago called future Valparaiso Chief of Police Al Miller exerting pressure not to issue the parade permit. Saturday morning, just a few hours before the scheduled protest, the AMC Chicago office also called VU officials to ask them to forbid University students from picketing."

The Valparaiso YAF students did picket, however, and when national YAF promised to extend the campaign across the country American Motors backed down.

One aspect of the YAF campaign was a telegram from Tom Huston, YAF's national chairman, to Michigan Governor George Romney. "I respectfully request," he wrote "that you use your influence to stop the proposed auto sales trade deal. . . . As a former head of American Motors you are in a unique position to help the United States war effort in Vietnam by opposing this trade deal which would indirectly give aid to the Communists in North Vietnam. We urge you to prevail on your former business associates to drop any negotiations with the Russians. We hope that you will agree with the millions of Americans who believe that no amount of business profit can justify trading with the enemy in time of war."

No reply has been received from Governor Romney.

In a letter to chapter chairmen YAF executive director David R. Jones wrote that "Communist countries have repeatedly and publicly pledged their support to the Communist Viet Cong and are backing these pledges by supplying everything from MIG fighter planes to weapons and foodstuffs.

"National YAF," he continued, "believes that the selling of autos to Russia will most definitely aid the Soviets' support of the war in Vietnam. This will result because it allows the Reds to divert metals, rubber and other materials away from their domestic market and into their military industrial efforts."

It was YAF which in 1965 almost single-handedly stopped the Firestone Tire and Rubber Company from building a rubber manufacturing plant in Communist Rumania. In spite of U.S. State Department support Firestone withdrew when customer pressure resulted from YAF picket lines at local stores. Sen. William Fulbright liberal chairman of the Senate Foreign Affairs Committee blasted Young Americans for Freedom in speeches on the Senate floor only to be rebutted by Senators agreeing with YAF. Eventually the State Department came out with a slick 20-page booklet entitled "Private Boycotts vs The National Interest."

Predictably, the liberals are angry again. An editorial in the Washington *Evening Star* regrets "the retreat by American Motors Corp."

"What all this really amounts to," says the *Star*, "is that a group of self-proclaimed vigilantes are (*sic*) contravening the foreign policy of the United States."

It is not clear from the editorial whether the *Star* wishes to repeal the right of assembly enunciated in the Bill of Rights.

WORLD'S FIRST FLOATING AUXILIARY NUCLEAR POWERPLANT

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BATES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BATES. Mr. Speaker, I would like to call the attention of the House to the attainment of a significant milestone by the Department of Defense. I have just been advised that the world's first floating auxiliary nuclear powerplant has achieved a self-sustaining nuclear chain reaction at Fort Belvoir, Va.

This 10,000-kilowatt electrical plant was constructed by the Martin Co. under contract with the Department of Defense. Named the Sturgis after the late Gen. Samuel D. Sturgis, Jr., former Army Chief of Engineers and early advocate of the development of nuclear powerplants for military use, this modern powerplant will be capable of operating for 1 year without refueling. A diesel powerplant operating for a similar period of time would require over 160,000 barrels of fuel.

The reactor core of the Sturgis is a little larger than an oil drum and is made up of 32 individual fuel elements low, enriched uranium dioxide pellets. The plant, which is mounted in the hull of a modified World War II Liberty ship drawn from the reserve fleet, can be towed to any port in the world to support military operations or provide electrical power in the wake of natural disasters.

It is important to note that the procurement of the Sturgis by the Department of Defense represents a significant utilization of technological development by the U.S. Atomic Energy Commission. As senior minority member of the Armed Services Committee and a ranking member of the Joint Committee on Atomic Energy, I will follow the utilization of this advanced electrical power source with especially great interest.

THE HONORABLE JOHN E. FOGARTY

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. BATES] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BATES. Mr. Speaker, the shortest biographical sketch in the Congressional Directory for the past year read:

> John Edward Fogarty, Democrat, of Harmony, R.I., elected in 1940; reelected to succeeding Congresses.

While the brevity of that record bespoke his modesty, it stands in sharp contrast to the long list of accomplishments that bore his mark during his distinguished career.

There were some who believed that the bill he presented before the House each year contained funds in excess of those which could be prudently spent. It might well be that a careful examination of expenditures would give credence to such a claim. Perhaps, confidentially, John Fogarty would not dispute this point for his eyes were more on results and hopes than on financial management. He seemed anxious, even overanxious to realize the fruition of his dreams and efforts. He seemed to be fighting against time and time was to be short and there was so much to do. He tried with dogged determination and, in his field he traveled far, and there are those who are with us today as living testimony to the product of his ambitions.

No period of civilization has seen more tangible results in the sciences than has been accomplished in the past two decades. Swept along with these advances has been the great progress in the knowledge and treatment of the diseases of the human mind and body. When scientists yearned to work but had neither funds nor facilities, John Fogarty and his subcommittee filled their needs. When scientists moved with less speed than his impatient desire for results demanded, he prodded them. When they seemed to him dilatory, he reprimanded them.

It is not for me to judge the place of one in the annals of history. I cannot accord to John Fogarty a lineal position in the long list of those who have contributed to fields of medicine and surgery. By profession he became a legislator. He never mastered or even understood the techniques of the scalpel nor the microscope, but who is to say that his name and fame have less lustre than those already widely acknowledged in these technical fields?

His fine family has every right to be proud of his distinguished record, and the world is a better place in which to live because John Fogarty served his fellow man well.

UKRAINIAN INDEPENDENCE DAY

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. CLEVELAND. Mr. Speaker, Sunday, January 22, marked the 49th anni-

versary of the proclamation of the Ukrainian National Republic and I am proud to join with many of my colleagues and thousands of Americans in commemorating the historic date. I have done this before on the floor of this House on January 24, 1963, and January 22, 1964.

It was on January 22, 1918, that the Ukrainian Central Rada issued a solemn Act of Restoration of the Ukraine as a sovereign nation, called the Ukrainian National Republic.

But, although the new republic was recognized by many governments, including Soviet Russia, it was soon under attack by Russia and after nearly 4 years of valiant battle, succumbed to the might of the Communist forces.

Brutally crushed as a Republic and absorbed into the Soviet Union, Ukrainians have since suffered loss of freedom under despotic Communist rule.

Sunday Ukrainians throughout the world paused to observe their greatest holiday. It was ironic and unfortunate that those still in the Ukraine were unable to celebrate, except in fear and in great secrecy. This should be a grim reminder for those who urge us to abandon South Vietnam.

As we honor them on their Independence Day, we join hopes for new freedom and reaffirm our dedication to an increased effort to accomplish self-determination for the Ukrainian nation, and indeed all captive nations.

BILL TO PROVIDE FOR THE STRIKING OF MEDALS COMMEMORATING THE 200TH ANNIVERSARY OF THE FOUNDING OF SAN DIEGO, CALIF.

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. BOB WILSON] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. BOB WILSON. Mr. Speaker, with my two distinguished colleagues, the gentlemen from California, Congressmen JAMES B. UTT and LIONEL VAN DEERLIN, I have today introduced a bill to provide for the striking of medals commemorating the 200th anniversary of the founding of San Diego, Calif. The cost of minting these medals would be financed by the San Diego 200th Anniversary, Inc., a nonprofit organization, at no expense to the Government. Under my proposal, the U.S. Mint would be authorized to furnish the nonprofit group with up to 500,000 commemorative medals.

San Diegans, and all Californians as well, look forward to the 200th anniversary of our city's founding in 1769. The reason for this statewide interest is that San Diego is the cradle of California's glorious history. We proudly recall how Gaspar de Portola, the Spanish Governor of Lower California, and Father Junipero Serra began the colonization of California with the establishment of Mission San Diego de Alcala. From that first mission was built a chain of 21 missions, each a day's journey apart, along the Camino Real—King's Highway. In the process, the mission padres imparted to the Indians knowledge of God, the construction trades, irrigation, and agriculture, while Spanish soldiers set up military establishments known as presidios. These missions, which laid the foundation stones for the subsequent rush of settlers into the Golden State, were established at a time when 2,000 miles away Daniel Boone was still trekking through the wilderness of Tennessee and Kentucky.

Recognizing our debt to these brave Spaniards, we San Diegans in 1969 plan a yearlong celebration of our glorious heritage. Many citizens have been working for more than a year laying the groundwork for our bicentennial. To emphasize California's rich inheritance of Spanish culture and tradition, the anniversary committee has contacted the Government of Spain to explore the possibility of constructing a Spanish building in San Diego to house documents and artifacts of the period of exploration and conquest. In conjunction with this, city and county schools are conducting an essay contest entitled "San Diego's Spanish Heritage" with a trip for two to Spain as reward for the winner. Historical societies will continue their research and writing on diverse phases of our history, while many community performing arts groups are planning original productions on California history. Recalling the important role of the friars in San Diego's founding, large interfaith observances are planned and preparations are underway to invite His Holiness Pope Paul to come to San Diego to participate in the 200th year of Christianity in California.

These are only a few of the many projects, but I will not take more of my colleagues' time for a recitation of our many ambitious celebration plans for 1969. I do request, however, their rapid and favorable consideration of the bill which I have introduced today. These commemorative medals will be an important and integral part of our bicentennial year. They will provide a lasting memento to San Diego's vital role in American history.

ELECTION OF GOVERNOR OF VIRGIN ISLANDS

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. ERLENBORN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. SAYLOR. Mr. Speaker, during the first days of the 90th Congress legislation was introduced in the Senate which would provide for the popular election of the Governor of the Territory of the Virgin Islands.

At the end of the last session an effort was made to approve the governorship bill for the territory, but in view of the lateness of the session and the immature actions of the Governor and legislature in setting up reapportionment of the islands earlier, I felt that the proposal should be held over until the present Congress in order that the legislation could be more thoroughly studied by the respective committees of the Congress.

Although I did not follow the recent elections in the islands in depth, I have heard various reports on the type and method of electioneering which was held last fall in St. Thomas, St. Croix, and the Island of St. John.

I wish to commend to my colleagues a report on these activities by the news media, "Caribbean Report," as well as the letter which I received from the associate editor of this report, which is incorporated as a part of my remarks.

I strongly suggest that before any action is taken on legislation to provide for an elective Governor of the Virgin Islands that the Congress take a closer look at the existing electoral and legislative practices of the islands.

I also draw to the attention of my colleagues the remarks of the senior Senator from Vermont which appeared in the daily RECORD of January 17 on pages A125, A126, and A127.

The report follows:

CARIBBEAN REPORT,
New York, N.Y., January 17, 1967.

Hon. JOHN P. SAYLOR,
Committee on Interior and Insular Affairs, House of Representatives, Washington, D.C.

DEAR MR. SAYLOR: Like most journalists, we are always delighted to uncover scandal, but we were really shocked by the reports of the elections in the U.S. Virgin Islands. With decisions in the offing on the Elected Governors Bill, and in light of the general financial relationship of the islands to the mainland, it seems to us that a closer look should be taken at the existing electoral and legislative practices.

We hope that the enclosed issue of *Caribbean Report* will help to spur such a study and will be of interest to you.

Sincerely,

PHYLLIS FREEMAN,
Associate Editor.

[From Caribbean Report, December 1966]

OUT-TAMMANYING TAMMANY HALL

The 1966 elections in the USVI seem to have hit an all-time high for charges of fraud, free beer at the polls, voting by deadmen, minors, and psychiatric inmates. Herewith, a special report from our VI correspondent:

The political spoils system in the VI would make old Boss Tweed green with envy. Governor Paiewonsky's statements that the VI now has a two-party system are only for Washington's consumption. Except for two candidates, the Victory '66 coalition that opposed Paie and his Mortar and Pestle (or Unity) Democrats were all registered Democrats of established standing. And the two Republicans went down to defeat.

Paie's electoral strength came from a tremendous roster of unsophisticated government employees. On a per capita basis, the VI has the highest number of employees on government payroll of any of the states or territories. These totally unqualified persons spend most of their time running their own businesses or shops, while regularly collecting paychecks solely for their "services" for the Mortar and Pestle Party.

Among the "services" they rendered in last month's balloting were these: In St. Thomas the Election Board counted 957 more votes

cast than the number reported by the Election Supervisor. A decisive number of ballots in close races were discarded as "spoiled." Coalition party challengers charge election officials themselves disfigured ballots with holes or pencil smudges when the opposition tally ran uncomfortably high. Four coalition nominees, Bertha Boschulte, Ron de Lugo, Omar Brown, and Len Stein, promptly petitioned for recounts, but to no one's surprise, the new canvass confirmed the original victors. A two-page ad in the November 15 VI *Daily News* notes that, after failing to con the District Court of Appeals into upholding the "loyalty oath," Paie's Mortar and Pestle boys proceeded to fancy up the ballots. The coalition of 13 Democrats and 2 Republicans were jointly listed on the ballot as "Republicans." The Regular M & P Dems had their insignia placed at the bottom of the ballot with photos of *both* JFK and Johnson, and the words: "Let us continue." By marking this party symbol (or the unadorned eagle for the "Republicans"), a person could vote a straight ticket. Since there was no clue that this was the significance of the symbols, it is not improbable that many voters thought that they were indicating a party preference, as in a primary, rather than nullifying votes cast for split tickets on the ballot's upper portion. Yet, the day after the elections, Paie boasted that "the choice between candidates and parties was clearly understood." Shades of Duvalier and his similar maneuver in the last Haitian election.

Conclusion: Despite the statements by the Governor and his M & P associates that "now we are mature enough to elect our own governor," there is room for doubt. In this election, they demonstrated the maturity of teen-age hoodlums while splitting the loot of their first heist. The basic cause of the lack of efficiency and integrity in the VI government is that the governorship is a political plum.

Now firmly ensconced in office, VI lawmakers have voted themselves pay raises of $3,000, an increase of 50 per cent—making the total take for this part-time job $9,000 per year, plus the regular $1,800 for expenses.

NATIONAL COMMISSION ON PUBLIC MANAGEMENT

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. RUMSFELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RUMSFELD. Mr. Speaker, the problems of increased air pollution, the growth of substandard housing in urban areas, and the mounting rate of traffic jams on our highways and in our cities, are typical of the major national problems requiring prompt and effective corrective action. To accomplish such action, outdated methods of management will not suffice. I believe that, just as the modern methods of management, such as system analysis, have been successfully applied in the defense and space efforts, they could be usefully applied in other public programs.

I am pleased to join my colleague, the gentleman from Massachusetts [Mr. MORSE], in proposing the establishment of a National Commission on Public Management, to seek the best techniques for managing the public's business. Since this bill was first introduced in the last session of the 89th Congress, it has received increased public support, and recently it received the endorsement of the U.S. Chamber of Commerce.

The Commission, to be appointed by the President, will be composed of Members of Congress, representatives from government, business, labor, and education. After reviewing the various management techniques and the public problems requiring solution, the Commission will then, in a final report, set forth a specific plan for attaining our national goals economically and expeditiously.

Mr. Speaker, I believe the time has come to modernize our management methods. The establishment of a National Commission on Public Management is the necessary first step.

ABANDONING PATRONAGE IN POSTAL APPOINTMENTS

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. RUMSFELD] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. RUMSFELD. Mr. Speaker, much has been said and written about the problems of our post office system—the extraordinary number of complaints, misdeliveries, nondeliveries, delays, and backups, all of which have led to a marked increase in complaints to most public officials. It is no longer a matter of simple inconvenience, Mr. Speaker. There is not a segment of the economy which does not in some measure rely on the mails, and it is an unfortunate situation when the material and mental resources of the present administration cannot meet the administrative and mechanical problems of moving the mail from the city to the suburbs or vice versa overnight or even within two nights or, for that matter, many times even in a week.

I strongly believe, as I have stated repeatedly, that the elimination of the patronage system governing the appointment of postmasters would provide, over a period of time, a needed improvement in the postal service and a sound incentive for career employees in the postal service.

The following statement by J. Edward Day, president of the National Civil Service League and former Postmaster General of the United States, and a policy statement of the organization which Mr. Day heads, discuss this question. The statement, I believe, presents a concise argument for the inclusion of postmasters in the existing merit system.

The House minority leader, the gentleman from Michigan, the Honorable GERALD FORD, felt this to be such a serious problem that he commented on it in his state of the Union speech last week. Mr. FORD stated:

> We believe the Post Office Department should be taken out of politics from top to bottom. Republicans favor selecting all Postmasters on merit alone.

The civil service merit system has value. I see no reason why it cannot be applied to the appointment of postmasters. I see no reason why it should not be applied to the appointment of postmasters. The adoption of a more businesslike and orderly approach to the selection of postmasters might very well be the first step in adopting a more businesslike and orderly approach to the movement of the mail.

I urge my colleagues on both sides of the aisle to support this proposal, which I am reintroducing today. Although I introduced a similar bill in the 89th Congress, unfortunately no action was scheduled, no hearings were held on it. I am hopeful that the measure will be considered promptly.

The statement referred to follows:

POLICY STATEMENT—ABANDONING PATRONAGE IN POSTAL APPOINTMENTS

The United States Post Office is one of the world's best managed operations. Like every modern organization, it is faced with problems that impair its ability to give the best possible service. One serious deterrent to the Post Office's drive for quality is the archaic, inefficient system of appointing Postmasters and rural letter carriers through the old fashioned patronage system. Since 1881 the National Civil Service League has promoted government efficiency through modern merit systems of employment free from patronage and spoils. We believe the time is past due to rid the Federal government of this last great pool of patronage appointments. We believe the time has come for serious public discussion of how the postal service can be further improved by establishing a true merit system of Postmaster and rural letter carrier appointments. We welcome comments and help in this public service effort. (J. Edward Day, *President*, National Civil Service League.)

The National Civil Service League at this time once again forcefully reiterates its long-standing call for the elimination of the historic patronage system governing the appointment of postmasters and rural letter carriers by the Federal Government. The League urges elimination of the archaic practices of political appointment in the belief that the public climate is receptive to this long overdue reform and in the conviction that the general drive for efficiency and economy of Federal operations, sparked by President Johnson, is uniquely applicable to the multi-million dollar post office operations.

At no time has the postal service been faced with such critical public evaluation of its performance in delivering the mails. Technical improvements have been and are being made; but significantly contributing to the problem is the system of political preferment which impairs the development of a corps of postal managers fully qualified for the high level managerial competence called for by one of the world's largest enterprises.

In the early years of the nation's political and commercial life, the mail was the sole organized system of communication and local post offices a few miles apart represented virtually the only outpost of Federal Government in vast reaches of the nation. Then the appointment of the postmaster by political favor could be rationalized with the argument that there was a need to bring government closer to the people through a local representative of the dominant political party.

However, the expansion of the Federal services in many fields and to all sectors of the country as well as the demand for superior managerial talent in postal administration makes the opportunistic appointment of postmasters through a system of political preference totally obsolete. Moreover, in the light of contemporary demands for postal service, the present system of postmaster appointment—upon political advice

with confirmation by the Senate—is no longer responsive either to postal or political considerations and no longer serves the Republic well. The time for urgent reform is already decades behind us.

HISTORICAL BACKGROUND

As President-elect in 1860, the first problem Abraham Lincoln tackled was which newspaper publisher in Chicago would be named postmaster. Publicly acknowledged and accepted at that time was the understanding that the publisher who backed the right candidate would be offered the local postmastership as his reward. Times have changed, yet the system of appointment based on the same relationship of local politics to postal patronage has survived through today.

In the nineteenth century the postmaster, as the only political appointee, *was* the Federal Government in many communities. That he was appointed by the incumbent administration and served a quasi-political local role far beyond delivery of the mail was, though inefficient, consonant with the Jacksonian concept of spoils and consistent with the practices of local political power structures.

At that time the professional demands of his job were small and the political demands were large. There was no other department of the government which provided a Federal presence in local communities. Furthermore, the political role of the postmaster evolved in an era in which every significant Federal position, including that of top military leadership, was filled by political preferment. Since 1883, however, under the stimulus of the civil service reform movement, all this has changed and the concept of merit in the public service has now become an accepted and cherished component of our governmental structure. Our Federal civil service has become renowned for the range of its services and the expertise of its personnel.

Yet, by a strange quirk of fate and time, the great civil service refinements of the early twentieth century bypassed the postmaster. As government and the postal system grew in complexity and importance, the postmaster remained in a sacrosanc back water. By the mid-20's, Postmaster General Hays could recognize the incongruity of the purely political appointee named in the tradition of local patronage but no longer responsive to the requirements of the job. It wasn't until 1937, however, that the increasingly complex postal operation persuaded the Roosevelt administration and the Congress, albeit with some reluctance, to move in the direction of reform.

The resultant Ramspeck-O'Mahoney Act placed all postmasters under the coverage of civil service once they had received Senate confirmation. This represented some ostensible advance. Yet the practical effect was to continue the anachronism of the political postmaster wholly alien to a modern management environment.

THE PRESENT SITUATION

The accepted current system for appointing postmasters is not widely known. In essence, the system superimposes political advice and preference upon the examination and qualification standards which generally apply to Federal civil service positions.

Under the Ramspeck-O'Mahoney Act enacted in 1938, postmasters of the first, second and third class are selected under civil service procedures with appointment by the President upon confirmation by the U.S. Senate. Thus, the Civil Service Commission is responsible for developing registers of qualified applicants through open competition for the position of local postmaster. The Commission has centralized post office examination functions in its Postal Examining Division. When a postmaster vacancy occurs, written examinations are given for filling positions in PFS levels 5 through 9. For PFS level 10 and above, representing the larger communities, the competitive examination is unwritten and consists of a rating of the candidate's experience and qualifications against the established qualification standards, with verification of the applicants' claims in their applications. Following the rating process, the names of the top three eligibles are certified to the Postmaster General, who is authorized to select one of these subject to veterans' preference provisions. The Postmaster General recommends formal appointment by the President, who transmits his nominations for confirmation by the U.S. Senate. This description represents the formal procedure—what actually happens outside formal civil service channels is another story.

It is the requirement for Senate confirmation which draws the whole business of appointing postmasters into the political arena. The key to the procedure for selecting postmasters is the "advisor" system, which is in no way sanctioned or even recognized in law but which governs the process as surely as if it were written into the statutes. The advisor system rests on long tradition and historic precedent. The salient point here is that in de facto terms the advisor selects the local postmaster with the whole civil service procedure representing little more than a facade of false respectability.

A carefully accurate and up-to-date list of advisors is maintained in the Office of the Postmaster General. Usually the advisor is the local Congressman of the dominant party. By historic privilege, he reserves the right to "appoint" the local postmaster. Should the opposition party be in local power, then the advisor is a member of the majority party—a Senator, a State or County Chairman, or perhaps the Governor. Whoever the advisor may be, by well accepted political agreement, his word is law in this sphere and all other parties are bound to support the choice of the advisor.

Thus, when a vacancy occurs in a postmastership by resignation, retirement or death, the first one likely to know is the local county chairman of the political party then in power in Washington. Sometimes the local chairman hears directly from the Post Office, however informally, or if the outgoing postmaster is of the same political faith, the chairman may well be alerted long before the established postal authorities are aware that there will be a vacancy. The district Congressman, Senators and other political leaders in the state then get the word fast. Ultimately, the notice of a vacancy filters through to the Civil Service Commission by way of official post office channels.

A strangely schizophrenic pattern then follows. On the one hand, the Post Office Department arranges for an examination with the Civil Service Commission and is concerned with matters of qualification standards, nature of the examination, veterans' preference, and the like. At the same time, the local political organization is deeply locked in negotiations over the recommendation it shall make to the designated Congressional advisor, who in turn will impart the distilled wisdom of this procedure to the Post Office as governing the ultimate selection. These decision-makers unfortunately give but scant attention to the civil service standards being solemnly proclaimed by the Post Office Department and the Civil Service Commission.

A whole lexicon of euphemistic jargon has grown up to obscure the formal procedure. First, obviously, an acting postmaster must be named while the formalities of civil service selection procedures are being pursued. The advisor, in fact, names the temporary postmaster and there is no requirement that he meet any qualification standards because of the temporary nature of his appointment.

But now begins the procedure of examinations solemnly conducted, often in some embarrassment by the Civil Service Commission. Thus, the permanent postmaster will be chosen from among the first three in a competitive examination unless, despite the Hatch Act, a career employee has achieved sufficient political stature to be recommended. It is at this point that the whole charade begins, turning the formal civil service process into a mockery. For, while the choice will be made among the top three in the examination, it becomes clear quite early that the political advisor will make that choice.

There are a number of other devices for making sure that the politically favored candidate finally gets the post.

Sometimes the examination has to be given more than once over a long period of time because available "advice" cannot recommend any of those who emerged from the examination among the top three.

New examinations are called for on technical grounds until the "right" name shows up.

Sometimes postal delivery areas have to be redrawn to assure the eligibility for examination of the person who, predictably, will be the beneficiary of the proper advice—or, conversely, to eliminate the better qualified individuals.

Sometimes the acting postmaster, already politically endorsed, is in office for a sufficiently long time for his experience as an incumbent to boost him into the top three on a subsequent examination so that once again advice can be pertinent.

The entire procedure, remarkable in its cynicism and even more remarkable in its transparency, often goes on for many months. Finally, the advisor's recommendation, gratefully received by a Post Office Department whose local office has been in a state of inefficient turmoil during this entire tedious process, finally appears on a long list of names which goes to the White House. From there the nomination goes to the Senate of the United States.

The President's nominations are referred to the Senate Committee on Post Office and Civil Service, which in turn reports the names of the nominees to both Senators from the subject states. At this point Senatorial courtesy takes over and no further move is made on the President's nominations until both Senators give notification that they have no objection to any of the recommended postmasters in their states. The senior Senator of the dominant party, prior to his no objection clearance, will refer the particular nominee to the advisor, who is likely to be his colleague in the other House. This serves as a double check, and the Senator does not release the name until he is satisfied that the person on the President's list is actually the selectee of the Congressman or other advisor. This solidifies the whole process and gives absolute assurance as to the political reliability of the nominee.

Finally, the entire Senate of the United States votes on the nominee who has been so scrupulously selected by his political peers. With the advice and consent of the Senate, a postmaster has now been chosen. Unfortunately, the results, after all this passage of time and slow grinding of mills, all too often give the postal establishment a local manager far less qualified than standard civil service procedures could provide in much less time, at much less expenditure, and with far less theatrics.

DEFICIENCIES OF THE PRESENT SYSTEM

Not surprisingly, the postmaster selected in this fashion is something short of the complete product of the civil service structure. Once confirmed by the Senate, he automatically achieves full civil service status. All of the fringe benefits, retirement advantages, and similar emoluments which

the majority of public servants earn through the years of their progress through the ranks become his by fiat. His civil service tenure rights protect him from dismissal except for deficiencies of character or performance under civil service procedures.

The present system is inconsistent with the whole concept of merit in government employment. There is simply no assurance that the best or near best is finally chosen for the job.

The system has the potential for operating as a depressant on the morale and aspirations of the many devoted, able and experienced subordinate postal officers in local centers. They cannot aspire to the top of the hierarchy in the local office because this post is reserved for political appointment. Thus, an artificial ceiling is imposed on opportunities for advancement except in those occasional instances where a subordinate employee gains political favor and is the recipient of political preferment.

The system contributes to a political, nonprofessional atmosphere that tends to discourage young, vigorous talent from making careers in the postal service. Bright young men rarely consider seeking appointment in the Post Office Department. Yet this is precisely the type of person the Department requires. The available pool of talent shrinks yearly.

The system fosters a political climate in the post offices of our local communities with postal employees tending to assume a coloration of political activity sharply different from their civil service associates in other departments. Not only does the postmaster enter the career service through a back door in the system, but the manner of his selection erodes the prestige of the service among the largest single group of classified employees in the government.

The system absorbs the time of high officials who should be concerned with operating problems rather than devoting excessive energy in the endless negotiation and maneuvering incident to the processes of political conciliation. Even the President is not immune to these drains on his precious time. The system places the Civil Service Commission in the anomalous position of participating in a travesty on the concept of merit in public employment.

It may be further noted that on occasion politically appointed postmasters with strong and active political backing tend to feel they can resist supervision by headquarters superiors. This is particularly true since the creation during the past decade of regional offices staffed with career personnel. Such conflict of loyalties clearly impairs good management.

One further problem of vital importance deserves mention: The statutes impose a residence requirement on the appointment of all postmasters. This automatically requires that only local residents can be considered for any postmaster vacancy. Thus, the system does not permit flexible utilization and advancement of those postmasters who, whatever the defects of the political appointment process, prove in fact to be capable postal administrators. They cannot be advanced to higher responsibilities by transfer to another large city under present statutory limitations which were originally put in the law to protect the right of political designation by the local party.

It should also be noted that the advisor system described earlier for postmasters is used in selections to fill vacancies among the 35,000 rural letter carriers even though no Senate confirmation is involved. While these men do not have management responsibilities and the qualifications are different from those of postmasters, the retention of political selection is an anachronism which has no place in the Federal personnel system. The League, therefore, strongly urges the end of the advisor system for rural letter carriers as well as postmasters.

THE MYTH OF POSTAL PATRONAGE AS A SOURCE OF POLITICAL STRENGTH

The sanctity of the patronage system applying to postmasters has been passed from Congressman to Congressman and from party to party with all the untouchability of a graven tablet. Both its ethics and its effectiveness in practical political terms have been little discussed. Yet the notion that the right to name local pastmasters and rural letter carriers represents an undeniable source of political strength to political leaders is distinctly a myth.

Thus, the modern, sophisticated politician knows that the patronage system often creates enemies of those who do not succeed in getting one of the few plums the system offers. Even the favored appointee may become an ingrate and the whole system often opens rifts in party ranks. To name one of the best as Postmaster, the party sacrifices his talent under the strict dictates of the Hatch Act. To name less than their best, the party runs the risk of identification with a local post office performing under second rate management.

The subterfuges and anomalies of the present advisory charade are becoming apparent to an increasing number of Congressmen. Many are now side stepping their advisory role. They either seek a career man to recommend or make an effort to put the burden on the Post Office with a truly open competitive examination. But at the local level the tradition dies harder. It is the local or county political organization of both parties as well as the member of Congress who must be sold on reform.

Another disadvantage of the present system concerns the diversion of legislative time entailed. While the total time devoted to postmaster confirmation in the Senate—two floor actions and a single committee action on each group of nominees—seems relatively brief, the assumption is deceptive. Approximately one postmastership in every sixteen becomes vacant annually. For each, the Congresional advisor and his staff devote an enormous amount of time in correspondence with applicants, with the Post Office, and with their local political organizations. Often trips and conferences at home and with party officials go on for weeks and not infrequently for months. Members of the Senate and House postal committees who have a policy role in all aspects of the career service become the focal point of advisory pressure. This deep and continual involvement of Congressional committees and their staffs in postmaster patronage not only consumes much of their time but also a negative effect on the creditability of the same personnel as guardians of the career-merit concept.

For all these reasons—the myth of political advantage, the inordinate diversion of time, and the growing realization of the need for top management strength—there is a mounting readiness in the Congress for reform on this front. We are particularly encouraged by the recent strong recommendation of the Joint Committee on the Organization of Congress, co-chaired by Senator Mike Monroney of Oklahoma, that the patronage system applying to postmasters and rural mail carriers be finally and unequivocally abandoned. Many other legislators have submitted bills to this end.

RECOMMENDATIONS

The entire history of the civil service, the postal establishment and the political system demands the elimination of this throwback to the last century. The following steps are basic essentials to effecting the elimination of the political appointment of postmasters and improving postal management:

(1) Repeal of the statutory requirement for confirmation of postmasters by the U.S. Senate and abandonment of the advisor process.

(2) Provision for appointment to postmaster rank exclusively through the merit system based on open competitive or promotional examination conducted by the Civil Service Commission.

(3) Elimination of the resident requirement and granting limited authority to transfer incumbent postmasters to other post offices.

(4) Elimination of the advisor system for appointing rural letter carriers and selection strictly through civil service merit procedures.

The ultimate tragedy of the postmaster system today is its simple failure to produce the kind of person the post office most needs. We urge the President to initiate and the Congress to enact these long overdue reforms.

FARMERS SAY "CEASE AND DESIST"

Mr. ERLENBORN. Mr. Speaker, I ask unanimous consent that the gentleman from Minnesota [Mr. NELSEN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. NELSEN. Mr. Speaker, I am today joining with a number of other farm-State Representatives in sponsoring legislation calling on the Government to "cease and desist" from actions depressing farm prices. Our congressional directive to the executive branch of Government instructs the Government to use various legislative authorities to improve farm prices and to build a strong, viable market economy for agriculture.

This bill is similar to one I introduced in the last session expressing the sense of Congress that Government should take no action whatsoever which would prevent farm prices from rising to full parity.

Mr. Speaker, it is apparent from the recent Department of Defense order calling for butter substitutes in military rations that the administration is still attempting to hold down farm prices. Several of our colleagues in the Senate earlier this month wrote Defense Secretary Robert McNamara protesting this latest butterfat curtailment.

Experts interested in the welfare of the dairy industry have indicated this one Government action will deprive dairy farmers of a market for about 50 million pounds of butter annually. Yet no money is being saved, since the Commodity Credit Corporation is expected to spend some $33 million to cover the Defense Department's $28 million saving.

At a time the dairy industry is beset with skyrocketing costs and income still well below parity, this kind of Government price manipulation should be stopped in its tracks.

The House concurrent resolution which we are introducing today notes that American farmers are still being used as scapegoats of inflation in spite of statistics showing realized net farm income will decline by at least 5 percent during 1967.

The resolution lists 10 specific reasons for the decline, including:

Inflationary domestic fiscal policies which have increased farm production costs 19 percent since 1952;

Market price manipulation which has

decreased prices received by farmers 6 percent since 1962;

Dumping of huge quantities of grain upon the domestic market;

Increasing imports of raw sugar, cheese and other farm products to lower domestic prices;

Stimulating increased production of wheat and feed grains without adequate price incentives.

Mr. Speaker, it is my hope this resolution will receive earliest consideration. With farm parity at 77 percent, we can ill afford more price-depressing moves by the administration.

THE CONSULAR CONVENTION WITH THE SOVIET UNION—AN ISSUE FOR THE 1968 PRESIDENTIAL CAMPAIGN

The SPEAKER pro tempore (Mr. LANDRUM). Under previous order of the House the gentleman from Ohio [Mr. ASHBROOK] is recognized for 60 minutes.

Mr. ASHBROOK. Mr. Speaker, one of the most dangerous proposals which will come before the 90th Congress is the so-called Consular Treaty.

On Monday of this week, January 23, the U.S. Senate began hearings on the Consular Convention with the Soviet Union. This is the second time in recent years that the Senate has considered this measure, the Foreign Relations Committee having first approved it in 1965, but final action by the Senate was never taken.

I opposed the Consular Treaty then, and I am more opposed than ever. It borders on idiocy to appease Communist overlords in Moscow who are directly and indirectly responsible for aggression, subversion, and atrocities, while at the same time 400,000 Americans in Vietnam are trying to stem the tide of Communist conquest in southeast Asia.

It will be recalled that a statement by Director J. Edgar Hoover of the FBI provided the impetus for much opposition to the consular agreement and was undoubtedly a major reason why the measure was never brought to the Senate floor for action. At that time Mr. Hoover, in referring to the use of official personnel by the Soviets for intelligence purposes, said:

> Our Government is about to allow them to establish consulates in many parts of the country which, of course, will make our work more difficult.

In addition to the above statement, Mr. Hoover at that time referred again to new Soviet consulates in a written statement which was included in the hearings. The statement read:

> Long seeking greater official representation in the United States which would be more widely spread over the country, a cherished goal of the Soviet intelligence services was realized when the United States signed an agreement with the Soviet Union on June 1, 1964, providing for the reciprocal establishment of consulates in our respective countries.
>
> One Soviet intelligence officer in commenting on the agreement spoke of the wonderful opportunity this presented his service and that it would enable the Soviets to enhance their intelligence operations.

Nor were these the only references to Soviet intelligence operations in the United States made by Director Hoover. He referred to the Soviet "illegal"—deep cover—operations in the United States in these words:

> A growing problem is the extent to which the Soviet intelligence services are dispatching undercover spies into the United States. These individuals have no ostensible connection with either the official Soviet establishments or personnel in this country nor do they make any overt contacts with their foreign espionage headquarters. They are well-trained, professional intelligence officers and usually bear assumed identities and are supplied with expertly fabricated documents and unlimited funds. They enter the United States without difficulty to become assimilated into our population and, unless uncovered, eventually serve as the nucleus of an extensive clandestine espionage network. Their detection among the more than 190 million people in this country is a counterintelligence problem of great magnitude.

If these statements by the Director are not sufficient evidence of the very real danger of Soviet intelligence operations in our country, one might consider additional information supplied by Mr. Hoover during these same hearings. Included as vehicles of Soviet intelligence action in the United States were the East-West exchange program, press representatives, Amtorg Trading Corp., and personnel at the United Nations. Included at the end of these remarks is the statement of Mr. Hoover concerning the above references.

Much has appeared in the press in the last 2 weeks concerning inquiries made by Secretary of State Dean Rusk and Senator WILLIAM FULBRIGHT regarding Mr. Hoover's remarks on the proposed consular arrangement in 1965. There has been much confusion as to whether Mr. Hoover has actually taken a stand, one way or the other, on the advisability of the Consular Convention. Any doubts concerning this issue should have been laid to rest last Monday when Senator KARL MUNDT, of South Dakota, read into the RECORD a reply from Mr. Hoover concerning Mr. Hoover's 1965 statement. In the interest of clarification I am also including at the end of these remarks the texts of Senator MUNDT's inquiry and Mr. Hoover's reply.

Of special interest in this paragraph from Mr. Hoover's letter of January 23, 1967, to Senator MUNDT with regard to Soviet intelligence operations:

> You asked whether these efforts by communist diplomatic personnel still continue. They most certainly do. Representatives of the KGB (Soviet Committee of State Security) and the GRU (Soviet Military Intelligence Service), comprising a large segment of the Soviet diplomatic corps in the United States, are conducting an intensive campaign aimed at the most sensitive data regarding our scientific and technical developments, our military and defense programs and the future plans of our Government.

To give some idea of the extent of Soviet intelligence action in the United States, there have been since 1957, 28 Soviet officials arrested or expelled for having attempted to engage in subversion or espionage in our Nation.

Couple this figure with a listing of court cases from 1960 through 1966 in which violations of espionage and passport statutes were involved. Most of those involved were American citizens who conspired with Soviet officials and other Soviet personnel for the most part in the United States. The listing of cases is included at the end of my remarks. Note the severity of most of the sentences meted out to further appreciate the seriousness of this issue.

These cases involve only the Soviet Union. As the consular convention involves only the Soviet Union, particular reference has been made to the U.S.S.R. and not the other Soviet-bloc countries. This does not mean that the other Soviet-block countries do not engage in similar activities in the United States. For instance, in 1966 Frank John Mrkva, an employee of the Department of State, cooperated with the FBI when approached by Jiri Opatrny, a Czech intelligence agent assigned to the Czech Embassy in Washington, D.C. Mrkva was requested to install an electronic listening device in a State Department office. Opatrny was declared persona non grata on July 13, 1966, and has departed the United States. It is an established fact that the U.S.S.R. is the force that pulls the strings in satellite countries and many activities of agents such as Opatrny could undoubtedly be traced to Communist masters in Moscow.

The immensity of the threat to our national security which is presented by the Soviet Union, in conjunction with the other bloc countries—Albania, Bulgaria, Czechslovakia, Hungary, Outer Mongolia, Poland, and Rumania—should not be underestimated. Just last year, in February, Mr. Hoover again emphasized the magnitude of the task which faces the FBI in coping with this threat:

> The work of the official representatives of the Soviet-bloc countries who are assigned to the United States is being supplemented to an increasing degree by the "illegal", deep cover intelligence agents who are being dispatched into this country.
>
> This, for example, may be an individual who enters the country among a group of refugees. It might be an individual who enters as an immigrant. On the other hand, it might be someone already in this country who was recruited here by the foreign intelligence services. For the individual just arriving in this country, he may take no overt action on behalf of his foreign master for many years, becoming well assimilated into our way of life in the meantime.
>
> These individuals usually bear assumed identities; are supplied with documents, usually false but always expertly fabricated, which a person in this country would normally have in his possession so as to bolster the assumed identity; and make no open contact with known representatives of the foreign governments which they serve.
>
> The detection of these undercover spies constitutes a time-consuming, tedious investigative problem.

I continue to quote Director Hoover at length, for information of this type is usually unknown to even the most knowledgeable of American citizens:

> In their intelligence-gathering operations, the Communist-bloc countries have a seemingly inexhaustible supply of funds. In carrying out their relentless quest, there is virtually no phase of our national life which goes unexplored. A list of material which they seek would constitute a voluminous catalog of life in the United States. The emphasis, of course, is on scientific, technological, military, and industrial data which will strengthen the Soviet bloc. At the same time, however, they are alert for any and all infor-

mation—classified or unclassified—which will enable them to weaken the United States through propaganda or subversion.

As a result of several decades of development, the coordinated espionage attack against this country by the intelligence services of the Communist bloc has now reached an intensity which makes it the most massive offensive of its kind ever mounted.

U.S.S.R. PROMISES REVIEWED

Now, after viewing the extent of Soviet intelligence and espionage activities in the United States, it would be well to review the promise the Soviets made to the United States in the very first agreement made between the two countries back in 1933. Paragraph 2 of the letter sent to President Roosevelt by the Soviet Commissar for Foreign Affairs, Maxim Litvinoff, just prior to the establishment of diplomatic relations. Litvinoff, for the Soviet Union, promised:

To refrain, and to restrain all persons in government service and all organizations of the Government or under its direct or indirect control, including the organizations in receipt of any financial assistance from it, from any act overt or covert liable in any way whatsoever to injure the tranquillity, prosperity, order or security of the whole or any part of the United States, its territories or possessions, and in particular, from any act tending to incite or encourage armed intervention, or any agitation or propaganda having as an aim, the violation of the territorial integrity of the United States, its territories or possessions, or the bringing about by force of a change in the political or social order of the whole or any part of the United States, its territories or possessions.

What a huge joke has been played on Uncle Sam, or to put it more exactly—Uncle Sucker. It is distressing enough to consider how we have been deceived in the past, but to entertain the idea of sweeping this all under the rug and entering a new agreement with the Soviet Union is utter idiocy. Only a soft and appeasing State Department, with eyes closed to past treaty failures and broken promises, would make such a proposal as the Consular Treaty in 1967.

The question should not be whether to ratify the consular convention, but what are we going to do about the Soviet activities referred to above by Mr. Hoover. Instead of ignoring the present situation outlined by Director Hoover, Mr. Dean Rusk and the State Department should be talking to the Soviets about their Soviet agents in the United States.

A 50-YEAR GOAL UNCHANGED

Another and more basic question has also been ignored in considering the consular convention; namely, what is the basic goal or purpose of the Communist movement with regard to the United States and other free countries of the world. For years the Soviets have been telling us that peace will come to the world only after the International Communist movement is in control of every nation on the face of this earth. Many choose to ignore or explain away this basic Soviet goal. As recently as January 4 of this year, the Communist leaders in Moscow again spelled out their goal. The Central Committee of the Communist Party of the Soviet Union issued a lengthy statement, entitled, "On Preparations for the 50th Anniversary of the Great October Socialist Revolution," which appeared in the publication Moscow News in an English translation. Remembering that the Soviet October revolution initiated the greatest series of blood baths ever visited upon mankind in all recorded history, this quote from the Central Committee's statement is a warning for all free men:

The October Revolution showed a way of solving the vital problems brought to the fore by preceding world history: on the future of society, on the nature of social progress, on war and peace, on the destinies of world civilization.

The victory of the October Revolution confirmed the Leninist theory of socialist revolution. Marxist-Leninist teaching had been proved correct: on the inevitability of the collapse of capitalism and its replacement by socialism; on the vanguard role of the working class, led by the Communist Party, in the Revolution and in building a new society; on the dictatorship of the proletariat and its role in the struggle for the victory of socialism.

As any student of communism knows, the above reference to socialism is, in Communist jargon, another way of saying communism.

As can be seen, then, from the Soviets' own statement, proclaimed as late as January 4 of this year, the bloody October revolution which provided the impetus for the slaughter of millions of human beings in various countries during the last 50 years, showed a way of solving vital world problems—the future of society, war and peace, and the destinies of world civilization. The means for solving these problems is, of course Lenin's theory of socialist—Communist, that is—revolution. The heart of their drive is subversion and further penetration of the last real bastion of the free world, the United States of America. It is, indeed, a tragedy that our already discredited State Department advocates giving more bases for subversion and penetration to the U.S.S.R. in their consular treaty. The American people must be alerted to this danger before it is too late.

Although foreign policy can be a very complex area at times, it doesn't take a foreign policy expert to realize that something is wrong when we continue to make concessions to a nation that is helping to kill American boys in South Vietnam. Surely it is reasonable to consider the Soviet SAM sites, the Soviet Migs, the Soviet personnel and other forms of Soviet help to North Vietnam when we think about further agreements with the Soviet Union.

The consideration of a consular convention is premature at this time until the State Department explains to the American people (a) how we can justify the killing of American boys in Vietnam with the help of the Soviet Union while at the same time considering the ratification of another agreement with the same Soviet Union; (b) what is going to be done about the increasing subversion of the United States by the Soviet Union as described by J. Edgar Hoover; (c) why make more concessions to a movement which is actively working for the collapse of capitalism and its replacement by communism, thus bringing to an end the existence of the United States of America as we know it today.

I include the documents heretofore referred, to be put in the RECORD at this point:

EXCHANGE OF LETTERS BETWEEN SENATOR KARL E. MUNDT AND DIRECTOR J. EDGAR HOOVER IN JANUARY 1967, REGARDING THE PROPOSED CONSULAR CONVENTION

JANUARY 21, 1967.

Mr. J. EDGAR HOOVER,
Director, Federal Bureau of Investigation, Washington, D.C.

DEAR EDGAR: I am both concerned and confused over the various interpretations being given to your reply to the letter written by you by Secretary of State Rusk on September 14 with regard to the position of the FBI on the probable consequences likely to result from ratification of the Consular Treaty now before the United States Senate. Inasmuch as I am one of the five Senators alluded to by Secretary Rusk's letter as having in mind your testimony of March 4, 1965 when we signed our minority report, I am understandably eager to know your precise position because the whole matter is now again before our Senate Committee on Foreign Relations. Hearings will begin next Monday morning.

It was my interpretation of your views and testimony when I helped prepare the Minority Views which we signed that you were not counseling the Congress on all possible ramifications of the so-called Consular Treaty but that as the Director of the FBI charged with protecting the internal security of the United States you were very properly pointing out the increased dangers and likelihood of subversive actions by foreign communists if they were brought to this country in increased numbers and granted extended immunity. That was my interpretation of your views and it remains so today and I see nothing in the exchange of letters between Secretary Rusk and you which either indicates you have changed your views as presented to the House Appropriations Subcommittee on March 4 or that you are retracting the warning signs which you flashed about the probability of increased challenges to our security here in the United States which would "make our (the FBI's) work more difficult." Was I in error in my original interpretation of your testimony or in the way I continue to interpret it today?

Specifically may I inquire of you:

(1) Have you in any way changed your views or has any evidence developed since your testimony of March 4, 1965 to make you change your mind about your testimony concerning subversive actions by communist diplomats as you related it and the fact that added communist diplomatic personnel in our midst with extended immunities would necessarily "make your work more difficult" in meeting the responsibilities of the FBI?

(2) Since March 4, 1965, has there been a cessation of attempts by communist diplomatic personnel in this country to engage in acts of subversion or attempted espionage? Do these efforts still continue? Can you supply me a list of these attempts as they are available for public information, segregated by calendar years, over the past six to ten years?

Finally, Edgar, let me say that as I read the exchange of letters between you and Secretary Rusk, I feel you have reiterated precisely the interpretation which I placed on your testimony at the time I helped prepare our Minority Views for the Senate Committee on Foreign Relations in 1965, but due to the very much expanded and inclusive interpretations being placed upon these letters by some others, I would like to receive from you a reply to this letter and the questions presented so that there can be no misunderstanding on the part of any who are concerned.

Since our Senate Hearings on the Consular Treaty begin on Monday morning, I would deeply appreciate it if you could have your reply delivered by hand by Monday noon if

this is possible; if not, the earlier I receive the letter the better opportunity we shall have to keep the record straight and clear.

With warmest personal regards, I am

Cordially yours,

KARL E. MUNDT,
U.S. Senator.

FEDERAL BUREAU OF INVESTIGATION,
U.S. DEPARTMENT OF JUSTICE,
Washington, D.C., January 23, 1967.

Hon. KARL E. MUNDT,
U.S. Senate,
Washington, D. C.

DEAR KARL: I have received your letter of January 21, 1967, in which you advised that you are concerned and confused over the various interpretations being given to my letter of September 16, 1966, to the Secretary of State Rusk, "with regard to the position of the FBI on the probable consequences likely to result from ratification of the Consular Treaty now before the United States Senate."

It should be clearly understood that the FBI is the investigative arm of the Department of Justice and, as such, it is our responsibility to gather and report facts. The FBI is not a policy-making agency and we do not express opinions. Since 1924, when I became its Director, the FBI has refrained from injecting itself into the area of legislation. The Consular Convention between the Soviet Union and the United States, which is now before the United States Senate, is no exception to this long-standing rule.

Because the Consular Convention does involve considerations which have a direct bearing upon the responsibilities of the FBI, I appreciate your interest in requesting the following facts from me. Again I emphasize that the FBI is not recommending a course of action or expressing an opinion.

You specifically inquired whether I had changed my views or whether any evidence has developed to make me change my mind about my testimony of March 4, 1965. The answer is an unequivocal no.

During my testimony before a subcommittee of the House Appropriations Committee on March 4, 1965, I called attention to the fact that the establishment of Soviet consulates in this country, "of course, will make our work more difficult." At no point in my March, 1965, testimony—nor following the release of that testimony by the House Appropriations Committee in May, 1965—did I state or imply that the Consular Convention would impose any additional burdens of responsibility upon the FBI that we are incapable of handling. Nor did I express any opinion concerning the matter of ratification. The simple fact is that the work of the FBI in combating Soviet-directed espionage activities in this country has increased through the years commensurate with the increase in Soviet representation here. I can also state without equivocation that communist-bloc diplomatic establishments in this country serve as focal points for intelligence operations.

You inquired whether, since March 4, 1965, there has been a cessation of attempts by communist diplomatic personnel in this country to engage in acts of subversion or attempted espionage. The answer again is an unequivocal no.

You asked whether these efforts by communist diplomatic personnel still continue. They most certainly do. Representatives of the KGB (Soviet Committee of State Security) and the GRU (Soviet Military Intelligence Service), comprising a large segment of the Soviet diplomatic corps in the United States, are conducting an intensive campaign aimed at the most sensitive data regarding our scientific and technical developments, our military and defense programs and the future plans of our Government.

You requested that you be supplied with a list of attempts by communist diplomatic personnel to engage in acts of subversion or attempted espionage as they are available for public information, segregated by calendar years over the past six to ten years. In accordance with your request, there is attached a list of Soviet officials stationed in this country who have been arrested or expelled from the United States since January 1, 1957.

With every good wish,

Sincerely,

J. EDGAR HOOVER.

SOVIET OFFICIALS STATIONED IN THE UNITED STATES WHO HAVE BEEN ARRESTED OR EXPELLED SINCE JANUARY 1, 1957

Aleksey R. Malinin, Employee, Soviet Embassy, Washington, D.C., October 31, 1966.

Valentin A. Revin, Third Secretary, Soviet Embassy, Washington, D.C., September 1, 1966.

Stefan M. Kirsanov, First Secretary, Soviet Embassy, Washington, D.C., June 1, 1965.

Boris V. Karpovich, Counselor, Soviet Embassy, Washington, D.C., January 7, 1965.

Vladimir P. Grechanin, Assistant Military Attache, Washington, D.C., December 14, 1964.

Aleksandr V. Udalov, Assistant Air Attache, Washington, D.C., December 14, 1964.

Vasiliy V. Zadvinsky, Military Attache, Washington, D.C., December 14, 1964.

Vladimir I. Olenev, Employee, Soviet United Nations Mission, New York City, October 30, 1963.

Yuri A. Romashin, Third Secretary, Soviet United Nations Mission, New York City, October 30, 1963.

Gleb A. Pavlov, Attache, Soviet United Nations Mission, New York City, October 30, 1963.

Igor A. Ivanov, Chauffeur, Amtorg Trading Corporation, New York City, October 29, 1963.

Ivan D. Egorov, Employee, United Nations Secretariat, New York City, October 11, 1963.

Aleksandra I. Egorova, Wife of Ivan D. Egorov, October 11, 1963.

Gennadiy G. Sevastyanov, Attache, Soviet Embassy, Washington, D.C., July 1, 1963.

Yevgeni M. Prokhorov, Second Secretary, Soviet United Nations Mission, New York City, September 29, 1962.

Ivan Y. Vyrodov, Third Secretary, Soviet United Nations Mission, New York City, September 29, 1962.

Yuri V. Zaitsev, Attache, Soviet Embassy, Washington, D.C., August 3, 1962.

Igor Y. Melekh, Employee, United Nations Secretariat, New York City, March 24, 1961.

Valentin M. Ivanov, First Secretary, Soviet Embassy, Washington, D.C., August 13, 1960.

Petr Y. Ezhov, Third Secretary, Soviet Embassy, Washington, D.C., July 22, 1960.

Vadim A. Kirilyuk, Employee, United Nations Secretariat, New York City, December 17, 1959.

Yevgeniy A. Zaostrovtsev, Second Secretary, Soviet Embassy, Washington, D.C., May 13, 1959.

Kirill S. Doronkin, Employee, United Nations Secretariat, New York City, January 15, 1959.

Nikolai I. Kurochkin, Third Secretary, Soviet Embassy, Washington, D.C., June 6, 1958.

Gennadiy F. Mashkantsev, Employee, Soviet Embassy, Washington, D.C., April 17, 1957.

Vladimir A. Grusha, First Secretary, Soviet Mission to the United Nations, New York City, March 25, 1957.

Vasiliy M. Molev, Employe, Soviet Embassy, Washington, D.C., January 25, 1957.

Yuri P. Krylov, Assistant Military Attache, Washington, D.C., January 14, 1957.

OTHER MEANS USED BY THE SOVIET UNION TO BRING INTELLIGENCE PERSONNEL INTO THE UNITED STATES AS CITED BY DIRECTOR J. EDGAR HOOVER IN HIS MARCH 4, 1965, TESTIMONY BEFORE A HOUSE APPROPRIATIONS SUBCOMMITTEE

East-West Exchange Program—The numerous Soviet scientific delegations which arrive in the United States to tour U.S. universities and scientific establishments invariably have among their members Soviet scientists who have been given special assignments by the KGB. It is established Soviet policy that among such groups are one or more full-time KGB officers who are in charge of the delegations.

Upon returning, Soviet scientists who have visited the United States under the exchange program are required by the KGB to submit comprehensive reports on the technical aspects of their trip, including descriptions of installations visited, research being conducted and the status of particular projects. They must also submit reports concerning Americans contacted for possible future use by the KGB.

Students—As to the students, many of the Soviet exchange students attending colleges and universities in the United States are utilized as agents by the KGB. Having the responsibility of obtaining any information of intelligence interest, they photograph (or deliver to their KGB superiors for photographing) documents and scientific papers to which they have access as students.

Of the Soviet students in the United States for the school term beginning in the fall of 1964, over 20 percent were suspected of being agents with specific KGB assignments or officers of the Soviet intelligence services.

Press representatives—Press cover is tailored for the intelligence work of the Soviets. They are in a business in which they are expected to be where news is developing, to meet those persons having intimate knowledge, to ask questions and to seek information.

As of February 1, 1965, over half of the Soviet nationals posing as press representatives in the United States were known to be intelligence agents.

Amtorg Trading Corp.—Disguising their intelligence personnel as legitimate trade representatives has long been a tactic of the Soviet intelligence services. The official cover utilized enables such personnel to travel extensively and meet many persons associated with fields of special intelligence interest.

Over half of the Soviet nationals employed by the Amtorg Trading Corp. in New York City on February 1, 1965, were known or suspected to be actually connected with the Soviet intelligence services.

United Nations—Fully exploiting their diplomatic immunity, freedom from travel restrictions and the respectability enjoyed as members of an international organization dedicated to world peace, the Soviet intelligence services have continued to increase their use of employment with the United Nations as a cover for their espionage personnel.

On July 1, 1960, there were 32 Soviet official personnel assigned to the United Nations Secretariat. By February 1, 1965, the number had mounted to 108, of whom half were agents or officers of the Soviet intelligence services.

LISTING OF COURT CASES INVOLVING AMERICAN CITIZENS AND OTHERS IN COMPLICITY WITH THE SOVIET UNION IN VIOLATION OF ESPIONAGE AND PASSPORT STATUTES FROM 1960 THROUGH 1966

1. Igor Y. Melekh and Willie Hirsch, indicted on three counts with conspiracy to violate Section 793(a)(b)(c) and Section 951 of Title 18, U.S. Code. On motion by Government, court altered the bond of Igor Melekh, a United Nations employee, to permit him to leave the United States. Upon further motion by the Government, court dismissed the indictment on April 11, 1961, as to Melekh and Hirsch.

2. Robert Soblen, convicted for violation of espionage statutes and sentenced to life imprisonment on August 7, 1961. Free on appeal, Soblen unlawfully fled the United States and subsequently committed suicide in England.

3. Arthur Rogers Roddey, pled guilty to violations of espionage statutes and sentenced to eight years imprisonment on February 17, 1961.

4. Irvin C. Scarbeck, charged with unauthorized transmittal of classified information to an agent of a foreign government. Convicted and sentenced to 30 years imprisonment in 1961. In 1963 sentence was reduced to 10 years by District Court.

5. Nelson C. Drummond, indicted on two counts in October, 1962, convicted and sentenced to life imprisonment for having conspired with four Soviet Nationals, all former members of the Soviet Mission to the United Nations to deliver information relating to the national defense of the United States to the U.S.S.R.

6. Ivan Dmitrievich Egorov, Aleksandra Ivanovna Egorov, Robert K. Baltch and Joy Ann Baltch, indicted on charge of conspiring to transmit information about rocket launching sites, atomic weapons in shipments, and other aspects of national defense to the Soviet Union. Egorov, a Soviet National, was employed by United Nations Secretariat, but his claim of diplomatic immunity was denied by court. Prior to trial, the Egorov's were exchanged for two Americans, a Jesuit priest and a student, who were being held by the Soviets in U.S.S.R. The Baltches, alias Sokolovs were dismissed from a new indictment at the request of the Attorney General whose action was prompted by overriding considerations of national security. They departed from United States on October 15, 1964.

7. John William Butenko and Igor A. Ivanov, a Soviet National, convicted of conspiracy to violate espionage statutes and sentenced to 30 and 20 years imprisonment respectively in December 1964.

8. Robert Glenn Thompson, indicted on charge of obtaining information for the Soviet Union on U.S. military installations, missile sites, code books and intelligence and counterintelligence activities, including the identity of American agents. Pled guilty and sentenced to 30 years imprisonment last year.

9. Robert Lee Johnson and James Allen Mintkenbaugh, indicted on charges of conspiring to commit espionage on behalf of Soviet Union. Pled guilty and sentenced to 25 years imprisonment each in 1965.

10. Paul Carl Meyer, pled guilty on four counts of misuse of American passports. On February 26, 1965, was sentenced to 2 years' imprisonment on the first of these counts and to 1 year each on the remaining three counts, these sentences to run concurrently. Meyer fraudulently obtained 15 passports in Chicago, traveled to Berlin and sold passports to Soviets.

11. William Henry Whalen, a retired United States Army Lieutenant Colonel, indicted for violation of the Espionage Statutes. Whalen, who had been the subject of an extensive investigation by the FBI, entered a plea of guilty to the charges on December 16, 1966, and is presently awaiting sentence.

12. Herbert William Boeckenhaupt, a Sergeant in the United States Air Force, charged with conspiring with a Soviet Embassy employee to transmit to the Soviet Union information relating to the national defense of the United States. The Soviet Embassy employee was declared persona non grata (Aleksey R. Malinin), and Boeckenhaupt is presently awaiting trial after having been indicted by a Federal Grand Jury on December 16, 1966.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to Mr. ASHBROOK (at the request of Mr. ERLENBORN), for 60 minutes, today; to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. ROUSH and to include extraneous matter.

Mr. TENZER.

(The following Members (at the request of Mr. ERLENBORN) and to include extraneous matter:)

Mr. PIRNIE.

Mr. PELLY.

Mr. FINO.

Mr. CUNNINGHAM.

(The following Member (at the request of Mr. BRINKLEY) and to include extraneous matter:)

Mr. TEAGUE of Texas.

ADJOURNMENT

Mr. BRINKLEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 14 minutes p.m.), under its previous order, the House adjourned until Monday, January 30, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 or rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

275. A letter from the Deputy Assistant Secretary of Defense (Properties and Installations) transmitting a report of the location, nature, and estimated cost of certain additional facilities projects proposed to be undertaken for the Naval and Marine Corps Reserves, pursuant to the provision of 10 U.S.C. 2233a(1), and pursuant to the authority delegated by the Secretary of Defense; to the Committee on Armed Services.

276. A letter from the Deputy Assistant Secretary of Defense (Properties and Installations) transmitting a report of the location, nature, and estimated cost of certain additional facilities projects proposed to be undertaken for the Naval and Marine Corps Reserves, pursuant to the provisions of 10 U.S.C. 2233a(1), and to the authority delegated by the Secretary of Defense; to the Committee on Armed Services.

277. A letter from the Under Secretary, Department of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Older Americans Act of 1965 so as to extend its provisions; to the Committee on Education and Labor.

278. A letter from the Assistant Secretary for Economic Affairs, Department of State, transmitting the Battle Act Report of 1966, pursuant to the provisions of the Mutual Defense Assistance Control Act of 1951; to the Committee on Foreign Affairs.

279. A letter from the Comptroller General of the United States transmitting a report of review of geodetic surveying activities within the Federal Government; to the Committee on Government Operations.

280. A letter from the Deputy Assistant Secretary of the Interior transmitting a proposed concession contract authorizing the operation of medical facilities and maintain a general medical practice in five areas of Yellowstone National Park, pursuant to the provisions of 70 Stat. 543; to the Committee on Interior and Insular Affairs.

281. A letter from the Secretary, Department of Health, Education, and Welfare, transmitting the fifth annual report on the problem of air pollution caused by motor vehicles, and measures taken toward its alleviation, pursuant to the provisions of Public Law 87-272; to the Committee on Interstate and Foreign Commerce.

282. Secretary-Treasurer, Congressional Medal of Honor Society, United States of America, transmitting the annual financial report of the society for the calendar year 1966, pursuant to the provisions of Public Law 88-504; to the Committee on the Judiciary.

283. A letter from the Postmaster General, transmitting a report of the estimated amount of losses or costs (or percentage of costs) incurred by the postal service in the performance of public services during fiscal year 1967, pursuant to the provisions of Public Law 87-793; to the Committee on Post Office and Civil Service.

284. A letter from the Comptroller General of the United States transmitting a report concerning positions in the U.S. General Accounting Office in grades GS-16, GS-17, and GS-18, during calendar year 1966, pursuant to the provisions of 5 U.S.C. 5114; to the Committee on Post Office and Civil Service.

285. A letter from the Administrator, National Aeronautics and Space Administration transmitting a report indicating proposed actions to conduct certain programs at levels in excess of those authorized, pursuant to the provisions of 80 Stat. 336; to the Committee on Science and Astronautics.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO:

H.R. 3890. A bill to require all insured banks to clear checks at par; to the Committee on Banking and Currency.

H.R. 3891. A bill making Columbus Day a legal holiday; to the Committee on the Judiciary.

By Mr. ASPINALL:

H.R. 3892. A bill to permit States or other duly constituted taxing authorities to subject persons to liability for payment of property taxes on property located in Federal areas within such States under specified conditions; to the Committee on Interior and Insular Affairs.

By Mr. BARING:

H.R. 3893. A bill to establish certain policies with respect to certain use permits for national forest lands; to the Committee on Agriculture.

By Mr. BERRY:

H.R. 3894. A bill to prohibit desecration of the flag; to the Committee on the Judiciary.

H.R. 3895. A bill to amend title II of the Social Security Act to provide an 8-percent across-the-board benefit increase, with subsequent benefit increases based on rises in the cost of living, and to amend the Internal Revenue Code of 1954 to provide for such tax increases as may be necessary to finance any of such benefit increases; to the Committee on Ways and Means.

By Mr. BOGGS:

H.R. 3896. A bill to provide for the control of mosquitoes and mosquito vectors of human disease through research, technical assistance, and grants-in-aid for control projects; to the Committee on Interstate and Foreign Commerce.

By Mr. BROOMFIELD:

H.R. 3897. A bill to amend title II of the Social Security Act to increase the amount of outside income which a widow who has minor children, and is entitled to mother's insurance benefits, may earn without suffering deductions from the benefits to which

she is entitled thereunder; to the Committee on Ways and Means.

H.R. 3898. A bill to amend title II of the Social Security Act to increase the amount of outside earnings permitted without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. BURTON of California:

H.R. 3899. A bill to amend section 407 of the Social Security Act to extend for 5 years the existing temporary authority to provide aid to families with dependent children in cases where the parent is unemployed; to the Committee on Ways and Means.

By Mr. BYRNE of Pennsylvania:

H.R. 3900. A bill to authorize the Secretary of the Interior to acquire certain property of the New Amsterdam Casualty Co. for inclusion in the Independence National Historical Park, Philadelphia, Pa.; to the Committee on Interior and Insular Affairs.

H.R. 3901. A bill to amend title 18 of the United States Code to provide for the greater protection of the President and Vice President of the United States, and for other purposes; to the Committee on the Judiciary.

H.R. 3902. A bill to extend the application of the Classification Act of 1949 to certain positions in, and employees of, the executive branch of the Government; to the Committee on Post Office and Civil Service.

H.R. 3903. A bill to amend the Internal Revenue Code of 1954 to provide that pensions paid to retired law enforcement officers shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. CAREY:

H.R. 3904. A bill to amend the Internal Revenue Code of 1954 to provide that servicemen traveling on leave, furlough, or pass shall be exempt from the excise tax on transportation by air; to the Committee on Ways and Means.

By Mr. CLEVELAND:

H.R. 3905. A bill to amend title II of the Social Security Act to increase from $1,500 to $2,400 (or $3,600 in the case of a widow with minor children) the amount of outside earnings permitted each year without deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. COHELAN:

H.R. 3906. A bill to permit the city of Oakland, Calif., to count certain land acquisition costs as part of the development cost of a proposed facility for purposes of the neighborhood facility grant program; to the Committee on Banking and Currency.

By Mr. DANIELS:

H.R. 3907. A bill to amend the Disaster Relief Act of 1966 to provide for a national program of flood insurance; to the Committee on Public Works.

By Mr. DELLENBACK:

H.R. 3908. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Merlin division, Rogue River Basin project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

H.R. 3909. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Illinois Valley division, Rogue River Basin project, Oregon, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DONOHUE:

H.R. 3910. A bill to amend the Older Americans Act of 1965 to provide for an older Americans community service program; to the Committee on Education and Labor.

H.R. 3911. A bill to establish a National Commission on Public Management, and for other purposes; to the Committee on Government Operations.

H.R. 3912. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act for the purpose of strengthening and facilitating mutual cooperation and assistance, including training of personnel, in the administration and enforcement of that act and of State and local laws relating to food, drugs, devices, or cosmetics, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3913. A bill to protect the public health by amending the Federal Food, Drug, and Cosmetic Act so as to improve the safety and reliability of drugs; to the Committee on Interstate and Foreign Commerce.

H.R. 3914. A bill to amend section 329 of the Immigration and Nationality Act to provide for the naturalization of persons through active-duty service in the Armed Forces of the United States in Vietnam during combatant activities in Vietnam; to the Committee on the Judiciary.

H.R. 3915. A bill to amend title 18 of the United States Code to make the robbery of a cooperative bank, which is a member of the Federal home loan bank, a crime; to the Committee on the Judiciary.

H.R. 3916. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

H.R. 3917. A bill to amend the Internal Revenue Code of 1954 to provide that any unmarried person who maintains his or her own home shall be entitled to be taxed at the rate provided for the head of a household; to the Committee on Ways and Means.

By Mr. GIBBONS:

H.R. 3918. A bill to authorize the establishment of the Biscayne National Monument in the State of Florida, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HANSEN of Idaho:

H.R. 3919. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the southwest Idaho water development project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HARVEY:

H.R. 3920. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

H.R. 3921. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to employers for the expenses of providing training programs for employees and prospective employees; to the Committee on Ways and Means.

By Mr. HELSTOSKI:

H.R. 3922. A bill to incorporate Pop Warner Little Scholars, Inc.; to the Committee on the Judiciary.

H.R. 3923. A bill to amend the Disaster Relief Act of 1966 to provide for a national program of flood insurance; to the Committee on Public Works.

By Mr. HICKS:

H.R. 3924. A bill to exempt from the interest equalization tax certain acquisitions made before the enactment of the Interest Equalization Tax Act; to the Committee on Ways and Means.

By Mr. LANGEN:

H.R. 3925. A bill to prohibit mutilation and desecration of the national flag; to the Committee on the Judiciary.

By Mr. McCARTHY:

H.R. 3926. A bill to provide that Columbus Day shall be a legal holiday for officers and employees of the United States in each State in which such day is designated as a legal State holiday; to the Committee on the Judiciary.

By Mr. McMILLAN:

H.R. 3927. A bill to amend the Fair Labor Standards Act of 1938 to exclude from that act's minimum wage coverage persons employed in agriculture; to the Committee on Education and Labor.

By Mr. MACHEN:

H.R. 3928. A bill to amend the Civil Service Retirement Act, as amended, to provide that accumulated sick leave be credited to the retirement fund or that the individual be reimbursed; to the Committee on Post Office and Civil Service.

By Mr. MILLS:

H.R. 3929. A bill to amend the Watershed Protection and Flood Prevention Act, as amended; to the Committee on Agriculture.

By Mr. MINISH:

H.R. 3930. A bill to incorporate the Catholic War Veterans of the United States of America; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 3931. A bill to amend the act of April 3, 1952; to the Committee on the District of Columbia.

By Mr. OLSEN:

H.R. 3932. A bill to amend the Disaster Relief Act of 1966 to provide for a national program of flood insurance; to the Committee on Public Works.

By Mr. PATTEN:

H.R. 3933. A bill to promote the advancement of science and the education of scientists through a national program of institutional grants to the colleges and universities of the United States; to the Committee on Science and Astronautics.

By Mr. PEPPER:

H.R. 3934. A bill to amend the International Travel Act of 1961 in order to promote travel in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Illinois:

H.R. 3935. A bill to amend title II of the Social Security Act to eliminate the reduction in disability insurance benefits which is presently required in the case of an individual receiving workmen's compensation benefits; to the Committee on Ways and Means.

By Mr. RHODES of Arizona:

H.R. 3936. A bill to provide that chief judges of circuits and chief judges of district courts shall cease to serve as such upon reaching the age of 66; to the Committee on the Judiciary.

By Mr. ROBERTS:

H.R. 3937. A bill to amend title 38 of the United States Code to eliminate certain requirements for the furnishing of nursing home care in the case of veterans hospitalized by the Veterans' Administration in Alaska or Hawaii; to the Committee on Veterans' Affairs.

By Mr. RYAN:

H.R. 3938. A bill making a supplemental appropriation to carry out the Economic Opportunity Act of 1964 during the fiscal year ending June 30, 1967; to the Committee on Appropriations.

H.R. 3939. A bill to amend titles 10 and 37 of the United States Code to permit members of the Armed Forces to provide for their dependents in certain circumstances; to the Committee on Armed Services.

By Mr. TEAGUE of Texas:

H.R. 3940. A bill to restrict imports of dairy products; to the Committee on Ways and Means.

By Mr. UTT:

H.R. 3941. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. WALKER:

H.R. 3942. A bill to amend the Disaster Relief Act of 1966 to provide for a national program of flood insurance; to the Committee on Public Works.

By Mr. WHITTEN:

H.R. 3943. A bill to amend the Appalachian Act of 1965; to the Committee on Public Works.

By Mr. ADAMS:

H.R. 3944. A bill to amend the Indian Claims Commission Act of 1946, as amended; to the Committee on Interior and Insular Affairs.

By Mr. BLANTON:

H.R. 3945. A bill to authorize the conveyance of certain lands owned by the United States to the State of Tennessee for the use

of Memphis State University, Memphis, Tenn.; to the Committee on Veterans' Affairs.

By Mr. COLLIER:

H.R. 3946. A bill to amend title II of the Social Security Act to provide an 8-percent, across-the-board benefit increase, and subsequent increases based on rises in the cost of living; to the Committee on Ways and Means.

By Mr. CURTIS:

H.R. 3947. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

H.R. 3948. A bill to amend the Internal Revenue Code of 1954 to permit a taxpayer to deduct (as trade or business expenses) the expenses of travel, meals, and lodging while employed away from his regular place of abode; to the Committee on Ways and Means.

H.R. 3949. A bill to allow a deduction for income tax purposes, in the case of a disabled individual, of expenses for transportation to and from work; to the Committee on Ways and Means.

By Mr. DE LA GARZA:

H.R. 3950. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 3951. A bill to preserve the domestic gold mining industry and to increase the domestic production of gold; to the Committee on Interior and Insular Affairs.

By Mr. DOLE:

H.R. 3952. A bill to amend chapter 15 of title 38, United States Code in order to increase by 20 percent the income limitations imposed by that chapter on persons entitled to pensions thereunder; to the Committee on Veterans' Affairs.

H.R. 3953. A bill to amend title II of the Social Security Act to provide cost-of-living increases in the benefits payable thereunder; and to provide that any such increases shall not be considered as income for purposes of determining eligibility for pension under title 38 of the United States Code (veterans' benefits); to the Committee on Ways and Means.

By Mr. DULSKI:

H.R. 3954. A bill to amend title 39, United States Code, to prohibit the mailing of unsolicited sample drug products and other potentially harmful items, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 3955. A bill to amend title 38 of the United States Code to increase the entitlement period for educational assistance; to the Committee on Veterans' Affairs

By Mr. DUNCAN:

H.R. 3956. A bill to protect the domestic economy, to promote the general welfare, and to assist in the national defense by providing for an adequate supply of lead and zinc for consumption in the United States from domestic and foreign sources, and for other purposes; to the Committee on Ways and Means.

H.R. 3957. A bill to strengthen State and local governments, to provide the States with additional financial resources to improve elementary and secondary education by returning a portion of the Federal revenue to the States; to the Committee on Ways and Means.

By Mr. ERLENBORN:

H.R. 3958. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. EVERETT (by request):

H.R. 3959. A bill to liberalize the provisions for payment of the $5,000 death gratuity; to the Committee on Veterans' Affairs.

By Mr. FINO:

H.R. 3960. A bill to authorize the chartering of organizations to insure conventional mortgage loans, to authorize the creation of secondary market organizations for conventional and other mortgage loans, to authorize the issuance of debentures upon the security of insured or guaranteed mortgages, and to create a joint supervisory board to charter and examine such organizations, and for other purposes; to the Committee on Banking and Currency.

By Mr. FULTON of Tennessee:

H.R. 3961. A bill to amend title 32, United States Code, to clarify the status of National Guard technicians, and for other purposes, effective January 1, 1967; to the Committee on Armed Services.

By Mr. HALL:

H.R. 3962. A bill to amend title II of the Social Security Act to provide an 8-percent, across-the-board benefit increase, and subsequent increases based on rises in the cost of living; to the Committee on Ways and Means.

By Mr. JOELSON:

H.R. 3963. A bill to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extensions of credit; to the Committee on Banking and Currency.

H.R. 3964. A bill to establish a National Economic Conversion and Diversification Commission, and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 3965. A bill to provide for construction of a protective glass screen in the spectators galleries of the House of Representatives; to the Committee on Public Works.

H.R. 3966. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer supporting a dependent who is mentally retarded; to the Committee on Ways and Means.

By Mr. KUYKENDALL:

H.R. 3967. A bill to authorize the conveyance of certain lands owned by the United States to the State of Tennessee for the use of Memphis State University, Memphis, Tenn.; to the Committee on Veterans' Affairs.

By Mr. KING of California:

H.R. 3968. A bill to authorize the transfer of a vessel to the Los Angeles Unified School District for nontransportation use in the training of merchant marine personnel; to the Committee on Merchant Marine and Fisheries.

H.R. 3969. A bill to amend title V of the Social Security Act to provide a grant-in-aid program to assist the States in furnishing aid and services with respect to children under foster care; to the Committee on Ways and Means.

By Mr. LIPSCOMB:

H.R. 3970. A bill to amend title II of the Social Security Act to provide an 8-percent across-the-board benefit increase, and subsequent increases based on rises in the cost of living; to the Committee on Ways and Means.

By Mr. McCLURE:

H.R. 3971. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the southwest Idaho water development project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. McMILLAN (by request):

H.R. 3972. A bill to enable the District of Columbia to participate in the health and medical assistance benefits made available by the Social Security Amendments of 1965, and for other purposes; to the Committee on the District of Columbia.

H.R. 3973. A bill to amend the Healing Arts Practice Act, District of Columbia, 1928, as amended, and the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, as amended, to exempt from licensing thereunder physicians and dentists; to the Committee on the District of Columbia.

By Mr. MACGREGOR:

H.R. 3974. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. MACHEN:

H.R. 3975. A bill to amend titles 10 and 37, United States Code, to provide career incentives for certain professionally trained officers of the Armed Forces; to the Committee on Armed Services.

H.R. 3976. A bill to amend title 5, United States Code, with respect to court leave for Government employees appearing as witnesses on behalf of a State in any judicial proceeding, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MATSUNAGA:

H.R. 3977. A bill to amend section 212(b) of the Immigration and Nationality Act to exempt from the literacy requirement of section 212(a)(25) certain additional relatives of U.S. citizens and permanent resident aliens; to the Committee on the Judiciary.

H.R. 3978. A bill to amend section 331 of title 46 of the United States Code; to the Committee on Merchant Marine and Fisheries.

H.R. 3979. A bill to amend section 6409(b)(1) of title 39, United States Code, which relates to transportation compensation paid by the Postmaster General; to the Committee on Post Office and Civil Service.

By Mrs. MINK:

H.R. 3980. A bill to amend the Internal Revenue Code of 1954 to provide an additional personal exemption for a taxpayer who is a student; to the Committee on Ways and Means.

By Mr. O'KONSKI:

H.R. 3981. A bill to amend subsection 1331 (c) of title 10, United States Code, and for other purposes; to the Committee on Armed Services.

H.R. 3982. A bill to amend section 409 of title 37, United States Code, relating to the transportation of house trailers and mobile dwellings of members of the uniformed services; to the Committee on Armed Services.

H.R. 3983. A bill to provide for the establishment of the St. Croix National Scenic Waterway in the States of Minnesota and Wisconsin and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. OLSEN:

H.R. 3984. A bill to amend the Civil Service Retirement Act to increase the annuities of Federal employees engaged in hazardous duties; to the Committee on Post Office and Civil Service.

By Mr. O'NEILL of Massachusetts:

H.R. 3985. A bill to amend the Public Health Service Act to provide for the establishment of a National Eye Institute in the National Institutes of Health; to the Committee on Interstate and Foreign Commerce.

H.R. 3986. A bill to amend title 39, United States Code, to prohibit the mailing of unsolicited sample drug products and other potentially harmful items, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 3987. A bill to amend title 38 of the United States Code to remove the income limitations for purpose of receiving pensions for veterans who are over 70 years of age; to the Committee on Veterans' Affairs.

H.R. 3988. A bill to amend the war orphans' educational assistance program of title 38, United States Code, to extend to wives of veterans who are permanently and totally disabled as a result of a service-connected disability and to widows of veterans who died of service-connected disability the same educational benefits which are provided for war orphans; to the Committee on Veterans' Affairs.

H.R. 3989. A bill to amend the Internal Revenue Code of 1954 with respect to the tax treatment of payments under retirement plans of certain exempt organizations; to the Committee on Ways and Means.

H.R. 3990. A bill to amend the Internal Revenue Code of 1954 to provide an additional income tax exemption for a taxpayer or spouse who has had a laryngectomy; to the Committee on Ways and Means.

H.R. 3991. A bill to amend the Internal Revenue Code of 1954 to allow teachers to deduct from gross income the expenses incurred in pursuing courses for academic credit and degrees at institutions of higher education and including certain travel; to the Committee on Ways and Means.

H.R. 3992. A bill to amend title II of the Social Security Act to permit States, under Federal-State agreements, to provide for coverage for hospital insurance benefits for the aged for certain State and local employees whose services are not otherwise covered by the insurance system established by such title; to the Committee on Ways and Means.

H.R. 3993. A bill to amend the Federal Firearms Act; to the Committee on Ways and Means.

H.R. 3994. A bill to amend titles I, IV, X, XVI, XVIII, and XIX of the Social Security Act to require that drugs provided by, or under programs receiving Federal financial assistance pursuant to such titles, must be prescribed and furnished on a nonproprietary or generic basis; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 3995. A bill to amend the Internal Revenue Code of 1954 to authorize an incentive tax credit allowable with respect to facilities to control water and air pollution, to encourage the construction of such facilities, and to permit the amortization of the cost of constructing such facilities within a period of from 1 to 5 years; to the Committee on Ways and Means.

By Mr. REUSS:

H.R. 3996. A bill to reserve certain public lands for a national scenic rivers system, to provide a procedure for adding additional public lands and other lands to the system, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. RUMSFELD:

H.R. 3997. A bill to establish a National Commission on Public Management, and for other purposes; to the Committee on Government Operations.

By Mr. SCHEUER:

H.R. 3998. A bill to establish a National Institute for Crime Prevention and Control; to the Committee on the Judiciary.

By Mr. SLACK:

H.R. 3999. A bill to amend the Internal Revenue Code of 1954 to authorize an incentive tax credit allowable with respect to facilities to control water and air pollution, to encourage the construction of such facilities, and to permit the amortization of the cost of constructing such facilities within a period of from 1 to 5 years; to the Committee on Ways and Means.

By Mr. TEAGUE of Texas:

H.R. 4000. A bill to change the period of eligibility under the war orphans' educational assistance program of title 38 of the United States Code from the period between an eligible person's 18th and 23d birthdays to the period between his 18th and 26th birthdays; to the Committee on Veterans' Affairs.

By Mr. UTT:

H.R. 4001. A bill to provide for the striking of medals in commemoration of the 200th anniversary of the founding of San Diego; to the Committee on Banking and Currency.

By Mr. VAN DEERLIN:

H.R. 4002. A bill to provide for the striking of medals in commemoration of the 200th anniversary of the founding of San Diego; to the Committee on Banking and Currency.

By Mr. BOB WILSON:

H.R. 4003. A bill to provide for the striking of medals in commemoration of the 200th anniversary of the founding of San Diego; to the Committee on Banking and Currency.

By Mr. MOSS:

H.R. 4004. A bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ADDABBO:

H.R. 4005. A bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. EILBERG:

H.R. 4006. A bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FARBSTEIN:

H.R. 4007. A bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. ROSENTHAL:

H.R. 4008. A bill to establish a Federal Motor Vehicle Insurance Guaranty Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of Pennsylvania:

H.J. Res. 218. Joint resolution to authorize the President to designate Philadelphia, Pa., as the site of a world's fair commemorating the 200th anniversary of the signing of the Declaration of Independence; to the Committee on Foreign Affairs.

H.J. Res. 219. Joint resolution proposing an amendment to the Constitution of the United States relating to succession to the Presidency and Vice-Presidency and to cases where the President is unable to discharge the powers and duties of his office; to the Committee on the Judiciary.

By Mr. CLARK:

H.J. Res. 220. Joint resolution proposing an amendment to the Constitution of the United States relative to equal rights for men and women; to the Committee on the Judiciary.

By Mr. DANIELS:

H.J. Res. 221. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. DERWINSKI:

H.J. Res. 222. Joint resolution relating to U.S. diplomatic relations with the Republics of Ukraine and Byelorussia; to the Committee on Foreign Affairs.

By Mr. DUNCAN:

H.J. Res. 223. Joint resolution proposing an amendment to the Constitution of the United States; to the Committee on the Judiciary.

By Mr. PRICE of Texas:

H.J. Res. 224. Joint resolution proposing an amendment to the Constitution of the United States with respect to the offering of prayer in public buildings; to the Committee on the Judiciary.

By Mr. ERLENBORN:

H. Con. Res. 89. Concurrent resolution to provide early appropriations for Federal educational programs; to the Committee on Rules.

By Mr. HANNA:

H. Con. Res. 90. Concurrent resolution concerning a World Farm Center; to the Committee on Agriculture.

By Mr. ANDREWS of North Dakota:

H. Con. Res. 91. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. BATTIN:

H. Con. Res. 92. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. BERRY:

H. Con. Res. 93. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. BURKE of Florida:

H. Con. Res. 94. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. DENNEY:

H. Con. Res. 95. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. DOLE:

H. Con. Res. 96. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. ESCH:

H. Con. Res. 97. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. FINDLEY:

H. Con. Res. 98. Concurrent resolution expressing the sense of Congress that in the public interest the administration should

(1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. HARRISON:

H. Con. Res. 99. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. KLEPPE:

H. Con. Res. 100. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. MATHIAS of California:

H. Con. Res. 101. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. MIZE:

H. Con. Res. 102. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. MYERS:

H. Con. Res. 103. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. NELSEN:

H. Con. Res. 104. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. PRICE of Texas:

H. Con. Res. 105. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. SHRIVER:

H. Con. Res. 106. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. SKUBITZ:

H. Con. Res. 107. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. SMITH of Oklahoma:

H. Con. Res. 108. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. WINN:

H. Con. Res. 109. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. WYMAN:

H. Con. Res. 110. Concurrent resolution expressing the sense of Congress that in the public interest the administration should (1) cease and desist in its efforts to enforce selective economic discrimination against American farmers and ranchers by deliberately depressing farm prices, and (2) use the various legislative authorities at its disposal to improve and enhance farm prices in order to build a strong and viable market economy for agriculture, the cornerstone of American and free world prosperity; to the Committee on Agriculture.

By Mr. BUTTON:

H. Res. 184. Resolution creating a select committee of the House to study the problems of urban areas; to the Committee on Rules.

H. Res. 185. Resolution to amend the Rules of the House of Representatives to create a standing committee to be known as the Committee on Urban Affairs; to the Committee on Rules.

By Mr. DOWNING:

H. Res. 186. Resolution creating a Select Committee on Standards and Conduct; to the Committee on Rules.

By Mr. CUNNINGHAM:

H. Res. 187. Resolution amending the Rules of the House of Representatives to allow televising and broadcasting of proceedings in the Hall of the House; to the Committee on Rules.

H. Res. 188. Resolution to amend the Rules of the House of Representatives to provide for the broadcasting by radio and television of the hearings conducted by standing committees of the House; to the Committee on Rules.

By Mr. LANDRUM:

H. Res. 189. Resolution to abolish the Committee on Education and Labor, and to create a new Committee on Education and a new Committee on Labor; to the Committee on Rules.

By Mr. LIPSCOMB:

H. Res. 190. Resolution creating a select committee to conduct a study of the fiscal organization and procedures of the Congress; to the Committee on Rules.

By Mr. O'HARA of Illinois:

H. Res. 191. Resolution for printing 2,000 additional copies of parts II and III of "United States-South African Relations" for use of the Committee on Foreign Affairs; to the Committee on House Administration.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 4009. A bill for the relief of Emerson Vinuya Reyes and his wife, Violeta Sandoval Tabernilla Reyes; to the Committee on the Judiciary.

H.R. 4010. A bill for the relief of Virginia Doronio Anulacion; to the Committee on the Judiciary.

By Mr. ANDERSON of Illinois:

H.R. 4011. A bill for the relief of Branko Cule; to the Committee on the Judiciary.

H.R. 4012. A bill for the relief of Antonios Koklas; to the Committee on the Judiciary.

H.R. 4013. A bill for the relief of Bozidar Racic; to the Committee on the Judiciary.

H.R. 4014. A bill for the relief of Merickston L. Nicholson; to the Committee on the Judiciary.

By Mr. ASHMORE:

H.R. 4015. A bill for the relief of T. Michael Smith; to the Committee on the Judiciary.

By Mr. AYRES:

H.R. 4016. A bill for the relief of Consuelo Guia Ramoso; to the Committee on the Judiciary.

H.R. 4017. A bill for the relief of Chi Koo Pyun and Pong Sun Kim; to the Committee on the Judiciary.

By Mr. BRASCO:

H.R. 4018. A bill for the relief of Venovia Anthony; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 4019. A bill for the relief of Thiak Hui Lor; to the Committee on the Judiciary.

H.R. 4020. A bill for the relief of Miss Maria do Vau Machado; to the Committee on the Judiciary.

By Mr. BYRNE of Pennsylvania:

H.R. 4021. A bill for the relief of the O'Brien Dieselectric Corp.; to the Committee on the Judiciary.

By Mr. CAREY:

H.R. 4022. A bill for the relief of Mrs. Margaret G. Bremner; to the Committee on the Judiciary.

By Mr. COHELAN:

H.R. 4023. A bill for the relief of Rafaela Lorono; to the Committee on the Judiciary.

By Mr. COLLIER (by request):

H.R. 4024. A bill for the relief of Herbert L. Johnston; to the Committee on the Judiciary.

By Mr. CONABLE:

H.R. 4025. A bill for the relief of Miss Yolanda Bolling; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 4026. A bill for the relief of Mrs. Vanda Paolini and Carla Paolini; to the Committee on the Judiciary.

H.R. 4027. A bill for the relief of Mrs. Zoe Stavropoulos; to the Committee on the Judiciary.

H.R. 4028. A bill for the relief of Gaetano Cappello; to the Committee on the Judiciary.

H.R. 4029. A bill for the relief of Vito Cangialosi; to the Committee on the Judiciary.

By Mr. DICKINSON:

H.R. 4030. A bill for the relief of Yong Chin Sager; to the Committee on the Judiciary.

By Mr. DONOHUE:

H.R. 4031. A bill for the relief of George P. Panagiotopoulos; to the Committee on the Judiciary.

H.R. 4032. A bill for the relief of Carlo Bianchi & Co., Inc.; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4033. A bill for the relief of Anna Montalto; to the Committee on the Judiciary.

H.R. 4034. A bill for the relief of Francesco Biondo; to the Committee on the Judiciary.

H.R. 4035. A bill for the relief of Luciano Ferrarello; to the Committee on the Judiciary.

H.R. 4036. A bill for the relief of Pietro Ingoglia; to the Committee on the Judiciary.

H.R. 4037. A bill for the relief of Giuseppe Giallo; to the Committee on the Judiciary.

H.R. 4038. A bill for the relief of Carmine Buffolino; to the Committee on the Judiciary.

H.R. 4039. A bill for the relief of Natalino Colatosti; to the Committee on the Judiciary.

H.R. 4040. A bill for the relief of Biagio Colatosti; to the Committee on the Judiciary.

H.R. 4041. A bill for the relief of Giuseppe Esposito; to the Committee on the Judiciary.

H.R. 4042. A bill for the relief of Angelo Fullone; to the Committee on the Judiciary.

By Mr. GROVER:

H.R. 4043. A bill for the relief of Stefania Wtodarska; to the Committee on the Judiciary.

H.R. 4044. A bill for the relief of Dr. Incarangal Alzona Naval; to the Committee on the Judiciary.

H.R. 4045. A bill for the relief of Antonino Bellavia; to the Committee on the Judiciary.

By Mrs. HECKLER of Massachusetts (by request):

H.R. 4046. A bill for the relief of Nino and Maria Theresa Vespa; to the Committee on the Judiciary.

By Mr. KING of California:

H.R. 4047. A bill for the relief of Phillip Mazzella and his minor children, Michele Mazzella and Libera Maria Mazzella; to the Committee on the Judiciary.

H.R. 4048. A bill for the relief of Miguel Vargas Diaz and his wife, Eva Almazon Diaz; to the Committee on the Judiciary.

By Mr. LONG of Maryland:

H.R. 4049. A bill for the relief of Anthony Di Russo; to the Committee on the Judiciary.

By Mrs. MINK:

H.R. 4050. A bill for the relief of Chi Wei (Austin) Shu; to the Committee on the Judiciary.

By Mr. MONAGAN:

H.R. 4051. A bill for the relief of Mrs. Maria Rossi Pacifico; to the Committee on the Judiciary.

By Mr. MORRIS of New Mexico:

H.R. 4052. A bill for the relief of Dr. Mohamad Ali Rajaee and wife, Mrs. Parvin (Ghaziaskar) Rajaee; to the Committee on the Judiciary.

H.R. 4053. A bill for the relief of Arun Kumar Pattni; to the Committee on the Judiciary.

H.R. 4054. A bill for the relief of Eloy C. Navarro; to the Committee on the Judiciary.

H.R. 4055. A bill for the relief of the estate of Newton Watson; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 4056. A bill for the relief of Kyu Whan Whang and spouse, nee Young Won Lee; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 4057. A bill for the relief of Moy Woon Man; to the Committee on the Judiciary.

H.R. 4058. A bill for the relief of JE-IL Brick Co.; to the Committee on the Judiciary.

H.R. 4059. A bill for the relief of Hom Siu (King) Wong and Lim Chung Huo Wong; to the Committee on the Judiciary.

H.R. 4060. A bill for the relief of Owen C. Boyle; to the Committee on the Judiciary.

By Mr. RAILSBACK:

H.R. 4061. A bill for the relief of Ricardo Magsalin Eduvas; to the Committee on the Judiciary.

By Mr. ROYBAL:

H.R. 4062. A bill for the relief of Ngon Suey Wong; to the Committee on the Judiciary.

H.R. 4063. A bill for the relief of Michael Valle Velasquez; to the Committee on the Judiciary.

By Mr. SIKES:

H.R. 4064. A bill for the relief of Agnes C. Stowe; to the Committee on the Judiciary.

By Mr. SMITH of California:

H.R. 4065. A bill for the relief of Mrs. Jasmine T. Boyd; to the Committee on the Judiciary.

H.R. 4066. A bill for the relief of Carmela Asero Gelardi; to the Committee on the Judiciary.

By Mr. TEAGUE of Texas:

H.R. 4067. A bill for the relief of Radomir and Ruzica Mihaljlovic; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 4068. A bill for the relief of Haviv Schieber; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

16. By the SPEAKER: Petition of City Council, Philadelphia, Pa., relative to legislation providing for an orderly and mandatory expansion of the national cemetery system; to the Committee on Interior and Insular Affairs.

17. Also, petition of Henry Stoner, Portland, Oreg., relative to appropriations for the space effort; to the Committee on Science and Astronautics.

18. Also, petition of Mary T. Abbondondolo and Michael Abbondondolo, Glen Head, Long Island, N.Y., relative to their constitutional rights; to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

Colgate University Meets Challenge of Ford Foundation

EXTENSION OF REMARKS

OF

HON. ALEXANDER PIRNIE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1967

Mr. PIRNIE. Mr. Speaker, I am pleased to report that Colgate University in Hamilton, N.Y., has just taken a giant step forward in guaranteeing its future as a leading, independent college of the liberal arts—one of the finest in the Nation.

Three years ago, Colgate President Vincent M. Barnett, Jr., was invited to accept the greatest challenge ever presented to the university in its 150-year history. The Ford Foundation offered Colgate a $2.2 million grant on the condition that the university raise $6.6 million in eligible matching funds before June 30, 1967. That challenge not only was accepted and met, but was exceeded by more than $200,000, 6 months before the deadline. That is a significant and impressive accomplishment of which everyone associated with the endeavor should be justifiably proud.

This is but a portion of an overall success story at Colgate. With support coming from many and varied sources, including several Federal grants, the university to date has raised $16 million toward a $23 million 5-year goal which is expected to be reached by 1969, Colgate's sesquicentennial anniversary.

The future of higher education in America depends, in large measure, upon the continued success and growth of the independent colleges. It is with this thought in mind, coupled with my particular interest in this fine university that lies within the district I am privileged to represent in the Congress, that I commend Colgate and give well-deserved praise to its family of supporters.

Fine Arts Center Created in Anderson, Ind.

EXTENSION OF REMARKS

OF

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1967

Mr. ROUSH. Mr. Speaker, the cultural accomplishment of Anderson, Ind., should be acclaimed as an inspiration to similar U.S. communities. This primarily industrial city of 65,000 people has illustrated that efforts to improve a city's

cultural environment are not just the concern of larger, more resourceful metropolitan cities. With great pride, Andersonians recently held an inaugural opening for their fine arts center.

The materialization of this center is a praiseworthy accomplishment not only for its potential value to all Hoosiers but also for the communitywide motivation which inspired its birth. No one patron family initiated and supported this project. Private citizens were able to maintain a spirit dedicated to the establishment of a permament facility for the presentation of a variety of artistic programs.

This objective was realized on January 15, 1967, when the center's inaugural exhibition entitled "The First Hundred Years of Indiana Painting" brought art history to Andersonians. Anderson people hope that their fine arts center will become a major contributor to the cultural revival of the Midwest.

I would like to see more cities the size of Anderson take an interest in stimulating private community support for the establishment of cultural centers. Cultural revitalization need not be solely a big city phenomena. Cultural growth of our less sophisticated cities not located in a metropolitan complex can keep pace with the more immediate local campaigns as the war on poverty and urban renewal.

Anderson, Ind., has proven that community dedication can produce a permament cultural contribution to the local modernization program.

ABC-ITT Merger: The Justice Delay Is Justice Denied

EXTENSION OF REMARKS

OF

HON. THOMAS M. PELLY

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1967

Mr. PELLY. Mr. Speaker, I would like to comment today on the recent action taken by the Justice Department and in particular the Antitrust Division in opposition to the Federal Communications Commission's approval of the merger between American Broadcasting Co. and International Telephone & Telephone Co.

At the outset let me make it absolutely clear that I believe that the Justice Department should actively and most vigorously police the antitrust laws of this Nation.

On the other hand, I am sure that many Members of Congress are familiar with the background of this merger. The FCC has spent almost 1 year studying the proposal while the Justice Department has spent over a year investigating the ramifications and effects of the merger.

In this connection the FCC considered all the facts of this case, and operating under the rules and regulations set forth by the Congress, carried out its obligations in a proper manner. Public hearings were duly held before the entire Commission, during the course of which hearings, the Justice Department elected to remain aloof. It did not participate. It was given every opportunity to voice its opinion, and it elected not to do so.

However, it is also a fact that no other interested parties voiced any objections to this merger. Now, in an 11th-hour move, the Justice Department has suddenly intervened, completely ignoring what seemed to be the evidence. The question in my mind is why and under what prompting did the Justice Department suddenly decide on a change of course. Why did the Department wait until the FCC had rendered its decision before it attempted to block this merger?

It has long been my feeling that the purpose of the antitrust laws was to assure competition rather than to stifle it in any respect.

It seems to me that the action of the FCC in approving the merger was to make it possible for a third network, ABC, which until now has had difficulting in competing with the giants, National Broadcasting Co. and Columbia Broadcasting System, to merge with a large company, acquiring able management, a better corporate structure, and putting the corporation in a position where it could more effectively compete. It is generally believed that at this time ABC is not in any position to give effective competition to CBS, much less NBC.

To me, the action of the Justice Department is ill advised and contrary to public interest. I would suggest, Mr. Speaker, that if the Justice Department has any new and pertinent information concerning this merger, it make its information available at once. But to try and stifle the principles of free enterprise is subject to the strongest criticism.

Fino Introduces Bill To Set Up Secondary Mortgage Market Facilities

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1967

Mr. FINO. Mr. Speaker, today I am introducing legislation to authorize the Federal chartering and supervision of private corporations to create a private secondary mortgage market. One type of corporation would insure conventional residential mortgage loans and the other type of corporation would buy and sell the insured loans. To supervise the corporations, the bill establishes a Federal Joint Supervisory Board of mortgage insurance and marketing corporations.

I think the tight mortgage money market of 1966 has taught us the need for secondary mortgage market facilities to facilitate and when necessary, expand, conventional residential mortgage lending.

The question is "What kind of facility should we set up?" And the question lurking behind all this is "What kind of facility can everybody affected agree on?" For my part, I believe the answer to both questions is the same—two types of Government-chartered corporations, one insuring and one buying and selling conventional mortgage loans. I do not believe we should set the facility up within the Federal Home Loan Bank Board, because such a proposal would alienate some who might see potential favoritism to the thrift institutions. Nor do I think that such an institution ought to be set up in FNMA, because FNMA's new "hock shop," that is, participation sales function, is utterly contrary to any secondary mortgage market function, inasmuch as participations soak up mortgage market money. FNMA should never have been made a "hock shop," but since it has been, it is not the place for the proposed secondary market facility.

I have therefore chosen to introduce the proposal which would set up a Federal Supervisory Board to charter new, independent private corporations to handle the two phases of the secondary mortgage market operation for conventional mortgages. I think that everybody ought to be able to agree on this proposal.

I was glad to note recently that the homebuilders agree with the several banking and thrift institution groups that secondary mortgage market facilities are needed.

The bill I am sponsoring was introduced last year by Senator JOHN SPARKMAN, new chairman of the Senate Banking Committee. I expect that he will hold hearings in the Senate on the secondary market proposals, and I hope that Chairman PATMAN will do the same in the House Banking Committee.

Dairy Production Continues To Decline

EXTENSION OF REMARKS

OF

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1967

Mr. TEAGUE of Texas. Mr. Speaker, as 1966 ended and statistics for the year become available it is apparent that effective steps still have not been taken to reverse the downward trend in milk production. Total milk production for 1966 was estimated at 3 percent less than 1965 and 3 percent less when compared with the 1960–64 average. Production in every month in 1966 was down when compared to 1965 with the exception of November. It is now apparent that the small price increases approved by the Department of Agriculture earlier in the year were insufficient to reverse the downward trend of milk production. The price increases approved by the Department of Agriculture of about 1 cent per quart were immediately doubled by the processors to about 2 or 3 cents per quart and passed on to the consumer. The additional return to dairymen from these small increases has not been sufficient to halt the exodus of dairymen going out of business.

Reports from the Economic Research Services of the U.S. Department of Agriculture on farm costs and returns tell the story. Dairy farmers in the Central Northeast realized a return per hour for the operators and family labor of 60 cents an hour, about half the amount legislated by Congress last year as the minimum legal wage for agricultural employees. Grade A dairy farmers in Wisconsin realized 75 cents an hour return on their own and their family's labor. Grade B dairies in Wisconsin realized only half of this amount—30 cents for the operators and their family labor. The total invested capital in these dairies was from $50,000 to $75,000 and no profit was realized and there was no additional return for management. Obviously we cannot expect, during a period of high employment, the dairyman to work 7 days a week, risk invested capital and apply management skills for returns less than the typical 15-year-old babysitter receives for watching children for a few hours. In fact, a good many mothers would be quick to tell you that reliable babysitters cannot be found for 50 or 60 cents an hour.

During the year there was sharp reaction to increased food prices and the prices of bread, meat, and milk were usually mentioned when the consumer complained. In 1940 a man worked 15 minutes for a quart of milk, but now 8 minutes work will bring in enough money to buy a quart of milk. Consumers pay about 45 cents a quart for soft drinks and 55 cents a quart for beer, but complain about paying 25 cents a quart for milk.

The only decline in the last 3 months in the major elements making up the cost of living index has been for food. Economists are predicting a drop in net farm income in 1967 as compared with 1966. In the face of the depressed condition in the American dairy industry, the country is being flooded with imported butterfat-sugar products. This type of product is designed to evade restrictions against butterfat imports. An effort will be made during this session of Congress to limit these imports. Such action certainly will be in the best interest of the dairy farmer, the consumer and the rural economy. The dairy farmer is subsidizing the American housewife with cheap milk produced at a loss. He cannot be expected to continue this indefinitely. If the American consumer expects to continue to enjoy a dependable supply of wholesome dairy products it is inevitable that a more healthy economic climate for the dairy industry must be created.

H.R. 3803 Seeks To Reduce the Oil Depletion Allowance

EXTENSION OF REMARKS

OF

HON. HERBERT TENZER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1967

Mr. TENZER. Mr. Speaker, on January 25, 1967, I introduced H.R. 3803, a bill to reduce the oil depletion allowance from 27½ percent to 20 percent at the rate of 2½ percent annually over a 3-year period.

The bill also requires the Secretary of the Treasury to reduce the tax allowance by an additional 50 percent whenever he finds that a substantial part of the tax savings has been used to finance mergers with or to purchase companies in unrelated fields.

During the 89th Congress, I introduced an identical bill and I urge my colleagues in the House to call for congressional hearings on this special tax privilege which results in an annual loss of revenue to the U.S. Treasury of nearly $2 billion.

Now in 1967, with the President proposing a 6-percent surtax for individuals and corporations, it is all the more important—I should say urgent—that we do something about the oil depletion allowance in particular and also something about other tax loopholes in general.

Our Federal budget is increasing and our local village, town, city, county, and State budgets are likewise increasing—often to an even greater degree. Plugging the tax loopholes is our way to equalize the tax burdens among the Nation's taxpayers, corporate as well as individuals.

The special privileges under our present tax laws to the oil companies are inequitable and require all other corporations and individuals to carry a greater share of the tax burden than they should be carrying.

It is shocking that the largest oil companies pay a smaller percentage of their net incomes in taxes than small businessmen, workers, and farmers. The man in the lowest tax bracket pays 14 percent of his net income in taxes while in 1965 the 20 largest oil companies paid an average of 6.3 percent of their net incomes in Federal taxes. These companies had a combined net income of more than $5.7 billion, yet paid only $360 million in taxes.

The depletion allowance was originally enacted as an incentive for further exploration in a field with a large risk factor; but as President Kennedy stated in his 1963 tax message to Congress:

> Unintended defects have arisen in the application of the special tax privileges that the Congress has granted to mineral industries, and correction of these defects is required if the existing tax provisions are to operate in a consistent and equitable fashion.

In the 89th Congress we passed a bill to defer the 7-percent investment credit and to postpone the fast writeoff and depreciation of real estate and construction. These incentives were needed when originally enacted to help create jobs, reduce unemployment, encourage construction and provide housing, respectively. I respectfully contend that the incentive to encourage further exploration of oil is not as urgent as the requirement to fill some of our basic human needs and to help reduce the tax burdens upon our citizens.

The following editorial, in which a reference is made to the depletion allowances, appeared in the January 25, 1967, edition of the Long Island Press. I call it to the attention of my colleagues for their consideration:

> THE FEDERAL BUDGET
>
> President Johnson's $135 billion budget for fiscal 1968 is our largest in history, the result of his commitment for both guns and butter—to wage limited war and limited peace at the same time.
>
> A little more than half ($72.3 billion) will go for the guns, $21.9 billion of it for Vietnam. The remainder represents the butter.
>
> As incomprehensible as these huge figures are to ordinary mortals, none of this comes as a surprise—except for little things like a call for an unmanned landing on Mars in 1973 and construction of a third nuclear aircraft carrier.
>
> The remarkable thing is not that the budget is so high, but that it appears quite manageable, considering we are trying to fight a limited, but major war overseas, reach the moon, touch Mars, improve the nation's education, health and welfare and just keep the myriad of governmental wheels turning. In line with the national impatience over the rising federal commitment to non-war spending, the President has not significantly expanded the Great Society programs. Whatever increases he has called for are relatively modest, far below the national need.
>
> What makes this huge adventure in spending possible, of course, is something the viewers-with-alarm fail to consider—that a high rate of prosperity, represented by a $787 billion national output for 1967, means a higher rate of tax collection. And that $787 billion national product represents a $47.5 billion increase over 1966.
>
> Whether this will be enough to avoid those "measures of sacrifice" the President spoke of—notably the 6 percent surcharge on corporation and most personal income taxes—will depend on the course of the war and the state of the economy later this spring.
>
> None of this will stop the outcries for cuts in "non-essential" spending and the usual fears of doom in the deficit. Congress, motivated more by politics than good economics, will energetically go over all this with a fine-tooth comb. We wish them well in their economy hunt. There is always fat to be trimmed.
>
> But while the Congressmen are prowling through the space and anti-poverty budgets with their pruning shears, it would be refreshing to see them devote energy to plugging some tax loopholes as well. Thanks to depletion allowances and the like, for instance, there are a lot of rich people in the oil and cattle business, who chuckle all the way to the bank over the higher taxes that do not touch them. Philip M. Stern, in "The Great Treasury Raid," estimates these loopholes cost the Treasury $40 billion a year, nearly four times what the President's tax increase would bring in over two years.

I believe the House Ways and Means Committee should hold a public hearing on revisions of our tax laws to eliminate inequities such as the oil depletion allowance. This is a year in which Members of Congress will be talking about cutting nonessential spending as a result of the President's request for a 6-percent tax surcharge. I suggest that we also look at loopholes in the tax laws which cost the Treasury billions of dollars. That is why I have reintroduced my bill which would lower the oil depletion allowance by 7½ percent, bringing to the Treasury approximately $500 million per year in additional revenue.

Mr. Speaker, with a greater understanding of the inequity of the oil depletion allowance loopholes there would be greater support for the passage of H.R. 3803. I plan to make available to my colleagues and to my constituents vital

statistics and material on the subject to help bring about a better understanding.

The Address of Congressman A. Sydney Herlong, Jr., Before the American University Conference on Federal Tax Aspects of Nonprofit Organizations

EXTENSION OF REMARKS

OF

HON. GLENN CUNNINGHAM

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, January 26, 1967

Mr. CUNNINGHAM. Mr. Speaker, last week, our distinguished colleague, A. SYDNEY HERLONG, JR., made a significant address before the American University Conference on Federal Tax Aspects of Nonprofit Organizations. Speaking from his vast experience on the Ways and Means Committee, he called for tightening up tax loopholes, particularly in the foundation and tax-exempt advertising fields.

I have previously called the attention of this House to the absurd situation existing in the publishing business where tax-exempt organizations are running increasing amounts of advertising and paying no income tax on their profits. The Treasury Department has had a regulation on this subject before it for a long time. In my opinion, no further time should elapse and that regulation should be issued without further delay.

If there is one thing that my constituents said to me during the last campaign it was that they were prepared to pay their fare share of taxes, but they wanted the loopholes closed up first. I note that the very able gentleman from Florida has had the same experience, and I commend him for the courageous and forthright position he has taken. SYD HERLONG is eminently right, and let us hope that his courage is a forerunner of immediate action by Treasury on the advertising situation.

I appreciate this opportunity to call the attention of the House to the full text of the speech of our very able colleague from Florida:

REMARKS OF CONGRESSMAN A. SYDNEY HERLONG, JR., FOURTH DISTRICT OF FLORIDA, BEFORE THE THIRD ANNUAL AMERICAN UNIVERSITY CONFERENCE ON FEDERAL TAX ASPECTS OF NONPROFIT ORGANIZATIONS, JANUARY 16, 1967

I appreciate the privilege of appearing before this Third Annual Conference on the Federal tax aspects of non-profit organizations. In the American University's pamphlet which announces this conference, it is stated quite clearly that, "rarely has a single subject attracted such broad and concentrated attention from all types of tax-exempt organizations as their current confused tax status."

The invitation for me to appear here was received and accepted some months ago. At the time no one asked me my views on this subject and I can assure you that no one has attempted to influence them in any way since I accepted the invitation. What I have to say may not please all of you, but from the very nature of the invitation I received, I concluded that I was not invited to this American University sponsored forum for the purpose of parroting statements that my audience might wish to hear.

My remarks, therefore, will be in the spirit of academic inquiry and it is in that spirit that I should like to explore for a few moments two phases of tax exemption which I am sure are in the forefront of your minds—one, of course, involves the field of private foundations, the other, so-called tax-exempt advertising. As in most discussions such as this, it is not the use of the tax-exempt feature of our law that creates difficulty, it is the abuses; and as frequently happens, the abuse in this field is the reason for so much confusion.

The 90th Congress will have the opportunity to consider the subject of private foundations. Foundations have received a good deal of attention in the press recently because of the publication, in December, of the Fourth Report of Congressman Wright Patman's foundation investigations. They have also been the subject of continuing interest and comment in a number of different quarters for at least the past several years.

The Ways and Means Committee has pending before it a Report on private foundations prepared by the Treasury Department and submitted to Congress in 1965. The Report is, I understand, based upon a rather extensive Treasury investigation of what private foundations are doing and how the laws which govern them are operating. According to the Report, the Treasury investigations disclosed that serious abuses exist among a substantial minority of private foundations. To cope with those abuses, the Treasury Department recommended six major legislative changes. In general, the recommendations were:

First, that self-dealing practices—that is to say, dealings between foundations, their donors, and related parties—be prohibited.

Second, that rules be adopted to insure prompt flow of foundation income or its equivalent to the support of active charitable enterprises.

Third, that foundations be prevented from owning 20 percent or more of any single business.

Fourth, that charitable deductions be postponed for gifts to foundations of property over which the donors continue to maintain real and effective control.

Fifth, that restrictions be placed upon foundation borrowing for investment purposes, lending, and trading and speculation.

Sixth, that donor control over a foundation be limited to the first 25 years of the foundation's existence.

The Treasury Report illustrates its charges of foundation abuses with a number of specific examples. Without attempting to prejudge any of the issues which the Treasury Department raises, I think that some of those examples are rather striking. Discussing the extent to which some foundations have become involved in competitive business enterprises, the Report mentions one foundation which holds controlling interests in 26 separate corporations, including a large metropolitan newspaper, the largest radio broadcasting station in the state, a life insurance company, a lumber company, several banks, three large hotels, a garage, and a variety of office buildings. According to the Report, another foundation controls 45 separate business enterprises. Included are clothing manufacturing establishments, real estate businesses, retail stores, a hotel, and printing, hardware and jewelry businesses.

Again, illustrating its statement that some foundations have been able to develop very considerable wealth entirely through the manipulation of borrowed funds—without ever securing substantial contributions from the public and without, therefore, ever having to rely upon the community's evaluation of their charitable activities—the Report draws attention to one foundation which began with a capitalization of $1,000 and, entirely through the mechanism of investment borrowing, was able to multiply its net worth within five years to include a 34-acre tract of industrial real estate valued at $1,150,000. Another foundation was organized in 1954 with no funds of its own at all. By 1961 it had incurred indebtedness of more than $14 million in oil and gas dealings, and had annual income of over $68,000.

To facilitate our consideration of the Treasury's recommendations, in the fall of 1965 the Ways and Means Committee requested comments on the Treasury Report from all interested parties. A large volume of comments were received. More than 70 foundations, attorneys and others submitted material to the Committee, and we have published their comments in two volumes.

I have not yet had an opportunity to examine the Treasury recommendations in detail. I note, though, that a number of the country's well-known foundations—including the Ford Foundation, the Danforth Foundation, and the Alfred P. Sloan Foundation—commented favorably. In any event, it seems to me clear that the area is an important one; and I hope very much that the Ways and Means Committee and the Congress will be able to devote full attention to it this year.

In June of last year, Chairman Mills and Representative Byrnes of the House Ways and Means Committee introduced identical bills dealing with the group of problems highlighted and intensified in 1965 by the Supreme Court decision in *Commissioner* v. *Clay Brown, et al.*, which stemmed from investment borrowing by exempt organizations. This legislation was prepared by the staffs of the Joint Committee on Internal Revenue Taxation and the Treasury Department.

In the *Brown* case an organization claiming tax exemption acquired a business by agreeing to pay the former owners a percentage of the future profits of the business until a specified sum had been reached. The exempt organization, making no commitment for payment other than from the assets of the transferred business itself and the income produced by those assets, obtained a business—valued at $1,300,000—entirely without investment of its own funds. Careful and elaborate steps were taken to immunize the business earnings from the present tax on unrelated business income. With three Justices dissenting, the Supreme Court held that the former owners were entitled to report their profits on the transaction as capital gains.

The availability of the tax exemption for use in transactions following the *Brown* pattern, and in other arrangements involving borrowing for investment purposes, has a variety of undesirable consequences, the most important of which is to establish a powerful incentive for the transfer of businesses and other productive property to tax-exempt organizations. In an arrangement under which the entire price is to be financed from the future earnings of the transferred property, exempt organizations are peculiarly suited to pay a substantially higher price than a taxable entity could afford. They can, in effect, make available to the seller the additional business earnings which would have been paid to the government had the purchaser been taxable. The particular favorability of the exempt organization as a purchaser in transactions of this sort has for some time been widely advertised in the tax and business press, and since the announcement of the *Brown* decision such advertising has intensified. It seems quite likely, therefore, that unless something is done, a substantial unplanned shift of productive property to exempt organizations will occur. One consequence of such a shift would, of course, be considerable erosion of the tax base. Another, quite possibly, would be broad economic and social changes stemming from the ownership of a large number of the country's businesses by organizations with different motives and different objectives than the entrepreneurs who have thus far constituted our business community.

To deal with the problems of exempt organization investment borrowing, the Mills-Byrnes bills impose tax upon the "unrelated debt-financed income" of all classes of exempt organizations. The bills continue the fundamental policy of a statute adopted by Congress in 1950 to deal with one facet of this area—the sale of real property to an exempt organization and immediate leaseback to the original owner—but eliminate the defects which experience has demonstrated that statute to possess. Under the proposals, income would be subject to tax only if it meets two requirements: it would have to be derived from property acquired or improved with borrowed funds, and it would have to be produced by activities unrelated to the educational, charitable, religious, or other operations constituting the basis of the organization's tax exemption. The taxable portion of the unrelated income from any particular property would, in general, be the amount bearing the same ratio to the total income from the property as outstanding indebtedness bears to the basis of the property.

The Ways and Means Committee held a hearing upon the Mills-Byrnes bills in late 1966. Appearing on behalf of the Treasury Department, Mr. Surrey strongly supported the bills. Comments both for and against the bills were also received from several interested organizations and private attorneys. Because of the proposal of the investment credit suspension legislation almost immediately after this hearing, the Ways and Means Committee did not have an opportunity to consider the bills further last year. However, we anticipate that a substantially similar legislative proposal will be introduced early this session, and of course, we hope the Committee will have an opportunity to act on it.

Now, with reference to the subject of tax exempt advertising, I must say that more and more voices are being raised on the general subject of tightening up tax loopholes or escape hatches. No doubt, these same voices will be raised in the Ways and Means Committee when it considers the tax increase proposed by the President last Tuesday night. Granted that the amount to be recovered from plugging tax loopholes will not make up multi-billion dollar deficits, there is equity in the argument that those presently paying taxes should not be asked to pay more until those escaping taxes are also paying their fair share.

When Congress passed the unrelated business tax in 1950 as a result of the New York University-Mueller Macaroni situation, I note that both the Ways and Means Committee and the Finance Committee Reports state:

"The problem to which the tax on unrelated business income is directed is primarily that of unfair competition."

In passing the unrelated business tax, Congress was accepting the recommendations of organizations like the United States Chamber of Commerce. Appearing before the Finance Committee in 1950, Mr. John Dane of Boston, representing the Chamber, testified:

". . . It is our policy that we are opposed to government favoritism in any form, and we urge that no enterprise be favored over any other form, and that each enterprise, whether it is cooperative, individual, or corporation, should stand on its own feet, with protection from unfair competition, and free from either tax exemption or other public subsidy."

I know of no organization which was exempted from the income tax so that it could sell advertising. Indeed, I see no relationship between advertising and any tax-exempt purpose.

I understand there are some 700 tax exempt publications grossing over $110 million in advertising revenue today. I know also that they are fine publications and that some of them could not be published except for the advertising, much of which is of a complimentary nature and of doubtful advertising value. However, it is not this use of this type of tax exemption that I protest, it is the abuse, such as advertisements which appear in these publications in an attempt to convince a prospective advertiser that he will get more for his advertising dollar by advertising in the tax exempt publication than he would in publications which pay taxes on their profits. This certainly is unfair competition.

Having fought as hard as I have for free enterprise and against this government encroachment in my 18 years in the House, I cannot reconcile the acceptance of a handout from the government in the form of tax subsidy on profits resulting from advertising, with simultaneous expressions of faith in the free enterprise system. It is the great trade associations and professional societies which have been the leaders in this fight. We cannot by word support free enterprise, and by action accept government support, which tax exemption on advertising profits really is. It seems to me that someone's slip is showing and it ought to be corrected.

As you know, the Treasury Department is considering a regulation at this time because there seems to be a great deal of doubt as to just what the law means. In the last Congress, bills were introduced which would, if enacted, declare that such advertising is a "related activity" and therefore clarifying any confusion that now exists as to the meaning and intent of existing law. The Committee took no action on these proposals. I think this was proper and I further think that it is not necessary for the Committee to do anything in this field until Treasury does come up with some sort of regulation. I feel sure that before any such regulation is issued, there will be a public hearing before the Internal Revenue Service. It is at that time and in that forum that anyone who feels aggrieved should state his case.

Frankly speaking, how could the Ways and Means Committee act at this time without being premature? We are in the position of having passed the unrelated business tax. When we passed this unrelated business tax, Congress delegated to the Internal Revenue Service discretion as to where the tax should be applied. It is, therefore, up to the Internal Revenue Service to apply that tax. If after experience, the tax is found to be inequitable, then and only then should there be recourse to Congress.

I hope that some regulation in this field will be forthcoming before too long, and in this connection, my personal views are those expressed by the Court of Claims in the *Indiana Retail Hardware Association v. the U.S.*

"We are of the opinion that Congress did not mean to grant exemption from the payment of taxes to an association engaged to such a large extent in activities ordinarily carried on for profit by persons liable for the payment of taxes on the income derived from such activities."

HOUSE OF REPRESENTATIVES

MONDAY, JANUARY 30, 1967

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Peace I leave with you, My peace I give unto you: not as the world giveth, give I unto you. Let not your heart be troubled, neither let it be afraid. John 14: 27.

Eternal God, our Father, our refuge and strength in every generation and whose creative spirit does ever call us to new frontiers of thought and action, we bow before Thee this moment as we enter another week together. With Thy wisdom we would be made wise, by Thy strength we would be made strong, inspired by Thy spirit we would be made ready for our responsibilities.

May no danger overwhelm us, no difficulty overcome us, no discouragement overburden us, no duty overtax us, but may we now and ever keep our faith in Thee and in the leading of Thy wise and gracious spirit.

Bless our Nation and the nations of the world—together may we seek peace, patiently pursue it and persevere in our pursuit until peace reigns in the hearts of men and in the heart of our world. In the name of the Prince of Peace we pray. Amen.

THE JOURNAL

The Journal of the proceedings of Thursday, January 26, 1967, was read and approved.

MESSAGES FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Geisler, one of his secretaries.

THE LATE HONORABLE GRAHAM ARTHUR BARDEN

Mr. FOUNTAIN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. FOUNTAIN. Mr. Speaker, I have the sad duty this morning of announcing to the membership of the House the passing yesterday morning at 8:30 a.m., of our former distinguished and beloved colleague, Graham A. Barden, better known to most of us as "Hap."

Congressman Barden leaves behind him a wonderful and devoted wife, Agnes, and two fine children, one a son, Dr. Graham A. Barden, Jr., and the other a lovely daughter, Mrs. David Sibaston. This fine family has sustained a great loss.

North Carolina and the Nation, too, have sustained a great loss in the passing of this great former public servant who, in so many ways, under such a variety of circumstances, gave so much of himself, his time and his talents, to the service of his district, State, and Nation.

When "Hap" Barden announced his decision to retire from this body just before he had completed his 26th year, to return to the community life of his hometown, New Bern, all of North Carolina was disappointed, but today we are grievously shocked. His announced retirement was an unpleasant surprise, for his people wanted him to remain here. In fact, for a while they felt that he was