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

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letting them down. It took all of us some time to become reconciled to the fairness of the decision, to himself, his lovely wife, and family. I am sure many of us remember the pressures that were put upon him to change his mind and give further of himself here in the Congress. Countless numbers of our people petitioned him to stay. The entire North Carolina delegation, more than 100 in this great body, and countless others throughout North Carolina and the Nation, individually and collectively, did the same thing. Although knowing that once Graham Barden—after full deliberation on any matter—made up his mind, he was not likely to change it, nonetheless, in this instance, their interest in the welfare of our Nation prompted a try.

"Hap" Barden was and always will be remembered as a friendly man. The name "Hap," given to him by friends many years ago, is a tribute to his great quality of friendliness. In his work here, he was frank, sometimes too frank for his own popularity in some areas and with some people, but those of us who knew him caught the spirit of his great courage and convictions and his determination to stand by them at all costs.

One characteristic in particular which impressed me about "Hap" Barden—sometimes seemingly a small thing but always an important one—was his keen understanding of human nature. He could not be fooled. He had that great quality of being able to see beyond the words of those with whom he dealt. He also had those great qualities of understanding and love for his fellow man. These are among the many fine qualities which enabled him to be the great legislator that he was.

Included also among his many fine qualities was a great sense of humor. This quality enabled him to express himself, often in righteous indignation against the desecration of any principle for which he stood, without incurring the wrath of opponents who knew him.

This body has sorely missed "Hap" Barden, although his district has been ably and courageously represented by his successor, the Honorable DAVID HENDERSON. His imprint upon this body, in fact, upon the entire Congress and the Nation, will not soon be forgotten.

I know of no greater tribute in words which we can pay to the memory and service of "Hap" Barden than that paid by the American Good Government Society in 1960 when "Hap" received one of its coveted annual awards for his support of and faith in the inherent strength and majesty of our constitutional way of life. The text of the award described Graham A. Barden as follows:

Patriot, jurist, and legislator, has devoted half his years to the service of his native State of North Carolina and to the Nation—more than a quarter-century of them in the U.S. House of Representatives.

Courage, integrity, and wisdom have made him a major constructive force in the movement for responsible labor legislation and tower of strength against one-sided and unbalanced proposals, destructive of the mutual interests of employees, employers, and the public. In the field of education he has been a steadfast leader in the continuing struggle to keep control of public education in the States and their communities.

Representative Barden over the years of his service has exerted a powerful influence for good on the work of the Congress of the United States. In well-earned retirement, he will be long remembered as one of North Carolina's most illustrious sons.

And so, Mr. Speaker, it is with a sense of shock and grief that I stand here this morning. Both Mrs. Fountain and I mourn with Mrs. Barden, her children, and other members of the Barden family, their great loss and extend to each of them our deepest sympathy.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I join my distinguished colleague, the gentleman from North Carolina, and his delegation in their expression of sorrow over the death of our former outstanding colleague, Graham Barden, who as the gentleman said, was better known as "Hap."

I always considered Congressman Barden as one of the really able Members of the House of Representatives. I did not always agree with him on issues but I always admired him immensely. His devotion to the things in which he believed was unsurpassed. He had tremendous courage and tremendous fortitude. There has not been in my opinion a more articulate debater in my time in the House of Representatives. He was literally formidable when he took the floor. Some of his speeches are House classics.

I was always very fond of Congressman Barden personally. He was my good friend. There was something about him which touched everyone who knew him.

I extend, together with Mrs. Albert, my deep sympathy to his wife and children.

Mr. ARENDS. Mr. Speaker, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman.

Mr. ARENDS. Mr. Speaker, I heard with real and deep regret the announcement this morning in the press of the passing of our former colleague, Graham Barden.

For many, many years I had the privilege and the opportunity of serving with this distinguished American who so ably served his district, his State, and the Nation for better than a quarter of a century.

If I were to describe Graham Barden, I think I would say he was a stout man—a man of conviction—a man of determination. Time after time on the floor of this House, Graham Barden by the force of his personality and persuasive logic moved the House to a course of action as only he and very few people I have known could possibly do.

As I indicated, when Graham Barden believed in something, he steadfastly stood by that belief. This is not to say he was stubborn and would not listen to reason. On the contrary, he sought sound reasons and he always had sound reasons for what he advocated.

Those of us who had the privilege of knowing him as an individual cherish his friendship. He was a true friend and a distinguished gentleman in the fullest sense.

My wife joins me in extending to the Barden family our deepest sympathy.

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

Mr. FOUNTAIN. I yield to the gentleman.

Mr. GROSS. Mr. Speaker, it is with deep regret that I learn today of the death of our former colleague and my friend, the Honorable Graham Barden.

It was a serious loss to North Carolina and the Nation when Graham Barden retired a few years ago. He has been missed in the House of Representatives for he was a great American and a stalwart in the ranks of the conservatives.

I join with my colleagues in extending sympathy to the members of his family.

GENERAL LEAVE TO EXTEND

Mr. FOUNTAIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to extend their remarks on the life, character, and service of our former colleague, Graham Barden.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

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

Mr. FOUNTAIN. I yield to the gentleman.

Mr. JONAS. I thank my friend for yielding and for giving me an opportunity to express my own profound grief and sorrow over the passing of this distinguished American and my warm personal friend of many years.

I knew "Hap" had been going downhill physically but it was nevertheless a shock last evening when we received word that he had passed away. This man had always seemed to me to be as strong as the Rock of Gibraltar. He was unyielding in the face of pressure. He was as firm in his convictions as any man I ever knew and I admired him for his strength and determination to stand by those convictions regardless of the consequences.

He was a Representative who retained the affection of the people he represented throughout his long career in the House. They, too, admired his strength of character and his unwillingness ever to swerve from principle. And they also appreciated his long and faithful service to them and returned him to Congress year after year almost automatically.

I came to know him not only as a dedicated and courageous legislator but as a warm personal friend. His family and mine were close for many years and we visited back and forth frequently. I mourn with the family and the host of his friends over his passing and extend to Mrs. Barden and his loved ones my profound sympathy over their loss.

Mr. HENDERSON. Mr. Speaker, will the gentleman yield?

Mr. FOUNTAIN. I yield to the gentleman.

Mr. HENDERSON. Mr. Speaker, Graham Barden was my immediate predecessor in the House of Representatives. He served his district, North Carolina, and the Nation with great distinction. He was beloved by his people above and beyond the fact that they reelected him as their Representative for many years.

Graham Barden was my Congressman for 26 years, and I served as his Congressman for these past 6 years.

Of course, this affects me deeply. Mary and I were expecting the news we got, but it was nonetheless saddening when it came to us yesterday morning. I extend my heartfelt sympathy to Agnes, Graham, Junior, Aggie, and the grandchildren.

My memories of him will long endure and among them will be late night sessions in his office as he mapped strategy and mustered his forces for bruising fights on the floor or in committee; his actions in outmaneuvering his opponents by shrewd parlimentary tactics, his uncompromising loyalty to his friends and to his word; his consideration of his employees and staff.

There were people in high places who disagreed with Graham Barden, but few who did not respect him and it was characteristic of him that some of those he fought the hardest respected him the most.

He served during the frantic days of the New Deal; the agony of World War II, and the difficult adjustment period of the fifties.

Legislatively, he fought for what he believed to be fair standards in labor and programs of Federal aid to education in specialized areas and situations where he believed the aid to be needed, justified, constitutional, and without undesirable controls.

He came to Washington with a background which included a rural boyhood; enlisted service in the Navy during World War I; a legal education at the University of North Carolina; the practice of the law; teaching school and coaching and serving as a county court judge.

I remember well that in the spring of 1960 when his announcement of his retirement startled his many admirers throughout the country, I heard him asked why he was retiring. His answer was classic. "I promised myself many years ago that I would retire from Congress while I still had sense enough to serve in Congress, and by God, I'm going to do it."

Do it he did, and I rejoice in the knowledge that he was able to enjoy 6 years of retirement with his family and his close friends on the banks of his beloved Trent River before he answered that final rollcall which will someday sound the name of all of us.

Mr. HALLECK. Mr. Speaker, in the passing of Graham Barden I have lost a friend who was very dear to me through the years of my career here in the Congress. Our association in this body was one of admiration and respect—certainly mine for Graham Barden—a feeling I have reason to believe was reciprocated on his part.

In any event, it was my pleasure to enjoy his wonderful hospitality and thoroughly delightful company on many occasions in the countryside of North Carolina which he loved so much.

Graham Barden shared my enthusiasm for hunting and fishing and some of my happiest times were spent with him in these pursuits.

In the light of this sorrowful turn of events I am most gratified that it was my privilege to visit with Graham just a few weeks ago at his home in New Bern, where in spite of a prolonged illness he was alert and typically good humored.

To Mrs. Barden and her children I offer my deepest sympathy in the loss of a beloved husband and father.

May they find consolation in the long and dedicated service he rendered to the people of North Carolina and the Nation.

Mr. JONES of North Carolina. Mr. Speaker, I rise to pay tribute to the memory of one of the outstanding former Members of this body, the Honorable Graham A. Barden of New Bern, N.C. Since becoming a Member of Congress approximately 1 year ago, I have been deeply impressed with the high regard and love which those Members who had the privilege of serving with "Hap" Barden held for him. I am frequently reminded by those who knew him of his outstanding ability as a Member of Congress and as chairman of one of the more important committees.

Truly, this Nation and State of North Carolina join with the members of his immediate family in sharing a great personal loss. As a North Carolinian interested in our great State university as a longtime Congressman, and as an outstanding American, he has earned the right for it to be said "Well done, thou good and faithful servant."

Mr. WHITENER. Mr. Speaker, I was very saddened this morning to learn of the passing on January 29 of our distinguished former colleague, the Honorable Graham A. Barden.

In his death North Carolina has lost one of its most outstanding citizens. I have lost a dear friend for whom I had the highest admiration and respect.

Graham Barden took his seat in Congress on January 3, 1935. Prior to his election to the Congress he had served his State with great distinction as judge of the county court of Craven County, N.C., from 1920 through 1924 and as a member of the North Carolina General Assembly. He was a World War I veteran. He was proud of his service in the Navy in 1918 and 1919.

When I came to Congress in 1957 Graham Barden had been a Member for 22 years. He was chairman of the House Committee on Education and Labor. I sought his help and his advice. He was always helpful, and I shall never forget his many kindnesses and his wise and friendly counsel.

Graham Barden was firm, yet kind. He possessed all of the solid virtues of his native North Carolina. He believed in the Constitution of the United States, in private initiative, and in the worth of the individual.

He was a tireless worker and a devoted public servant. Although he was the chairman of a major House committee, he nevertheless found the time to give personal attention to the countless problems of his constituents. He was close to the people he represented; and they knew, admired, and loved him. They showed their affection for him and their confidence in his ability and integrity by keeping him in Congress for 26 years.

Graham Barden voluntarily retired. He went back to his beloved North Carolina and to the people, places, and things which were so dear to him. He was there when the end came.

A great American has passed from the scene. He will not be soon forgotten. He has left a legislative monument and a record of service that all of us should seek to emulate.

To the members of his family, Mrs. Whitener and I extend our sincere sympathy upon the great loss which they and the countless friends of Graham Barden have sustained.

Mr. SIKES. Mr. Speaker, I am deeply saddened at the untimely death of our former distinguished and beloved colleague, Graham A. Barden.

Mr. Barden, better known to most of us as "Hap," was elected to the House of Representatives in 1934 and began his first term of office in 1935. I took office in 1941 and had the honor and privilege of serving with Mr. Barden for 20 years. North Carolina and the Nation, too, have sustained a major loss in the passing of this great former Representative. In many ways and under often difficult circumstances, he gave so much of himself, his time and talents, to the service of his district, State, and Nation. Those of us who knew him cherished his friendship and appreciated his great talents. He was a true friend and a distinguished gentleman in the fullest sense.

Mr. Barden was and always will be remembered as a friendly man. In his work here in the Congress, he was very frank. But those of us who knew him caught the spirit of his great courage and convictions and his determination to stand by them under all circumstances.

I admired him for his strength in standing by his convictions regardless of the consequences.

Among his many fine qualities was a sense of humor which enabled him to express himself without incurring the wrath of opponents who knew him. He was a Representative who retained the affection of the people he represented throughout his long career in the House. They, too, admired his strength of character and his unwillingness ever to swerve from principle. They also appreciated his long and faithful service to them and returned him to Congress year after year almost automatically. He was a tireless worker and a devoted public servant. Although he was chairman of a major House committee, he nevertheless found the time to give personal attention to the countless problems of his constituents.

A great American has passed from the scene. We shall all miss him. He will not be soon forgotten. He has left a legislative monument and a record of service that all of us should seek to emulate.

I consider it a privilege to add my praise to his memory and I extend my condolences as a longtime friend to the sorrowing members of his family.

Mr. GALIFIANAKIS. Mr. Speaker, I never had the privilege of serving with the late Graham Barden, but the record of accomplishments he left behind in this body are achievements which all freshman legislators such as myself would do well to emulate.

You who have served with him will remember Graham Barden for his strength of character, his integrity, for his skills in the legislative process and his vision of the future.

We who have watched his career from the sidelines will remember him as a man who never sought a fight but never backed away from one. We will remember Graham Barden as a man who sought sincerely for the truth and for what was right and best for the people and the Nation he served.

There are others though who will remember Graham Barden and mourn his passing as we do.

The farmers and businessmen of eastern North Carolina will remember Graham Barden as the man who led the fight to move a stagnating agriculture-dominated economy into a fruitful 20th century.

The schoolteachers of the entire State of North Carolina will remember Graham Barden as the one-term State legislator who sparked the drive for pay standards for all of the State's teachers.

Graham Barden will be remembered by every person in this country who ever benefited from the talents of home economists or agriculture instructors educated under the provisions of the George-Barden Act.

And he will never be forgotten by the countless thousands of physically handicapped who have been turned into productive citizens by the Barden-LaFollette legislation for rehabilitation.

Mr. Speaker, Graham Barden will be remembered as one of the giants of this House and of his home State. Our deepest sympathies go out to his family for their loss only magnifies our own.

Mr. KORNEGAY. Mr. Speaker, while I never had the privilege of serving with the late Graham A. Barden, because he retired at the end of the 86th Congress and my service in the House began in the 87th term, I did know him for many years and considered him a most valued friend.

His great record of public service was well known and admired by me. He devoted most of his adult life to serving his fellow men in many important capacities, and his outstanding achievements have brought benefit to countless thousands and at the same time have built an enduring monument to his memory.

Graham Barden will long be remembered not only for his dedication to the cause which he served so well but also for his strength of character, humility of person, and graciousness and charm of manner.

His passing is a loss not only to his devoted family but to his legion of friends and admirers throughout North Carolina and the Nation. I extend to his family my deepest and most heartfelt sympathy in their hour of bereavement.

VIRGIL GRISSOM, EDWARD WHITE, AND ROGER CHAFFEE, ASTRONAUTS

Mr. MILLER of California. 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 California?

There was no objection.

Mr. MILLER of California. Mr. Speaker, tomorrow we lay at rest Virgil Grissom, Edward White, and Roger Chaffee. The people of America will stand in spirit at the gravesides of these three gallant, courageous men, mourning their loss.

All of us who believe in and have faith in the importance and purpose of our space program have dreaded the day and the hour when lives of our astronauts would be in dire jeopardy and perhaps lost. And now it has happened.

The shock of the dreadful tragedy of last Friday will be long remembered, and the men who died then will be known to many generations to come.

I think it is most consoling to us all that they did not throw away their lives foolishly, or for no purpose. They were totally dedicated to their careers and to the ideals that motivated them.

Before ever coming to the space program, they had been deeply involved as test pilots in aeronautical research and the advancement of aviation. Theirs was then a hazardous profession at best, which they unreservedly accepted and adjusted to.

As astronauts, they were pursuing an extension of their professional careers.

Virgil Grissom, Edward White, and Roger Chaffee were not superficial, vainglorious men. They were highly trained, intelligent, thoughtful, and involved in what was to them the highest calling men can choose—service to their fellow man and to their country.

The fulfillment of their lives and of their deaths is the achievement of the goal for which they worked so hard and for which they made the ultimate sacrifice.

If the Almighty were to grant them the privilege of communicating with us, they could not help but say—carry on, you must not stop now, do not let our deaths be meaningless, and do not throw away what we have worked so hard to accomplish up to now. Do not debase the sacrifice that we, our wives, and our children have made for America and mankind.

This I believe to the utmost of my convictions is what they would want and would say.

These men died with the focus of world attention upon them. But what they gave was no less and no more than what other Americans, unsung and unknown, have given and are giving freely and without reservation.

We can do no more here than to acknowledge a deep, personal, and eternal debt to Virgil Grissom, Edward White, and Roger Chaffee.

As Americans we owe a debt that cannot really be paid to the wives and families of these gallant men.

Through the years they steadfastly gave of themselves to the demands of their husbands' careers; they provided for them the havens of love and solace that reinforced their courage, enthusiasm, and purpose in life.

I know I speak for every member of the Committee on Science and Astronautics, as well as all Members of the House, when I say that we share with them and their children their profound sorrow.

Mr. TEAGUE of Texas. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I am happy to yield to the distinguished gentleman from Texas.

Mr. TEAGUE of Texas. Mr. Speaker, my voice is added to that of all Americans and all the people of the world who mourn the deaths of Astronauts Virgil I. Grissom, Edward H. White, and Roger B. Chaffee. The loss to their families is irreplaceable but their example shines before us all; courageous and capable men who represent the spirit and determination to achieve. We share with their families the grief of their great loss knowing that these men sacrificed their lives for their country on a battlefield to gain knowledge for the betterment of mankind. It is fitting to reaffirm and rededicate our efforts to those goals which Astronauts Grissom, White, and Chaffee sought, so that the work which they started may be a living memorial to these great Americans.

Astronaut Virgil I. Grissom followed Alan B. Shepard, Jr., into space in 1961. Their brief suborbital flights lasting only 15 minutes opened a new era in American exploration. Grissom, accompanied by John B. Young, next flew in the first Gemini manned spacecraft to further extend man's horizons in space. Edward H. White, with James A. McDivitt, followed so that White could learn how to walk and work in space. Roger B. Chaffee had yet to experience the new world of space. These humble, daring men's lives, as with all of the astronauts, are dedicated to increasing man's view of the world we live in. Each dangerous step along this path of new understanding is taken so that our world may be enriched by knowledge and improved in intellectual and material well-being. Grissom, White, and Chaffee have paid the ultimate price of self-determination in a free society. They join the ranks of those great Americans who have placed their country before self. The personal loss to their families is beyond measure. This loss is shared by all Americans. These great men died in the knowledge that progress is often won only by making the ultimate sacrifice of life itself. That they were prepared for this is not questioned. It now resolves to the question of whether each of us is now prepared to take up the work they so valiantly started. The meaning of these men's lives stands out in sharp relief on this tragic day. Grissom, White, and Chaffee have dedicated their lives to our future. We must now muster our fortitude, based on their example, to fulfill their dedication. If the meaning of their lives is to be sustained we must take up the challenge of space they faced unafraid. Their quest for mastery of space must now be carried forward by their fellow astronauts. There can be no greater memorial to Grissom, White, and Chaffee than realization of the goals which they sought. The meaning of

their lives is clear to us all. Let us meet the challenge.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I am glad to yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, this is both a personal and a national tragedy. Since the early days of our country when men braved the uncharted seas and pushed through the wilderness to conquer new land frontiers, men have not hesitated to sacrifice their lives for the benefit of mankind.

Such accidents cause deep personal grief. Yet they have never really slowed down our restless search to unlock the mysteries of land, sea, air, and space. Those who are in and associated with the space program as well as the Nation at large will be spurred on by the added resolve that we are doing this for Gus and Ed and Roger, and this increased determination will show that these three men have not died in vain.

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

Mr. MILLER of California. I yield to the gentleman from Indiana.

Mr. ROUDEBUSH. Mr. Speaker, on January 27 at 6:31 p.m. our Nation lost three gallant young men—Virgil "Gus" Grissom, Edward H. White, and Roger B. Chaffee. We on the House committee knew these great Americans very well. They appeared regularly before our committee to give testimony concerning our Nation's efforts in outer space.

Virgil Grissom was one of the original seven astronauts. Perhaps, because of the length of time he had spent in the program, he was the most familiar and had appeared more frequently with NASA officials. And Gus was a Hoosier and greatly loved and admired in his home State of Indiana.

I remember so well his many appearances back home.

The 500 festival parade in Indianapolis.

"Virgil Grissom Day" at his hometown of Mitchell.

Yes—these and many others.

Today our Nation—and the world—mourns their loss.

I extend by deepest sympathy to their families during their hours of bereavement.

Certainly they gave their lives in service of our Nation.

They were, indeed, the great Americans.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. Mr. Speaker, I yield to the majority leader.

Mr. ALBERT. Mr. Speaker, I join the distinguished chairman of the Committee on Science and Astronautics in his expression of sorrow over the tragic deaths of three of America's most heroic and devoted citizens. Word of this most unfortunate accident settled like a pall over the entire Nation and I am sure around the world. These men who had the talents of bravery, self-control, and unusual skills were extraordinary men indeed. They were the Columbuses of this generation. Pioneers of the cosmos, these noble men have risen on wings which have taken them far beyond the realms of outer space.

All Americans shared feelings of pride and joy in these outstanding men; now all share a common grief. I extend my heartfelt sympathy to the wives and children, and all the loved ones of Astronauts Virgil I. Grissom, Edward H. White 2d, and Roger B. Chaffee. They have paved the way. Their brave companions, and men like them in the future, will carry on until the job they helped start is done.

Mr. EVINS of Tennessee. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Tennessee.

Mr. EVINS of Tennessee. Mr. Speaker, the tragic news of the death at Cape Kennedy of our three pioneer astronauts—Gus Grissom, Edward White, and Roger Chaffee—has caused the Congress and the Nation to mourn the loss of these courageous frontiersmen of space.

It was my privilege to know personally Gus Grissom and Ed White who already had made great contributions in space exploration and to the advancement of civilization. Gus Grissom had made two flights and none of us will ever forget Ed White's pioneer walk in space. Roger Chaffee was young, dedicated, and enthusiastic with great promise as a space explorer.

Indeed the cost of progress comes high. The Nation is shocked—and yet it marvels at the pure courage and absolute dedication of these three pioneers of space.

I extend my deepest sympathy to the wives, children, and families of these great Americans.

Mr. DADDARIO. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Connecticut.

Mr. DADDARIO. Mr. Speaker, when the father of Astronaut Edward White, who is Major General White, was advised of his son's death, his comment was a simple one. He said that his son died in the service of his country, and this was the way he would have wanted it.

His tragedy heavily underscores the fact that our astronauts are engaged in one of the most heroic endeavors of all history. They walk with death not only during the times when they are on a mission, but every day during the course of their training activities. They are among our most experienced men, among our most educated and most courageous men.

I believe that these three young men, who had already done so much to elevate the character, the courage, and the capabilities of this country, have reemphasized many of our basic strengths and our willingness to face danger. The Nation is blessed to have men such as these who give so much and who give it gladly because they know how much it means to their native land.

Mr. ROUSH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Indiana.

Mr. ROUSH. Mr. Speaker, the Nation has lost three of its bravest men, and Indiana lost its space-age hero, Gus Grissom, in the terrible tragedy at Cape Kennedy. All of us join with President Johnson in his expression of condolences to the families of these three brave men. For me this is a very personal tragedy because of my work with these men over a period of time as a member of the House Committee on Science and Astronautics. This personal relationship makes this expression very difficult for me.

I knew Gus Grissom and Ed White. It was good to know them because they were unusual men. They were inspiring and dedicated men and it was infectious. They were dedicated to a cause. For them there was never a hint of doubt as to why this Nation was engaged in such a dangerous and ambitious program. When President Kennedy announced that it would be this Nation's goal to put a man on the moon by the year 1970, they were delighted and each one of them was determined that he would be the astronaut to make that trip. They entered into the accomplishment of that goal with a passion and a dedication which could have only been borne of complete and unqualified belief in what they were doing. In their exploits—the Mercury flights, the Gemini flights, and in the preparation for the greatest of them all, the Apollo flight—they aroused a new spirit in all of America. Somehow or other, we had reached that place in history when it seemed that all of the frontiers had been explored and that all of the ventures which called for unusual sacrifice and bravery were behind us. But with the space program and the exploits of these brave men, the traditional American spirit of adventure was revived and there was a national determination to give all-out support for the attainment of this mighty goal. When Gus Grissom traveled into the unknown areas of space, it was as if he took with him the entire Nation. Many did not know why. They went along because this was an American adventure and brave men were leading them onward.

Where shall we go from here? We shall do just as these astronauts, whom we now honor, would want us to do. We shall continue to press forward with the determination that we shall attain this national goal for which they gave their lives. We shall honor and respect the sacrifice that these men made by finishing the task that they were not able to complete. I am glad America had Gus Grissom, Ed White, and Roger Chaffee. Our gratitude to them is boundless.

Mr. ADAIR. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Speaker, in joining those who have previously risen to express sympathy to the families of the deceased astronauts and admiration for the work that these brave men have done, I believe it worthwhile to call to the attention of the House a matter which I have previously mentioned here.

Two of these astronauts had particularly deep Indiana roots—Astronaut Grissom and Astronaut White.

With respect to Astronaut White, I should like the Members to recall that his grandfather served in this House in the 50th Congress. The grandfather, who had come as an immigrant from Scotland and had fought in the Civil War, settled down in my hometown of Fort Wayne, Ind., and became a merchant, thereafter became active in politics, was elected, and did serve in that Congress in this House of Representatives.

The father of Astronaut White also has a distinguished history, being now retired as an Air Force major general.

This illustrates the type of family from which these men come, and perhaps explains in part their dedication to our country, Mr. Speaker.

To the families of all three of these brave and dedicated men, we extend our deepest sympathies.

Mr. HAMILTON. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Indiana.

Mr. HAMILTON. Mr. Speaker, this Nation moves forward because of men like Virgil Grissom, Edward White, and Roger Chaffee. They are pioneers upon whom all the rest of us depend.

Their lives now are unforgettable testimonials to the adventurous soaring of the human spirit. The spirit of man moves higher and farther than flesh can follow, and the miracle of space flight is today's great challenge to that spirit.

John Gillespie Magee, Jr., a poet who understood the exhilaration of flight, has expressed in these lines what these three men must have felt:

Oh, I have slipped the surly bonds of Earth
And danced the skies on laughter-silvered wings;
Sunward I've climbed, and joined the tumbling mirth
Of sun-split clouds . . . and done a hundred things
You have not dreamed of . . . wheeled and soared and swung
High in sunlit silence. Hov'ring there,
I've chased the shouting wind along, and flung
My eager craft through footless halls of air . . .
Up, up the long, delirious, burning blue
I've topped the wind-swept heights with easy grace,
Where never lark, or even eagle flew . . .
And, while with silent, lifting mind I've trod
The high untrespassed sanctity of space,
Put out my hand and touched the face of God.

Virgil Grissom, veteran of two space flights, and Edward White, the first American astronaut to walk in space, had indeed "slipped the surly bonds of earth," and "trod the high, untrespassed sanctity of space." Roger Chaffee would have soon done so.

For their quiet courage—their skill to meet great tasks—for their response to the challenge of space, they have lifted this Nation sunward with them.

We in Indiana have suffered a tremendous personal loss. Virgil Grissom was born and raised in the southern Indiana community of Mitchell. Edward White spent much of his boyhood in Fort Wayne, and Roger Chaffee, like Lieutenant Colonel Grissom, was graduated from Purdue University in West Lafayette, Ind.

Their service to this country called for courage guided by skill and skill armed with courage—the quiet, competent courage of scientific exploration.

Their courage is not measured in the embattled stress of combat, but in going ahead with their tasks with full awareness of the risk. Lieutenant Colonel Grissom said:

The conquest of space is worth the risk of life.

It is with a profound sense of loss that I submit a resolution asking Congress to direct the President of the United States to award the Congressional Medal of Honor, posthumously, to Virgil Grissom, Edward White, and Roger Chaffee—the first of America's astronauts to die in their spacesuits.

Mr. KARTH. Mr. Speaker, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Minnesota.

Mr. KARTH. Mr. Speaker, I join the distinguished gentleman from California, the chairman of our committee [Mr. MILLER] in extending deep degrets and condolences to the wives and families of the three loyal and brave astronauts who gave their lives so that this country would become a greater and better nation.

Let me just say, Mr. Speaker, that the chairman now in the well has on many occasions pointed out that no government, including this one, has ever before provided so many safeguards in a research and development program as has this Nation provided in the space program. But it is inherently true, I suppose, that research and development programs of this character will always have certain unpredictabilities about them and certain so-called fail-safe guards that have not worked on a given occasion.

My chairman has often pointed out, I should like to call to the attention of the House, that while we take for granted the automobile—of which there are many millions on the highways today—riding in an automobile today is really less safe than what this Government and the National Aeronautics and Space Administration have made of the manned space flight program.

So, while we deeply regret and mourn the loss of three loyal, dedicated, and distinguished Americans, we can rest assured that everything has been done that the Government can do to make a program of this kind as safe as it is humanly possible to make it.

Mr. Speaker, I join with the chairman of the committee and thank him very much for extending me this courtesy.

Mr. McCORMACK. Mr. Speaker, what happened at Cape Kennedy last Friday is truly a tragedy of paramount significance. So great a tragedy, indeed, that words are obviously inadequate to express the extent of our shock or measure in any degree of accuracy the scope of that tragedy.

The three astronauts, Lt. Col. Virgil I. Grissom and Lt. Col. Edward H. White II of the Air Force, and Lt. Comdr. Roger B. Chaffee of the Navy, who met death in the fatal Apollo I blast, truly lost their lives in combat, in man's unending battle to subject the elements of nature to his control. Our hearts here today are indeed overflowing with grief because these young men, men who were in their prime both intellectually and physically, had yet so much to contribute toward that battle, to the conquest of space. The young men who follow them in this noble yet dangerous undertaking will, I am sure, ever draw deep and recurring inspiration from the sacrifice made by Grissom, White, and Chaffee.

The board of inquiry appointed yesterday I am confident will do a competent and painstaking job of determining the cause of this tragic accident. When their findings are in I am sure that proper steps will be taken to make certain that there will be no repetition of this tragedy. Should any action by the Congress be necessary, such action will be forthcoming without delay.

In closing I should like to extend my heartfelt regrets to the families of these brave, noble men. Their untimely passing is certainly one of the truly great tragic moments of our era.

Mr. EDMONDSON. Mr. Speaker, every American shares a feeling of loss and grief in the tragedy that has taken the lives of three brave astronauts.

I am sure that feeling of loss is particularly acute in this body, where many of us have had the opportunity to know these fine men personally, and to observe their dedicated service at close range at Cape Kennedy.

Our astronauts—each and every one of them—serve at great personal risk and sacrifice to advance the cause of science and man's knowledge of space.

America and the world will be better places to live, in the years ahead, because of the contributions of our space program and the astronauts who make that program possible.

Today, however, all of us mourn the loss of three heroes. Let us also resolve that they have not died in vain.

Mr. BOGGS. Mr. Speaker, there are not adequate words to describe the feelings of all of us, and all Americans, on the tragic loss of three of our country's noble astronauts—Lt. Col. Virgil "Gus" Grissom, Lt. Col. Edward H. White II, and Lt. Comdr. Roger B. Chaffee.

These men gave their lives for our future—and I join my colleagues in saluting them on this sad occasion and expressing to their wives and children my deepest sympathy on their loss and the great loss to our Nation.

Symbolic of the nobility of these men are the words of one of them—Lt. Col. Virgil "Gus" Grissom—on his trip to my home city of New Orleans almost 3 years ago to visit the NASA Michoud assembly facility there. Scientists and technicians at the Michoud facility are engaged in building the first stage rockets for the Apollo spacecraft, and Gus Grissom was there to remind us that men—and not machines alone—would go to the moon and other planets.

In an interview by Miss Podine Schoeneberger of the Times-Picayune newspaper, Grissom looked always to the future of our Nation and its space program. He said he hoped, after retirement from active space flying, to be one of the leaders of the space program of tomorrow. He expressed his conviction

that the astronauts of today will be the leaders of the space program of tomorrow. He said Americans would be on the moon before 1970.

These thoughts are symbolic, I believe, because they show the remarkable men who are chosen to be our astronauts are men of optimistic and positive thinking—men who always look to the future as a challenge—men who dare to chart and to fly the seas of space for the benefit of all mankind.

Gus Grissom, Edward White, and Roger Chaffee were this kind of men, and their heroism speaks louder and more forcefully than any words we mortals can utter. The example they have set for us—the challenge they have given to their fellow astronauts—the splendid heritage they have passed on to them and to us all—revitalizes our love of country and instills in us renewed dedication and energy to press forward with the great work they were doing.

Mr. Speaker, we do not yet know what caused this tragic flash fire, but I am confident that a thorough investigation will be conducted by NASA officials, and we will move forward with our space program. I know this is the way Gus Grissom, Edward White, and Roger Chaffee would want it to be, and I think we will respond to their vision and determination to keep America first in space. I, for one, certainly believe that this is the right course for our country, and I will do all in my power to help our space program maintain its forward thrust.

In closing, Mr. Speaker, I believe that we would all agree here in this House, that Gus Grissom, Edward White, and Roger Chaffee embody the very sinews of this Republic. With their inspiration we cannot fail in our task.

Mr. PELLY. Mr. Speaker, I want to join with the distinguished chairman of the House Committee on Science and Astronautics, the gentleman from California [Mr. MILLER], in expressing sorrow and regret at the tragic death of Astronauts Virgil I. Grissom, Jr., Edward H. White II, and Roger B. Chaffee due to an accident during a simulation of forthcoming orbit of the first manned Apollo craft.

I think the House committee of which I am a member will be investigating the source of the flash fire which caused the death of these three fine men. But I suggest that despite the accident the program will go forward and succeed. History will pay tribute to the contributions to the cause of science by the sacrifice of these men. Meanwhile, I join with other Members in expressing profound sympathy to their widows and families. We recognize that America has sustained a great loss but with more determination than ever, to justify that loss, the Apollo program must go on.

Mr. HAGAN. Mr. Speaker, last Friday a great tragedy struck this Nation with the deaths of three of our country's finest young men—Astronauts Lt. Col. Virgil I. Grissom; Lt. Col. Edward H. White II, and Lt. Cmdr. Roger B. Chaffee.

I wish to express the profound sorrow of the First Congressional District of Georgia on this sad event and our deepest sympathy to the families of these men.

We can pray that the grief over this great loss is somehow assuaged by the knowledge that these Americans died in the service of their Nation.

Mr. JONES of Alabama. Mr. Speaker, on behalf of the many thousands of citizens who have worked in this Nation's space efforts from the very beginning at Marshall Space Flight Center in Huntsville, Ala., I want to express the deepest sympathy to the families of Lt. Col. Virgil I. Grissom, Lt. Comdr. Roger B. Chaffee, and Lt. Col. Edward W. White.

The accomplishments of these heroic astronauts have seemed more personal and more significant to the many scientists, technicians, and workers who have been intimately acquainted with our country's space efforts. This tragic national loss, therefore, is greater for those in the space family.

As their duties carried them to Huntsville, Ala., they always gained new friends and admirers from those who came in contact with them. Their spirited and dedicated approach to life was an inspiration to all.

Speaking here today, I express not only of my deep personal pain at their demise but also for those people in the area I represent who knew them personally.

As we at home felt that we were a part of their total endeavors, their forfeiture of life spurs us to great purpose, dedication, and zeal to accomplish erasing of the errors that caused their loss.

These exceptional men had already earned a special place of affection and respect in the hearts of all citizens by their belief in the innate goodness of man and his infinite capacity to explore the universe.

As they represented all men in a reach for the stars, they epitomized those traits of bravery, patriotism, fidelity, intelligence, and unselfishness which we should all seek to emulate.

The contributions of Astronauts Grissom, White, and Chaffee to man's pioneer space exploration achievements were vast and long lasting. Those men who will follow to the moon and beyond will long be in their debt. The rest of us who remain earthbound, but share in the benefits of the opening of whole new worlds, owe them eternal gratitude.

Words can never express the extent of our sympathy for their young families who bear the greatest loss in this tragedy.

Mr. WHITENER. Mr. Speaker, the tragedy which took place at Cape Kennedy has deeply shocked and saddened all America. The accident which claimed the lives of Virgil I. Grissom, Edward H. White II, and Roger B. Chaffee has taken from us three of the Nation's heroes.

At the time of their deaths they were engaged in a project of tremendous significance to their fellow countrymen and to all mankind. They were trained to take risks and they were aware of the great dangers inherent in their mission.

They died as heroes. Their contributions to the realization of mankind's age-old dream of conquering outer space will become a legend of our time. Gus Grissom, Edward White II, and Roger Chaffee gave their lives that their Nation might remain the leader in the exploration of outer space and the advancement of space technology.

In life their service was an inspiration to every American. Their fellow countrymen were proud of their achievements and the respect they won for their Nation throughout the world. In their death they have reminded us in a painful way of the high price we must pay for technological advancement and national security.

With renewed determination the United States should push forward with the Apollo I mission. Gus Grissom, Edward White, and Roger Chaffee would want it that way.

When mankind finally reaches the moon much of the success of his mission will be due to those brave Americans who gave their lives at Cape Kennedy, Fla., on January 27, 1967.

To the members of their families we extend our deepest sympathy on the great loss which they have sustained.

Mr. GURNEY. Mr. Speaker, rarely has the news of any tragedy stunned so many Americans as did the announcement from the Kennedy Space Center Friday evening. To most, it was as if the three men had been personal friends, so great was the admiration and esteem in which these men were held.

Virgil I. Grissom, Jr., Edward H. White II, and Roger B. Chaffee were not strangers to risk or danger. They had constantly faced the unknown; they and their families lived with the knowledge that unexpected tragedy could happen at any time.

But perhaps even more than their bravery and heroism, it was their dedication that is the greatest legacy to us. They knew and understood what it means to be an American and to be willing to make any sacrifice for their Nation. These three men knew, and the others who work with them in our space program understand, what real patriotism means.

They all understand the reasons for their work and they know its dangers. The heroism lies in their decision to go on and to do their work despite its risks because they care deeply enough about the mission.

Nothing any of us can say can lighten the loss to the families and friends of these three men. But they can be certain that they are not alone in that grief, that to all Americans, these men were not just names in the news. They were and are our heroes. We followed their work and we looked to them as an example of what we all wish we could be in our own lives.

Their names are already deeply imprinted in the history of this Nation, and indeed in the history of the world. Nothing we can do could be a more significant memorial than the place they themselves have carved in the story of mankind's quest to conquer and understand the unknown. It is for those of us who stay here behind them to rededicate ourselves to carrying on their work.

Mr. CABELL. Mr. Speaker, I join with my colleagues in the House, and with all my fellow Americans, in lamenting the tragic deaths of our three astronauts.

These outstanding young men, as pioneers in space, exemplified the pioneers in other fields who made such great contributions to the development of our Nation and to the knowledge of our world.

Nothing that mortal man may say or do can compensate for the loss of human life.

But the families of these men, and the Nation as a whole, may take solace in the fact that their deaths were not in vain.

Ours will be a better world for having had such men of courage and character in the forefront of our space effort.

Mr. FUQUA. Mr. Speaker, a tragedy took the lives of three brave men.

In man's never ceasing quest for knowledge and advancement—Virgil Grissom, Edward White, and Roger Chaffee gave their lives.

They died as heroes of this Nation, above and beyond the call of duty. The pain and the agony their families know is shared by all Americans, for truly this was a personal loss for each American. Indeed it was a loss for all mankind.

I had talked with each of these three men. All were men you instinctively liked.

Merciful providence had spared us a tragedy throughout the Mercury and Gemini programs.

But at the outset of man's greatest scientific adventure, a voyage to the moon, three were called upon to make the supreme sacrifice.

I had discussed this particular chance with several of our astronauts, including one we miss today. They knew the danger far better than you and I. Each knew they might be called upon to give their lives. They knew that eventually something like this would happen.

They were technicians and test pilots who participated in the planning of the flights they would be called upon to make. They calculated every risk, every danger, minimizing chances for failure, but striving fearlessly for success.

They did not die in vain.

This Nation is richer because they lived. Each of the three astronauts had two children. They leave to these children the same heritage that Colin Kelly left to his son.

Duty, honor, country.

President Johnson's attendance at the funerals of Grissom and Chaffee symbolized the grief of a stunned nation. At West Point, Edward White was laid to rest at the institution he loved so well.

Americans should never forget their sacrifice. They gave their lives in service to their country, just as much as if they had been in armed combat.

They knew the danger, but more important, they knew how important success in the space program was to their country. Because they knew the latter, they were willing to risk their lives, and to give them if need be.

No quest in the history of man is more important. Building upon the foundation of Columbus, De Leon, Polo, Byrd, Magellan—of the explorers of the past, we strive to seek and to find.

For just as sailing across the Atlantic to find the new world became one of the most glorious feats in the history of man—so will be our quest for knowledge of the distant stars.

The task for which they gave their lives they knew was worth the sacrifice. This Nation could not honor their memory more than to continue its quest for knowledge.

Grissom, White, Chaffee.

To that endless line of men of all nations whose names will be revered through the ages because of their bravery, devotion, and contribution, is engraved forevermore, three additional names.

Grissom, White, Chaffee.

GENERAL LEAVE TO EXTEND

Mr. MILLER of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks at this point in the RECORD in connection with the loss of our astronauts.

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

There was no objection.

INVESTIGATIONS BY HOUSE COMMITTEE ON UN-AMERICAN ACTIVITIES

Mr. WILLIS. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. WILLIS. Mr. Speaker, on October 3, 1966, as chairman of the House Committee on Un-American Activities, I directed the committee staff to undertake a preliminary inquiry into organized rioting, burning, looting, and other tragic acts of violence, for the purpose of determining whether these acts of mass violence have been planned and instigated by subversive elements, or to what extent, if any, such elements have succeeded in broadening and prolonging them after they have broken out.

I stressed that we were studying only acts of organized violence and not undertaking a broad-scale or freewheeling investigation into all disturbances or riots, no matter what their origin or cause, and furthermore that we have no intention of investigating the civil rights movement or the opinions or positions of any individual or organization on the civil rights issue. I pointed out that the House had given my committee specific jurisdiction, broad in some respects and limited in others, and that we were not going beyond our authority but, at the same time, we expect to fully exercise the jurisdiction given us by the House and upheld by the courts on numerous occasions.

Without waiting to see how we would carry out this undertaking, and caring less about the American concept that people are always entitled to the benefit of the doubt and presumed to be innocent until proven guilty, Mr. William F. Pepper, addressed a petition to the House of Representatives of the United States, which he signed as the executive director of the National Conference for New Politics, and which petition was also signed by the following individuals who called themselves "initiating signers":

Rev. Ralph Abernathy, vice president and treasurer, Southern Christian Leadership Conference.

Julian Bond, member, Georgia House of Representatives.

Stokely Carmichael, chairman, Student Nonviolent Coordinating Committee.

Laurence Guyot, Jr., chairman, Mississippi Freedom Democratic Party.

Myles Horton, director, Highland Center.

Dr. Martin Luther King, Jr., president Southern Christian Leadership Conference.

Floyd B. McKissick, national director, Congress of Racial Equality.

Rev. Fred L. Shuttlesworth, president, Southern Conference Educational Fund.

Rev. C. T. Vivian, director of fellowships, Urban Training Center.

Rev. Wyatt Tee Walker, publisher, Negro Heritage Library.

The petition asks the Members of the House of Representatives to stop the Committee on Un-American Activities from carrying out the preliminary study referred to in my announcement of last October, and portrays me and the other members of the Committee on Un-American Activities as being racists of the worst type and entertaining a viewpoint to the effect that Communists are responsible for all movements for social change. In other words, in the picturesque language of the habitue of the baseball diamond, they "wanna trow da bum out of da ball park before the game starts."

On the same day I received the petition I addressed a letter to Mr. Pepper and all of the other "Initiating signers," whatever that terminology may mean.

I insert my announcement of October 3, 1966, the petition, and my letter as part of my remarks at this point in the RECORD.

Now, Mr. Speaker, I am not deluding myself into believing that my letter will warm the hearts or change the attitude of these people toward members of my committee; but I am very sure of this, and that is enough: Having been in public life for a great number of years, it has been my experience that well over 50 percent of the people—of all races, creeds and faiths—will see and do what is right in the long run and, in turn, I can only reiterate what I said in my letter to the effect that so far as I am personally concerned, the announced preliminary study now underway will be conducted with the complete objectivity which we followed when my committee conducted an investigation of the Ku Klux Klan organizations in the United States.

The material referred to above follows:

RELEASE OF COMMITTEE ON UN-AMERICAN ACTIVITIES, U.S. HOUSE OF REPRESENTATIVES, WASHINGTON, D.C.

Representative Edwin E. Willis (D-La.), Chairman of the House Committee on Un-American Activities, announced today that he had directed the Committee staff to undertake a preliminary inquiry into organized rioting, burning, looting and other tragic acts of violence. The purpose of the inquiry,

Mr. Willis said, is to determine whether these acts of mass violence have been planned and instigated by subversive elements, or to what extent, if any, such elements have succeeded in broadening and prolonging them after they have broken out.

Mr. Willis estimated that several months would pass before the preliminary study could be completed and the results reported to the Committee. He also announced that he had appointed Representative William M. Tuck (D-Va.) to oversee the general conduct of the preliminary inquiry.

Mr. Willis stressed that the Committee was studying only acts of organized violence and it was not undertaking a broad-scale or free-wheeling investigation into all disturbances or riots, no matter what their origin or cause.

"The House has given this Committee specific jurisdiction," the Chairman said. "It is broad in some respects, limited in others. We are not going to go beyond our authority but, at the same time, we expect to fully exercise the jurisdiction given us by the House and upheld by the courts on numerous occasions.

"Our appropriate interest is organized subversion, no matter what form it may take or in whose interest it is carried out. Our records are packed with examples of varied forms of subversive operations which threaten our national security, but I can conceive of few which pose a greater threat than organized, mass violence which is deliberately designed to destroy our national unity and set citizen against citizen, and groups and classes of citizens against their government on all levels—local, state and national.

"There is already public evidence that subversive elements are at work in this area. What we want to find out—in the national interest—is the extent, the significance, and the effectiveness of their operations. The Congress and the American people have a right—and a need—to know these things.

"Does this mean that the Committee is investigating the civil rights movement?

"Not at all. My announcement makes it very clear that we are investigating only one thing—planned and organized violence by subversive elements.

"We have no intention of investigating the civil rights movement or the opinions or positions of any individual or organization on the civil rights issue. Those things are none of our business. I have my own view on certain civil rights issues. Other Committee members have varying views and, among the 435 Members of the House, there are a great variety of views on various aspects of that issue. The Committee on Un-American Activities, however, has no jurisdiction in such matters and it has no intention of trying to inject itself into them.

"If we should learn in the course of our investigation that a certain organization which claims to be a civil rights group is actually controlled and dominated by Communists carrying out the work of the Communist Party, we would not hesitate to investigate their operations. If that should develop, however, we will be investigating not a civil rights group, but the activities of a group of Communists doing the work of Moscow or Peking, as the case may be, and attempting to mask their subversion under the guise of civil rights.

"There is a tremendous difference between investigating such a group of individuals or their organized operations and the civil rights movement."

A PETITION TO THE HOUSE OF REPRESENTATIVES OF THE UNITED STATES

We, the undersigned, petition the House of Representatives of the United States to stop the Committee on Un-American Activities from carrying out its plan to investigate uprisings in the black ghettos of this country.

The Committee claims to be looking for "subversive elements," "Communists doing the work of Moscow or Peking." It says it will not investigate the civil-rights movement unless it finds that a "* * * civil-rights group is actually controlled and dominated by Communists." Yet as Southerners, we know from experience that the Committee's viewpoint is that Communists are responsible for all movements for social change.

For 28 years, Southerners working for political and economic democracy have been labeled Communists or Communist dupes by the Committee. It has always proposed legislation to repress activists rather than to remedy social injustice. The Committee insinuates that ideas and movements concerned with ending the problems of racial injustice in our society are treasonous. This attitude has resulted in an atmosphere in which unknown numbers of Southerners have hidden their desire to end racism because they feared harassment and loss of their jobs or their lives.

Therefore, we feel it is our responsibility to warn the rest of the country about the danger of this Committee. We see no reason why its investigation into urban disturbances would have different results.

Two Southern segregationists on this Committee will be in charge of overseeing the preliminary investigation. One of them, Representative John Buchanan of Alabama, recently called the use of civil disobedience by the civil-rights movement a cause of outbreaks in the urban ghettos.

If the civil-rights movement has had any part in these uprisings, it is by reminding America of what it says it is—a land of equal opportunity and justice for all—and what it truly is for one-fourth of its people—one of poverty, unemployment, unequal education and injustice. For a fourth of these poor people, there is the added torment of hatred and discrimination against them because they are black.

These, not some vague external conspiracy, are the problems our government should be investigating in the name of our national interest.

INITIATING SIGNERS

The Rev. Ralph Abernathy, Vice President and Treasurer, Southern Christian Leadership Conference.

Julian Bond, Member, Georgia House of Representatives.

Stokely Carmichael, Chairman, Student Nonviolent Coordinating Committee.

Laurence Guyot, Jr., Chairman, Mississippi Freedom Democratic Party.

Myles Horton, Director, Highlander Center.

Dr. Martin Luther King., Jr., President, Southern Christion Leadership Conference.

Floyd B. McKissick, National Director, Congress of Racial Equality.

The Rev. Fred L. Shuttlesworth, President, Southern Conference Educational Fund.

The Rev. C. T. Vivian, Director of Fellowships, Urban Training Center.

The Rev. Wyatt Tee Walker, Publisher, Negro Heritage Library.

William F. Pepper, Executive Director, National Conference for New Politics.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
COMMITTEE ON UN-AMERICAN ACTIVITIES,
Washington, January 26, 1967.

Mr. WILLIAM F. PEPPER,
Executive Director, National Conference for New Politics, New York, N.Y.

DEAR SIR: I have just read the original petition signed by you and the following "initiating signers":

Rev. Ralph Abernathy, Vice President and Treasurer, Southern Christian Leadership Conference.

Julian Bond, Member, Georgia House of Representatives.

Stokely Carmichael, Chairman, Student Nonviolent Coordinating Committee.

Laurence Guyot, Jr., Chairman, Mississippi Freedom Democratic Party.

Myles Horton, Director, Highlander Center.

Dr. Martin Luther King, Jr., President, Southern Christian Leadership Conference.

Floyd B. McKissick, National Director, Congress of Racial Equality.

Rev. Fred L. Shuttlesworth, President, Southern Conference Educational Fund.

Rev. C. T. Vivian, Director of Fellowships, Urban Training Center.

Rev. Wyatt Tee Walker, Publisher, Negro Heritage Library.

asking the House of Representatives of the United States to stop the Committee on Un-American Activities, of which I am chairman, from carrying out its plan to *investigate* uprisings in the *black ghettos* of this country.

In the first place, when I made the announcement on October 3, 1966, a copy of which is enclosed for your information, I stressed that the undertaking was to be a preliminary study and not an investigation. You will see that nothing in the announcement limits the study to any particular area and that nowhere are the words "black ghettos" used. Furthermore, I specifically stressed that the Committee was studying only acts of organized violence and was not undertaking a broad-scale or freewheeling investigation into all disturbances or riots, no matter what their origin or cause.

I did, indeed, say that we have no intention of investigating the civil rights movement or the opinions or positions of any individual or organization on the civil rights issue: and I meant it.

Yet, you say that for twenty-eight years Southerners working for political and economic democracy have been labeled Communists or Communist dupes by the Committee and that this attitude has resulted in an atmosphere in which unknown numbers of Southerners have hidden their desire to end racism because they feared harassment and loss of their jobs or their lives.

On the other hand, I hope you won't take me to task for expressing the opinion that you are so sensitive about so-called civil rights and racism that you read white versus black between the lines when no color line is intended.

I do not know why you draw the period of time at twenty-eight years for political and economic democracy in this country, but speaking for myself only, I would say that while it is true that as a Member of Congress for nineteen years, I have not voted for so-called civil rights legislation, as far as I know I have consistently, invariably and at every opportunity voted for and supported all economic and general welfare programs without regard to race, color or creed.

But the thing that hurts most is your sweeping charge that you know from experience as Southerners that my Committee's viewpoint is that Communists are responsible for all movements for social change and that we have always proposed legislation to repress activists, rather than to remedy social injustice.

I challenge you to produce a statement from any Member of Congress, patriarch or neophyte, Democratic or Republican, white or colored, man or woman, or to produce any evidence, oral or written, by anyone, or any statement made or action performed by me throughout my life to sustain or even to remotely corroborate that I have ever entertained such a viewpoint or that any responsible person has ever made any such accusation other than your own.

Despite the expressed fear, or perhaps I should say the secret hope on the part of some of the "initiating signers" of the petition and others, that my investigation of the Ku Klux Klan organizations in the United States would be turned into an attempted expose on my part of the civil rights movement as being in some fashion in league with the Communist movement in this country, I think that every responsible person in the United States would admit that this investigation was conducted with complete objectivity. In fact, I was delighted to receive

the commendation of the President and the Attorney General of the United States, innumerable Members of Congress of all political persuasions, on both the Senate and House sides, and many leaders in the civil rights movement, including Solicitor General Thurgood Marshall, Mr. Clarence Mitchell, Mr. Roy Wilkins and others for my fair and objective conduct of this and other investigations that I have personally conducted.

I assure you that so far as I am personally concerned, the announced preliminary study now underway will be conducted in the same fashion.

Very sincerely,

EDWIN E. WILLIS, *Chairman*.

THE WAR ON POVERTY NEEDS COMMUNITY CREDIT UNIONS

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, President Johnson's budget which was recently forwarded to Congress provides for an expenditure of $1 billion on community action programs under the war on poverty. One of the functions of the community action program is the establishment of credit unions in low-income areas. It has been dramatically shown that these credit unions are one of the most effective tools in overcoming poverty, primarily because the tool is of a self-help variety.

I have long been interested in the credit problems experienced by people with limited incomes. The fact that these people have less to spend on goods and services should not result in their being forced to pay more than others both for these items and for the credit they need to make the purchase. Yet, this is exactly what is happening in many cases today.

Why is this happening? It is coming about because these people are in many cases forced to rely on unscrupulous merchants and loan sharks. In the low-income marketplace they are treated with dignity for which they pay an exceeding high price in poor quality goods and exorbitant interest rates.

NEED ALTERNATIVES

Alternatives must be furnished to these people. One such alternative is the credit union. The credit union was originally conceived as a self-help organization for people of limited means. And it has continued to play this role down through the years. Congress recognized this feature of credit unions in 1934 when it established the Federal credit union system to make more available to people of small means credit for provident purposes through a national system of cooperative credit. Today there are nearly 600 Federal credit unions serving predominately low-income groups. These credit unions are providing their members with invaluable assistance through their loan and counseling services and through their encouragement of thrift on the part of members.

One of the characteristics of the credit union that is particularly appealing to the person of low income is its location. A credit union is a cooperative association of people joined together by some common bond—either occupational, residential, or associational. Because of this, the credit union is located close to where the individual lives or works. He does not have to take the time to make a long trip into another part of the city in order to enjoy the services of the credit union.

The credit union, since it is largely operated by volunteer help, is also run by people with whom the person of limited income can feel at home. He is dealing with his friends and neighbors who understand his problems since they have faced the same problems themselves.

One noteworthy advance made during the last year is strengthening the role of credit unions in low-income areas was Project Moneywise. Conducted by the Bureau of Federal Credit Unions in six selected locations throughout the country, Project Moneywise taught indigenous leaders in low-income areas how to operate successful and useful credit unions for their friends and neighbors.

LEARNING TO COUNSEL

People who took part in this training program learned how to shop and buy wisely. They learned how to counsel the people in their neighborhoods on money management and the importance of saving. And, of course, they learned what a credit union is and how to manage one. What is just as important, though, they themselves began to experience a sense of dignity and self-respect which some of them had never known before. They came to realize they had within themselves the ability to help their local neighborhoods break the chains of poverty.

Part of the problem is that many low-income people just do not realize when they are being "taken." Project Moneywise taught low-income leaders how to instruct their neighbors in wise shopping practices. One method the program used was to send the participants out on comparative shopping trips. One group on such an expedition discovered that the cash price of a 19-inch television set in the legitimate market was $110, while the cash price for the same set in the marketplace catering to low-income people was $279—a difference of almost $200.

The shoppers also discovered that different people were quoted different prices on the same item at the same store. In addition, interest rates ranged all the way up to 100 percent. Many times a customer was quoted one price. But if he took the time to add up his total monthly payments plus the down payment, the price was actually much higher The salesman took for granted that the customer would not take time or did not know how to multiply.

NOW ORGANIZING CREDIT UNIONS

Through these comparison shopping trips and through class discussions of the implications of poverty, the difference between desires and needs, and other similar topics, Project Moneywise provided an eye-opening experience for families caught in the grip of endless poverty. With the training they have received, many of them are now organizing their own credit unions. Others are going back to strengthen the services offered by already existing credit unions. These credit unions, which they themselves operate under the supervision of the Bureau of Federal Credit Unions, provide a safe place for them to save—and, more important, the motivation to save. And the credit union provides them with a convenient source of loans at fair rates of interest.

These new credit unions now being organized in many of our low-income neighborhoods are another way up and out of the hopelessness and despair of poverty. They are one more way our society can help people help themselves to achieve the dignity and self-respect that is the birthright of every American.

EASING THE PRESSURE ON THE SMALL BUSINESSMAN

Mr. ROGERS of Colorado. 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 Colorado?

There was no objection.

Mr. ROGERS of Colorado. Mr. Speaker, it is as a means of easing the pressures on the small businessman that I rise to introduce H.R. 4069.

He is, for all practical purposes, preempted from the realm of manufacturing by the heavy capital demands put upon any prospective entrant into that arena. His chance to succeed in certain other areas is certainly limited; for example, by corporate supermarkets or huge shopping centers. Many, therefore, turn naturally to the distribution or service trades. My bill is intended to promote freedom of opportunity in this vital area for the small businessmen, by allowing for an expansion of the distributive horizon in which so many operate.

What is the meaning of a territorial franchise? To insure the availability of a brand or product so that it is always within easy access to the preponderant majority of potential consumers, the manufacturers of a brand or product designate a distributor within a specified territory—region, State, trading area, or any other geographical subdivision—upon whom the responsibility rests to fortify the market potential of the product. It has been demonstrated that such maximum exposure virtually assures greater consumer acceptance.

Such a method of operation has long been a feature of the American marketing and merchandising system. As mass production gained momentum and modern technology became instrumental in producing prodigious quantities of products, the need arose for a corollary service—mass distribution. Indeed, if an adequate, nationwide mass distribution system did not exist, our efficient mass production system would become clogged.

It has been shown that notwithstanding the enormous annual expenditures on advertising, this huge investment yields tangible benefits only when

the advertised products are assured the maximum number of outlets provided by the unexcelled American distribution system.

Our Nation's distribution system is, of course, second to none. Contributing to this accomplishment is the franchise system under which a distributor, having a stake in the success of the brand or product entrusted to him, accelerates its movement and thereby substantially increases its sale.

This vehicle of distribution is of particular benefit and urgency to the less affluent manufacturer whose financial resources do not permit the luxury of unlimited appropriations for advertising purposes. He, to a much greater extent than his more favorably circumstanced competitor, is in need of the proven services of his franchised distributor.

It is the avowed purpose of H.R. 4069 to clarify, in legal terms, the legitimate role that this system plays in our country.

In discussions and hearings heretofore held on this subject, opponents of legislation such as H.R. 4069 have not so much criticized its utility but rather denied the need for such clarification. They have urged the small businessman to wait patiently while the courts of the land construe present law on a case-by-case basis. They state that, with enough patience, perhaps the courts will establish by judicial decisions the principles found in H.R. 4069.

The short answer to this, however, is that the small businessman cannot wait. He must survive in the rough and tumble competition of the marketplace. He has neither the necessary capital nor the ability to diversify that would be required to wait out the long period before a conclusion is reached on a case-by-case basis. Should he accept this well-mean advice, the "operation" may, indeed, be a success but the "patient" will be dead.

To ask small business to wait indefinitely until the law courts get around to deciding its individual problems one by one is, indeed, a council of despair.

It is the function of H.R. 4069 to grant to small businessmen of this country that hope which judicial determinations defer to an unknown future. It provides that a territorial franchise granted by a supplier to a buyer is not a violation of our laws under certain limited circumstances when competition is not unduly restrained. As such, this bill merits the active support of all Members of this body interested in the preservation of small business and business opportunity in this land.

FLOOD INSURANCE

Mr. BINGHAM. 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 New York?

There was no objection.

Mr. BINGHAM. Mr. Speaker, last week the distinguished assistant majority leader, the gentleman from Louisiana [Mr. BOGGS], introduced legislation to establish a permanent insurance program to protect homeowners throughout the country from the ravages of hurricanes, floods and other natural disasters.

Following the devastation caused by Hurricane Betsy last year, Congress ordered the Department of Housing and Urban Development to conduct a 9-month study of different alternatives for providing insurance to homeowners who suffered from such unexpected disasters. The legislation Mr. BOGGS introduced, and which I am happy to also offer today incorporates the recommendations of the HUD study.

Briefly, the bill would create a joint Government-private insurance industry program of flood insurance for property owners. Under its terms, the Department of Health, Education, and Welfare would pay the difference in premium rates between the actuarial cost and reasonable rates charged property owners, would assume the obligation for claims in excess of certain fixed amounts, and would give loans at reasonable rates to replenish the reserves of insurance companies which were adversely affected by losses on property covered by the bill.

Mr. Speaker, I think the approach taken in this bill makes the best possible use of both public and private resources to alleviate a problem of national proportions. When enacted, this program will give greater security and protection to many thousands of property owners who, until now, have been unable to adequately guard themselves against these natural disasters.

RAILROAD PASSENGER SERVICE

Mrs. MAY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentlewoman from Washington?

There was no objection.

Mrs. MAY. Mr. Speaker, all of us have recognized for a good long time that our Nation's railroad industry is beset with difficult problems, especially in the area of keeping up high-quality, intercity passenger service.

I am sure that most of us who serve in this body have been aware of instances of a gradual deterioration of passenger train service.

Recently, after a constituent brought to my attention her concern over these conditions, I decided to make inquiry on the matter to railroad officials. The president of the Association of American Railroads, Mr. Daniel P. Loomis, responded in what I consider to be an extremely comprehensive and informative manner.

Under permission granted, Mr. Speaker, I include the detailed response received from Mr. Loomis at this point in the RECORD in the hope that it will shed some much-needed light on what both railroads and railroad users are up against in this situation and perhaps provide guidance toward meeting this truly national problem.

ASSOCIATION OF AMERICAN RAILROADS,
Washington, D.C., December 6, 1966.

Hon. CATHERINE MAY,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE MAY: Mr. Donald Baldwin, Washington representative of the Northern Pacific, Burlington and Great Northern, has shared with me the correspondence regarding railroad passenger service from your constituent, Mrs. Kenneth Courson, of Ellensburg, Washington. Because I would like to give as complete a viewpoint as possible on this complex problem, I am taking Mr. Baldwin's suggestion and responding to you directly, at the same time providing an extra copy of my letter in case you might wish to transmit my response directly to Mrs. Courson.

I can sincerely appreciate the frustration Mrs. Courson feels at the disappearance of much of the nation's railroad passenger service, as well as at some of the service failings. I also had the feeling, however, that she recognizes this problem is bigger than a matter that can be solved simply by a unilateral determination of rail management to "do something." The fact is that the railroad passenger problem has its root causes in a wide range of social, economic and government policy sources—and can be dealt with effectively only by a determined attack on an equally wide front.

If you will please excuse the length dictated by this multiplicity of problem facets, let me give the most meaningful course we here see toward solution.

First of all, let me state from personal knowledge that the railroad industry is more than willing to cooperate with Congress, the Administration or any responsible public body in making every reasonable effort to place our intercity passenger service on a paying basis, and in refraining from seeking to discontinue any trains that produce revenues in excess of the cost of operation. Indeed, it has never been the desire of the railroads to abandon any passenger service that can be continued without loss. The railroads have always been anxious to keep running those trains that are not a drain on their limited financial resources. This statement finds confirmation in the conclusions of the Interstate Commerce Commission (ICC) in its 1959 report in the *Railroad Passenger Train Deficit* (306 I.C.C. 417, 481) wherein it found that the railroads "have conscientiously endeavored to improve their standards of service" and "generally have not discontinued trains without serious efforts—sometimes prolonged—to make them pay and only after sympathetic consideration of public convenience."

Yet, the basic truth is that the railroad passenger business as a whole has not for many years paid its way as other preferred modes of travel have grown to great dimensions, aided by enormous amounts of financial assistance from public funds. Currently, the railroads are losing hundreds of millions of dollars a year on their passenger-train services overall and there are no present indications of improvement in this situation. They have been faced with ever-rising costs, especially for wages and wage supplements, while traffic and revenues have steadily diminished.

This chronic condition is not consistent with sound national transportation policy. The burden of the deficit has impaired the industry's financial position and its ability to provide essential freight service for which there is a demonstrated and growing demand. It is reflected, for example, in freight car shortages which this country has experienced.

The gravity of this problem from the standpoint of national interest is evidenced by numerous studies of regulatory bodies, the Department of Commerce and the Congress. One of the most exhaustive investigations was that conducted by the ICC in

1959. Unfortunately, as has been the case with so many studies of railroad problems over the years, little, if anything, has been done about many of its recommendations.

As private enterprises, the railroads should be permitted to eliminate those services on which they suffer losses or, failing that, some way must be found to compensate the railroads for continued losses on services which they are required by government to provide. The carriers do not have resources with which to maintain and operate poorly-patronized passenger trains as stand-by services, awaiting the uncertain and distant time when such operations might become viable.

We believe the research program contemplated by the High-Speed Ground Transportation Act of 1965 provides a wise approach in ascertaining to what extent travel requirements can and should be met by rail service as an adjunct to our highways and our air lanes.

We conclude that it would be sound national policy to let the determination as to whether particular passenger-train services should be maintained be based upon economic considerations. This means that as a general proposition the railroads should continue to operate passenger-train services that can be conducted without a loss and should be allowed to discontinue passenger-train services that can be conducted only with a loss. Not to permit the discontinuance of the ordinary losing passenger-train service would be to sap the strength of the railroads needlessly, with a consequent weakening of our national transportation system.

What should be done to prevent more and more existing trains from falling into the loss category and creating a need for discontinuance? Experience has demonstrated that such an effort requires far more than action on the part of rail management alone. It is evident that action on the part of railroad labor, Federal, state and local governments is also essential.

To be specific, railroads themselves must continue to develop the particular passenger-service markets that have a real economic potential. For example, in cooperation with the Federal Government (Department of Commerce) program now being initiated, the carriers will help to progress market and technical (both equipment and roadway) research studies and demonstration projects to determine the long-range economic potential of railroad passenger service in and between areas of high traffic density. Such activities should include (a) the effects of increased urban population concentrations and the saturation of highway and airway resources that may be disclosed, (b) the economic and engineering feasibility of high-speed and frequent rail transportation on routes of high traffic density, and (c) determination of the practical limits of train speed.

The carriers will also continue to strive for greater efficiency and economy in the operation of passenger-train service, and should be encouraged in such efforts by labor organizations and the government.

Railroad employees have a manifest interest in promoting the operation of passenger trains on a sound economic basis, and the cooperation of railroad labor organizations is essential to any effective effort to cope with factors that militate against this objective. Labor costs, which have risen sharply since World War II in the face of declining revenues, are a major factor in this respect. The total associated labor costs now absorb over 80 percent of passenger-train service revenues. It is particularly significant also that labor costs for train and engine crews have increased from 78 cents per train-mile in 1955 to $1.16 in 1965, or by nearly 50 percent. This high proportion of labor costs emphasizes the necessity of avoiding any uneconomic use of labor in passenger-train service operations and the importance of recognizing the impact of future labor demands on such service.

State and local government agencies can and should make important contributions to the alleviation of passenger-train service problems by taking remedial action in such areas as they influence as these:

Withdrawing opposition to abandonment of hopelessly unprofitable passenger trains.

Removing the discrimination that results from assessing railroad property at a higher ratio to market value than other property.

Collecting compensatory user charges for all transportation facilities provided from state and local funds.

Relieving the railroads from undue burdens imposed on them for providing and maintaining grade crossings, separations and protective devices since highway users are the principal beneficiaries.

Removing all outmoded "full crew" laws requring unneeded manpower under modern conditions of railroad operation.

The Federal Government itself has a decisive role to play. For its long-range implications, the initiation of a research and development program that is to include consideration of the dimensions and potentials of railroad passenger-train service, as represented by the High-Speed Ground Transportation Act of 1965, is a forward-looking and constructive step. Nevertheless, there are other very important aspects of Federal responsibility affecting the passenger-train service problem which are of much more immediate concern.

In the area of Administrative action, for example, the Post Office Department should be required to adhere to policies which are consistent with recognition of the importance of railway mail to continuance of essential intercity passenger-train services. The present policy of the Post Office Department to divert mail from the railroads has been and continues to be one of the major causes for the abandonment of railroad passenger service—for mail accounts for about 30 percent of total passenger-train revenues.

There also needs to be a more consistent recognition of the importance of railroad transportation to the national security. Particularly is there need for a Presidential directive to all government transportation procurement agencies requiring that their peacetime use of railroad and other transportation services be consistent with their comparative indispensability and availability in event of national emergency.

There is continuing need for expeditious disposition by the ICC of Section 13a applications to remove trains whose public use has dwindled and that are operated at a loss.

There should be vigorous development of sound public investment criteria to avoid excessive and uncoordinated promotional expenditures on transportation facilities for use by carriers by highway, air and water. These investment criteria should not fail to take into account the adverse effect upon existing transportation facilities.

In this regard the ICC in its aforementioned report on the *Railroad Passenger Train Deficit* pointed out that "the impetus given motor and air travel by Federal, State and local government promotional programs has unquestionably operated to the disadvantage of railroad passenger service." And the Commission further concluded that "there is little evidence of any comparable government effort to promote the public interest in railroad passenger service or to prevent or take into account competitive inequalities that may be induced by such promotional programs."

The railroads should be relieved of financial burdens for the cost of crossings on Federal-aid highways and of facilities to accommodate navigation—for example, as in the case of navigational clearances and the operation of moveable bridge spans over navigable streams. While the highway crossing matters involve the State and local agencies as well as the Federal Government, the latter should take the lead in providing a solution of this problem.

Railroads are currently being required to spend over $60 million a year for constructing and maintaining these facilities, and the costs of grade separations and protective devices are increasing with the tremendous expansion in highway construction and motor vehicle traffic. The ICC, after a recent investigation of railroad-highway grade crossing accidents, in its report of January 22, 1964, found:

"(13) That highway users are the principal recipients of the benefits flowing from rail-highway grade separations and from special protection at rail-highway grade crossings. For this reason the cost of installing and maintaining such separations and protective devices is a public responsibility and should be financed with public funds the same as highway traffic devices."

The Commission then recommended legislation to provide that "such funds be used to defray the costs of such installations and maintenance under some equitable arrangement between the users of the crossing."

There is growing need for more expeditious decisions by the ICC on railroad merger proposals. Soundly conceived mergers in the railroad industry will strengthen the industry and the national transportation system and should be encouraged by government.

In the vital areas of legislative responsibility, passenger-train services, as well as the railroads generally, have been adversely affected by the long-standing failure of government to collect adequate user charges for transportation facilities provided for the benefit of other modes by the expenditure of public funds. The Federal Government should take the lead in correcting this inequitable situation which has so long distorted the Nation's transport economy. An important step in this direction was the program of user charges for transportation by air, highway and inland waterway set forth in the Presidential Message to Congress in May 1965 and in the Administration's "Highway, Airway and Waterway User Act of 1966"—later modified as to airway user charges. This program has not yet been adopted by Congress.

It also makes only common sense that all present limits on truck sizes and weights should be retained until user charges have been enacted sufficient to cover both present as well as the increased highway costs that would result from raising such limits.

Certain fully justifiable tax relief would help the railroads to sustain more passenger service without loss and would improve the condition of the railroads generally. For example, railroads thus far have been unable to get adequate relief from discriminatory assessment practices of many State and local governments which result in railroad overpayments of some $100 million a year in property taxes. Such discriminatory assessments should be declared unlawful as a burden on interstate commerce—and the Federal District Courts given jurisdiction to deal with such matters.

Also, railroads have an enormous investment in tunnels and in the grading of their rights-of-way which under present federal income tax provisions cannot be recovered out of untaxed earnings. The railroads should be allowed to recover such investment by way of depreciation or amortization over a reasonable period of time.

The investment tax credit has worked well in the railroad industry but, unfortunately, a complete suspension until January 1, 1968, was put into effect this fall. The earliest possible restoration is essential to continued railroad improvement investment.

Clearly, problems of the railroad passenger-train services cannot be considered apart from the overall railroad problem, for such separate treatment would ignore some deep-seated problems that spread over the whole environment in which the railroads operate. It should be especially noted that the passenger service deficits themselves have imposed heavy and, in some instances, intolerable

burdens on the financial resources of the railroads—resources which have been and are urgently needed to modernize those facilities and services that can be operated profitably, thus making possible either reduced rates for freight transportation or avoiding the necessity of rate increases.

Perhaps the greatest service the railroad industry can render the economy and security of our Nation at this time is to strive to develop new equipment, technological innovations and operating methods that will enable it to provide cheaper and more efficient freight transportation services for the shipping public—which benefits everyone. Attainment of this goal would be greatly aided if certain additional measures were to be taken by the Congress and the Administration, including the assurance of greater freedom for the railroads in pricing their services—in keeping with the highly competitive environment in which all carriers now operate.

The President has stated repeatedly that he believes greater reliance should be placed upon the forces of competition than upon regulation. With this philosophy we agree. The railroads have made great strides in recent years in reducing costs through innovations in methods, techniques and equipment. Tihs has led to keener competition and lower rates to the shipping public. In fact, the average level of railroad freight charges has declined for eight straight years and is now 15 percent below the 1958 level. Surely this has been a significant contribution to the containment of inflationary pressures which concern us all.

Amendment in 1958 of the rate-making rule in the Interstate Commerce Act has been helpful in providing a less fettered competitive climate giving such constructive results. Nevertheless, the ICC's construction of the present rate-making rule still hampers the railroads in their efforts to join advanced technological efficiencies with more effective competitive pricing for the benefit of shippers and consumers.

I might also point out that the Interstate Commerce Act's exemption from economic regulation of motor vehicles engaged in transporting agricultural commodities and of water carriers when transporting bulk commodities creates a sharp inequity for the competing but fully regulated carrier in each instance. This was recognized in President Kennedy's Transportation Message of April, 1962, and in the letter of January 27, 1964, from President Johnson to the chairmen of the Senate and House Commerce Committees. Repeal of the bulk commodity exemption and curtailment of the agricultural commodity exemption to accord more nearly with its original objective, as for example by limiting it to the first movement beyond the farm, together with the greater rate-making freedom recommended above, will serve both to provide equity as among competing carriers with a fair break for all common carriers, and to provide flexibility, economy and adequate service for the movement of these commodities.

Another facet of the problem created by the agricultural and bulk commodity exemptions is in the inordinate and unsound growth of private carriage resulting from the transportation of exempt commodities at cut-rates on the back haul. The treatment of the exemptions suggested here would do much to correct this situation, but in the absence of this remedy, the problem should be attacked directly through prohibition of any for-hire transportation by vehicles used by shippers to haul their own products.

Unnecessarily restrictive regulation also hinders the diversification of transport companies. There is general agreement that each form of transport has its inherent advantages and that a coordination of the services of the different modes can frequently provide the cheapest and most efficient transportation to meet the needs of the shipping public. Full and complete coordination can best, if not only, be achieved by permitting common ownership of different modes of transportation—something that is now restricted in varying degrees for different forms of transport, but with the most severe limitations imposed upon railroads.

This should be corrected in the public interest, for domination of any other mode of transportation by the railroad industry, and particularly the retardation of growth or subordination of any other mode, is no longer a realistic consideration in the light of the maturity and strength of the vast numbers of carriers by other modes, the ease and low cost of entry by new carriers by other modes, and the checks presented by private or do-it-yourself carriage.

Again, let me apologize for the excessive length of this letter, but I felt that this inquiry warranted our fullest effort to give a better understanding of what the nation and its railroads are up against in this field. In case you or Mrs. Courson are interested in exploring the matter further, I am enclosing some additional relevant items, including a booklet on transportation user charges, a report by one of our staff members comparing passenger-train services around the world, and the AAR's new collection of "Statistics of Railroad Passenger Service" (note particularly the Foreword on pages i through v).

Please let us know if we can provide any further information on this vital national problem.

Sincerely,

DANIEL P. LOOMIS.

A BILL FOR SCENIC DEVELOPMENT AND ROAD BEAUTIFICATION OF THE FEDERAL-AID HIGHWAY SYSTEM

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

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

There was no objection.

Mr. PELLY. Mr. Speaker, obscured by the more sensational news at the first of this session was a very disturbing report on the highway beautification program. The Secretary of Transportation has calculated that the 1965 Highway Beautification Act requires the removal of over 1 million billboards, mostly in the next 3 years, at a cost of $558 million. The Secretary proposed, in the same report, an extremely complex set of rules and regulations to govern outdoor advertising in the industrial and commercial areas along the major highways. This regulation poses an impossible administrative burden upon the State highway departments. The act, as it stands, erodes the traditional powers of State governments for the sake of Federal uniformity. Yet this uniformity has the actual effect of undercutting the beautification efforts of the State of Washington and many other States; in fact this law creates billboard advertising in areas where it is now prohibited. The supporters of highway beautification in Washington feel that the present law is worse than no law at all, while on the other hand, the same law will work a severe hardship on the outdoor advertising business. If there was ever a hastily written and poorly considered statute that merited rewriting by the Congress, the Highway Beautification Act is that statute.

I am introducing today a bill which would amend the Highway Beautification Act and improve it in five ways. It would substantially reduce the cost of the program. It would not put people out of business or work. It would more effectively protect roadside scenery. It would greatly ease the onerous burden of administration now facing the State highway departments. And it would restore more freedom of choice to the State governments.

The bill is not a repudiation of the principles of highway beautification. On the contrary, it is endorsed by the Washington Roadside Council, a group in my State which has labored long and effectively for more beautiful highways. The bill would amend the Highway Beautification Act as follows:

It would repeal the requirement that the entire Federal-aid primary system be controlled. This would leave the Interstate System highways subject to the act, in addition to which the States would designate about 80,000 miles of roads on their Federal-aid primary and secondary systems as scenic roads to be protected.

It would repeal the provision that billboards be permitted in industrial or commercial areas subject to regulations to be agreed to by the Secretary of Transportation and the individual States. This unworkable and universally unpopular formula would be replaced with a procedure by which highways passing through incorporated municipalities could be controlled by the municipalities as they chose, and thus excluded from the requirements of the Federal act which the States administer. The procedure would be that the State would apply for exclusion of such municipal segments as it wished to leave under local control. If the municipality had a zoning code in effect before September 1, 1965, the segment would then be automatically excluded. If the municipal government had zoned or enacted a sign control ordinance after the cutoff date, exclusion of the highway segment from Federal requirements would be subject to the approval of the Secretary.

It would retain the Federal cost-sharing formula for States which chose to purchase billboards and advertising rights, but the mandatory nature of the compensation provision would be repealed. This will would permit the States to choose between control by purchase and control by police power. Unlike the bill proposed by the administration 2 years ago, which required the States to use their police powers if they could, today's bill observes a policy of neutrality as between the two means of control. It provides that the States may secure effective control by whatever means they deem proper.

The policy of mandatory "just compensation" is, in fact, highly unjust to States such as Washington, where the elected representatives of the people have expressed a strong desire to use the State's traditional and constitutionally valid police power to control billboards and junkyards. The policy is unjust to cities which desire to enact sign control ordinances applying to all city streets—

for although the principle of compensation now applies by virtue of equal protection considerations to all billboards, the 75-percent Federal cost-sharing applies only to signs along the interstate and primary routes. Cities would have to pay 100 percent of the compensation costs of billboards off these two systems, and cities cannot afford such costs. The policy is unjust to cities and counties which try to draw industry by establishing attractive, landscaped industrial parks—for the law now permits billboards in all industrial areas and again there is no Federal aid for compensation to keep billboards out of industrial parks.

Mr. Speaker, although the principle of mandatory compensation cripples the beautification efforts of local governments, I recognize the considerations of mitigating individual hardships which influenced the adoption of this policy. The bill I am introducing mitigates those hardships in a more equitable way, by removing the application of the act from built-up sections of the primary system, where most of the signs exist, and by removing the application of the act from roads within incorporated municipalities, where many more valuable signs exist.

I would estimate that these revisions would cut the estimated cost of this program by at least 80 percent. That means a savings to the U.S. Treasury of about $400 million.

This amendment would also cut the costs of the programs in the next fiscal year by postponing for 2 years the deadline for State compliance with Federal billboard and junkyard requirements. The present act requires the States to provide effective control by January 1, 1968. Since this amendment would revise the requirements, many States would have to enact conforming laws at the next sessions of their legislatures, in 1968 or 1969. Thus, the compliance date would have to be set back, and an additional benefit of the postponement is that the States would not have to expend large sums for billboard removal in fiscal year 1968.

It is my earnest hope that the Committee on Public Works will soon schedule hearings on this bill. The Legislature of the State of Washington is now one-third through its biennial 60-day session and must soon pass some sort of billboard control legislation in order to protect its highway construction allocation. The State does not wish to pass a law conforming to the 1965 Highway Beautification Act and all its undesirable features, but the State will be compelled to follow this course of action if we do not promptly undertake the task of revising this law.

Since there is no controversy over policy in the third title of the Highway Beautification Act of 1965, the scenic enhancement and landscaping program, my bill does not suggest funding levels for this popular program; the purpose of my bill is merely to suggest a new direction in policy.

RESPECT FOR EMBASSY PROPERTY AND EMPLOYEES

Mr. FINDLEY. 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. FINDLEY. Mr. Speaker, the right of a foreign embassy or consulate to protection from violence is a basic principle of international law. Every nation has a right to expect that its property and citizens are secure from threats of physical damage or injury. Over the years our Government has been zealous in its effort to discharge its responsibilities in this area, even when other nations have not always reciprocated. This policy is highly commendable.

Early Sunday morning property of the Yugoslavia Government was damaged when dynamite was exploded in four buildings in this country and two in Canada.

Among the buildings damaged was the Yugoslavia Embassy here in Washington. This violence was reprehensible and unjustified, and I am certain that every responsible American joins me in condemning it. While these acts may have been partially prompted by the recent stoning of our consulate in Yugoslavia, certainly no group is justified in taking retribution into its own hands. In the United States we exalt respect for law including protection of property.

If we do not respect embassy property and employees in this country we heighten the risk to U.S. citizens and property abroad.

FEDERAL TAX SHARING WITH STATE AND LOCAL GOVERNMENTS

Mr. GOODELL. 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 New York?

There was no objection.

Mr. GOODELL. Mr. Speaker, I am today introducing a tax-sharing proposal that will provide for the allocation to States and local governments of $2.2 billion. A large number of my Republican colleagues are introducing an identical or very similar proposal. We urge the Congress to hold full hearings and take action this year. Similar proposals have been made by Republicans for many years. A bill was introduced by the gentleman from Wisconsin [Mr. LAIRD] as far back as 1958 to provide for tax sharing.

The President's budget proposes an increase of more than $2 billion in existing Federal grant-in-aid programs for the next fiscal year—from $15.4 to $17.4 billion. A major cutback in these projected expansions could thus provide the money needed for effective tax sharing. In addition, many existing grant-in-aid programs could be phased out as funds from tax sharing became available at the State and local level for education and other purposes.

Our proposal would allocate 3 percent of Federal personal income tax revenue for tax sharing. The 17 poorest States would first receive 10 percent of the total funds as a form of equalization. The other 90 percent would then be divided among all States on the basis of population and a simple tax-effort ratio. Forty-five percent of the funds allocated to a State would have to be passed on to local subdivisions. The other 55 percent would be spent in any way the State desired. States reducing taxes would continue to receive tax-sharing funds, but in a comparably reduced amount.

There are two unique features of this tax-sharing proposal. First, at least 45 percent of the money would go to the local level for education or other municipal expenditures. Second, a new council on tax sharing, with State representation, would administer the program to insure simplified distribution procedures and to preclude any Federal controls. The 10-man bipartisan council would be appointed by the President and five of them would be State Governors.

State and local governments are now buried under a mass of over 400 Federal aid appropriations for 170 separate aid programs, administered by a total of 21 Federal departments and agencies, 150 Washington bureaus and 400 regional offices, each with its own way of passing out Federal tax dollars. It is time we moved firmly to restore vital State and local initiative and reinvigorate our federal system. The availability of $2.2 billion would provide the needed revenue for problem solving at the local level without rigid and wasteful Federal forms and control. Even those who previously proclaimed that proliferation of Federal grant-in-aid programs would solve our Nation's problems, are now raising anguished cries of protest at the resulting administrative chaos.

As our House Republican leader, the gentleman from Michigan, JERRY FORD, said in his state of the Union appraisal:

> Republicans will give leadership to the dynamic and constructive center in Congress.

I believe that tax sharing is an important first step in the new direction for America which was mandated by the voters last November 8.

FEDERAL TAX-SHARING PLAN

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. KEITH] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. KEITH. Mr. Speaker, today I am honored to join many of my colleagues in introducing a Federal tax-sharing proposal that would return $2.2 billion Federal dollars directly to State and local governments with a minimum of restrictions on their use.

If the Federal Government and the State and local governments are to strengthen the partnership that President Johnson cited as a goal in his state of the Union message, the financial resources of the other levels of government must be substantially increased. A genuine partnership will require considerably more than the administrative re-

structuring and effective planning to which the President referred in his message. It will require that large sums of money—to supplement State taxing powers that are now being used to their fullest—be made available through a well-designed program of Federal-State revenue sharing.

Mr. Speaker, the need for a program of tax sharing and the desire of the American people to have such a program is clear:

First, a recent Gallup poll reported that 70 percent of all adult Americans now favor a revenue-sharing plan; 49 percent of the people now consider "big government" the biggest threat to the country, and 48 percent of adults believe that State governments spend taxpayers' money more wisely than the Federal Government.

Second, State and local governments are now buried under a mass of over 400 Federal aid appropriations for 170 separate aid programs, administered by a total of 21 Federal departments and agencies, 150 Washington bureaus, and 400 regional officers. Furthermore, the President's budget proposes an increase of more than $2 billion for this fiscal year to administer these mushrooming offices and programs. It is my belief that as much of this $2 billion as possible should be directed toward a tax-sharing program.

Third, the need for more financial aid to the States cannot be overemphasized. The total debt outstanding for State and local governments in the past decade increased by 125 percent while the Federal debt increased only 14 percent. At the same time, State and local taxes have risen about as high as they can go with the increase in revenue at these levels from $23.6 billion in 1955 to $51.6 billion in 1965.

The tax-sharing proposal which I am today offering is supported by the Republican leadership and is, in my view, a refinement and improvment of previous proposals. It has been worked over many times by the best experts available. Our bill, if enacted, will allocate 3 percent of Federal personal income tax revenue for tax sharing. The 17 poorest States would first receive 10 percent of the total funds as a form of equalization. The other 90 percent would then be divided among all States on the basis of population and a simple tax-effort ratio. Forty-five percent of the fund allocated to a State would have to be passed on to local subdivisions. The other 55 percent would be spent in any way the State desired.

There are two really unique features to our proposal which merit the support of the administration and the Congress. First, at least 45 percent of the money would go to the local level for education or other municipal expenditures. Second, a new Council on Tax Sharing, with State representation, would administer the program to insure simplified distribution procedures and to preclude any Federal controls. The 10-man bipartisan Council would be appointed by the President and five of them would be State Governors.

I believe that this tax-sharing bill embodies a basic Republican objective—to revitalize State and local government and to restore the balance of a truly creative Federal system. I urge that Congress take action on this measure without delay.

THE COSTLY JOB CORPS

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, I have from time to time pointed out some of the exorbitant costs in funding the so-called war on poverty.

The up-to-date figures on the Job Corps disclose that there are now 9,766 graduates from the 112 training centers. Of these, 7,341 have been placed in jobs, 934 have gone back to school and 1,491 have entered the Armed Forces. The Job Corps has spent $522,502,378 up to the first of this year. This comes out to $53,502 per graduate.

Admittedly the program has had its problems in tooling up and that this initial cost would naturally balloon the cost of the first graduates, but we have come far enough now where we ought to be seeing some better results. Overly optimistic proponents were promising 40,000 graduates and more a year, but currently OEO cannot hold a candle to these unrealistic estimates. Now the Corps has launched an intensive recruiting drive in an attempt to bolster sagging enrollments, in spite of the fact that the program offers young people free training, free medical care, food and lodging, and job placement.

Do you not agree that it is a mighty costly program on the strength of the results obtained thus far?

CONGRESSMAN McCLORY RECOMMENDS AUTOMATIC DATA PROCESSING STUDY

Mr. McCLORY. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD and to include extraneous matter.

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

There was no objection.

Mr. McCLORY. Mr. Speaker, the establishment of an automatic data processing facility to serve the Members and the committees of Congress is urgently needed. Such a facility is provided for in my bill, H.R. 21, and similar measures introduced by other Members of this body. An analytical study of various ways in which electronic computers might be used to aid the Congress was prepared recently by the Legislative Reference Service.

In order that we may have an opportunity to review some of these recommendations, an abridged version of this study is set forth, as follows:

AUTOMATIC DATA PROCESSING FOR THE CONGRESS

(By Robert L. Chartrand, information sciences specialist, Science Policy Research Division, Legislative Reference Service, the Library of Congress, Washington, D.C., revised January 3, 1967)

INTRODUCTION

The impact upon American society of the "information explosion" and its often heralded antidote, "automatic data processing" (ADP), has been widely recognized and debated. Such factors as increased population and education, the development and availability of communication media, and the very nature of scientific method have resulted in voluminous outpourings from the universities, the commercial world, and the decision-makers and technological cadre in government.

In each of these environments, the problem of how best to cope with high volumes of written material—books, reports, specifications, etc.—must be faced. The evolution of any information handling operation to an "improved" state necessarily commences with a close scrutiny of the existing system. This should be done in the light of identified user needs:

The basic characteristics of information storage and retrieval problems, which appear to be common to all situations wherein new approaches must be considered, include on the one hand extremely rapid growth in the amount of information and, on the other, fragmentation and specialization in the immediate application of particular pieces of information with the probable need for multiple application.[1]

And so, the old problem of servicing many users with diverse information, from many sources, has grown to one of monumental proportions. During the past few decades, at least partial relief for this growing dilemma of our civilization has been found in the development of automatic data processing equipment. Without question, these devices have significantly enhanced the ability of man to perform many critical functions. It has been well said that:

"No single technological advance in recent years has contributed more to effectiveness and efficiency in Government operations than the development of electronic data processing equipment."[2]

Indeed, the increasing involvement of the Federal Government, both directly and obliquely, in numerous facets of the lives of its citizens, has resulted in a need for new capabilities to expeditiously collect, store, process, and utilize extremely high volumes of data. One significant advantage of automated systems is their ability to update rapidly large files of information without disrupting the whole system.[3]

The question often arises as to what to automate; or, to what degree does the machine replace the man? The late Dr. Mortimer Taube, eminent in the field of information systems, expounded upon the alternatives inherent in considering automation:

"If automation can never be total, then the 'where,' 'how much,' and 'when' of human interposition must be understood as questions of degree. Further, there should be

[1] Joseph Becker and Robert M. Hayes, *Information Storage and Retrieval: tools, elements, theories* (New York: John Wiley & Sons, 1964), p. 6.

[2] Executive Office of the President, Bureau of the Budget, *Report to the President on the Management of Automatic Data Processing in the Federal Government* (Washington, D.C.: February 1965), p. 1.

[3] William E. Bushor, "Information Storage/Retrieval", *Electronics*, 1962 (quoting G. L. Ordway), p. 49.

discoverable principles in terms of which the degree of human interposition and the degree of automation for maximizing the result and minimizing the investment in any specific system can be determined." [4]

Within the Federal Government, there is a spectrum of requirements for information of the right scope and nature. This is equally true in principle, although with modifications in the areas of detail, in the Executive branch, the Legislative branch, and the Judiciary. Today, the problem seldom is one of paucity of information. The different branches of government need equal access to facts, since the interplay between them is affected significantly by the degree to which any organizational entity has access to, and can utilize properly, vital information.

CONGRESSIONAL REQUIREMENTS FOR ADP SUPPORT

Some political analysts feel that the balance in the relationship between the Executive branch and the Congress has been jeopardized as the result of the demands upon the time and energies of the legislators. A recent management study of the Congress underscored the serious nature of this problem:

"Congress is burdened by an ever-increasing workload, caused by continuing growth of the nation and the government, and Congress' failure to relieve itself of unnecessary work detail. The weight of this workload as felt personally by legislators is a serious impediment to a greater Congressional effectiveness." [5]

Many persons believe that the trend has been for Congress to yield more and more authority to the Executive. The Congress, by the authority set forth in the Constitution, maintains its traditional role vis-a-vis the Executive branch in three ways—through its lawmaking power, appropriations power, and through investigations.[6]

Once again, the key concern must be that the Congressman utilize selective information and analyses in order to render knowledgeable decisions. In discussing decision making in Congress, James A. Robinson reinforces the criticality of the argument by pointing out that "as problems proliferate, the amount of information required as a basis for making policy decisions also radically increases. In consequence, no legislator can be an expert on more than a few few policy issues." [7]

Kenneth Janda goes one step further, in underscoring his point that . . . "information systems are *not* . . . devices for grinding out policy decisions, and they are not designed to replace human judgment. Rather they are intended to provide the human decision maker—here, the Congressman—with knowledge for making informed choices." [8]

When one considers that each Congress passes approximately 4,000 bills and resolutions, while determining not to act on about 22,000 other items,[9] the importance of information that is "factual, analytic, and attitudinal" [10] to the Congress cannot be overly stressed.

In order to understand more fully the Congressional problem of too much information, and how it is to be requested, retrieved, digested and used, the sources of information should be described. Many "communities" of dedicated professionals are responsible for the large amount of documentation: technical societies, Government agencies, private publishers, technically oriented companies. In *Science, Government and Information,* it is noted that

"The functions of many of these organizations overlap, partly because some of the groups are organized around a mission and some are organized around a discipline, partly because in a free society, overlap and blurring of sharp lines is inevitable." [11]

A major emphasis to be pursued within this paper is that of identifying Congress' needs for an improved system of acquiring and handling key information. One means of providing relief to the harassed Congressman and staff, deluged under masses of information, may be through the support that can be provided by automatic data processing. Recommendations in this area have ranged from the practical to the conjectural.

Vice President Humphrey urged, in a speech before the Spring Joint Computer Conference, that

"The legislative branch should, itself, take the lead. Few groups of men and women in the world need more, better or more varied information than the 535 elected Representatives and Senators. Congress' committees and subcommittees and Members need push-button, preferably display-type access, to specialized 'banks' of information. Each major 'bank' should serve the interested committees—Agriculture, Appropriations, Armed Services, Banking and Currency, Foreign Relations, Interior—and so on, down the alphabetic line." [12]

The need for pertinent information exists at several levels of Congressional functioning: the Congress *per se,* the individual chambers, the committees (and subcommittees), and the individual Congressman. In many instances, it is impossible for the limited, though excellent, Congressional staff effectively to identify, acquire, select, and absorb requisite information covering a wide range of projects. Thus the staff may require support from external groups, such as the Library of Congress (Legislative Reference Service). Many questions naturally arise when the desirability of providing an ADP-oriented information system for use by the Congress is broached. Charles Dechert reflects upon some of these:

"The problem of congressional access to information might be better defined as a problem of information management. What specific elements of information are needed to make what judgments? Where are these elements located? How are they to be retrieved? And how should they be presented in order to be meaningful?" [13]

The enormity of some of these considerations has caused Congress to move very cautiously in dealing with ADP matters. After several abortive attempts, it did pass Public Law 89–306, which provides "for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal Departments and agencies." [14] Although this action has abetted the Government planners by establishing a coordinator for equipment procurement, it in no way alleviates the plight of the Congress itself, which needs *relevant* information.

Whereas the Congress had been moved only recently to take positive action to establish a rationale and support for the utilization of automatic data processing equipment within the Federal community, earlier efforts were made to bring order out of chaos. In House Report 802, the Congress was asked to recognize:

"Since 1958, up to the time of the hearings on H.S. 4845, the GAO had issued approximately 100 audit reports to agencies, congressional committees, and to Congress revealing serious shortcomings in the manner in which specific agencies acquired and/or utilized ADP equipment. The major deficiencies cited in these reports have been:

"(a) Inadequate feasibility studies

"(b) Uneconomical and ineffective equipment utilization

"(c) Overpayments resulting from inadequate management practice

"(d) Uneconomical procurement of equipment." [15]

FEDERAL AGENCY USE OF ADP

The emphasis, then, for a number of years was on creating policies and procedures for procuring, sharing and using ADP equipment. Relatively little was done to study in depth and the equally significant problem of information handling systems development. Responsibility, through general statutory authority, has been conferred upon the Bureau of the Budget to "develop and establish policies and guidelines for the improved management and coordination of ADP within the executive branch." [16] These management activities relate to:

1. studies that should be made in advance of the acquisition of equipment;
2. selection and acquisition of equipment, with particular reference to purchase-or-rental decisions;
3. agency practices in respect to ADP management; and
4. sharing of equipment.[17]

The growth of ADP facilities within the Federal community during the past decade has been significant. From only 90 computers in 1956, 2600 electronic computers were projected for FY 1967.[18] Another indication of the Federal Government involvement in this area is that it projected expenditures of $1,292,000,000 in FY 1967 for ADP equipment and services.[19]

As the Federal Government agencies gained more experience with ADP systems, a better understanding of how to plan the integration of ADP into an existing operation came into being. Lessons learned in one quarter often could be adapted to another

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[4] Dr. Mortimer Taube, *Computers and Common Sense* (New York: McGraw-Hill Book Company, Inc., 1963), p. 83.

[5] A. D. Little Company, Inc., *Management Study of the U.S. Congress,* (Report to NBC News, November 24, 1965), p. 11.

[6] *Ibid.,* p. 19.

[7] James A. Robinson, *Decision-Making in Congress* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1965), p. 8.

[8] Kenneth Janda, *Information Systems for Congress* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1965), p. 23.

[9] CONGRESSIONAL RECORD, vol. 112, pt. 23, p. D604.

[10] Charles R. Dechert, *Availability of Information for Congressional Operations* (Washington, D.C.: American Enterprise Institute for Public Policy Research, 1966), p. 3.

[11] The President's Science Advisory Committee, *Science, Government, and Information* (Washington, D.C.: The White House, 1963), p. 17.

[12] Vice President Hubert H. Humphrey, the CONGRESSIONAL RECORD, vol. 110, pt. 7, p. 9075.

[13] Dechert, *op cit.,* p. 6.

[14] U.S. Congress, *Public Law 89–306* (House Report No. 4845, 89th Congress, 1st session, 1965), p. 1.

[15] U.S. Congress, House Committee on Government Operations, *Automatic Data Processing Equipment* (House Report No. 802, 89th Congress, 1st Session), p. 17.

[16] *Report to the President on the Management of Automatic Data Processing in the Federal Government, op. cit.,* p. 75.

[17] *Ibid.,* p. vi.

[18] Executive Office of the President, Bureau of the Budget, *Inventory of Automatic Data Processing Equipment in the Federal Government* (Washington, D.C.: July 1966), Chart 1, p. 7.

[19] *Ibid.,* Chart 4, p. 10.

environment. It gradually became accepted that ". . . a master systems plan for an agency, at the highest feasible level, is desirable. All efforts to develop systems can then be undertaken in relation to the plan, in order to achieve an orderly and coordinated program." [20]

Exemplary within the Executive branch, which now lists 43 agencies with electronic computers (FY 1965),[21] have been such developmental projects as those at the Department of Defense, the Defense Documentation Center, Bureau of the Census, the Bureau of Labor Statistics, and the Social Security Administration.

Of the many large scale information handling systems developed within the Federal community, each project has been faced with the problems of determining definitively the *real* needs of the users for selected information. Of equal importance has been the delineation of the frequency, form, and format which this information should take. These paramount design considerations must be kept in mind as the Congress moves to alleviate its condition of chronic information satiety.

PROJECTED ADP SUPPORT FOR THE CONGRESS

In considering those potential applications areas where automatic data processing could assist the Congress and its members both in decision-making and housekeeping, it is worthwhile to take note of the attitude of the members themselves. In a survey reflecting general categories of problems as articulated by 80 members of the House of Representatives, 78% mentioned the "complexity of decision-making; lack of information." [22]

As the complexity of our society and the means of governing it increase, the decision-makers must be in a position to weigh possible options for action.

"Congress should develop an improved ability to test in advance the *relative* effectiveness of alternative courses of action . . . because effectiveness must be measured in tangible results affecting people, it cannot be measured solely in accounting terms." [23]

In order to determine astutely and set down such alternatives, the hard-pressed committee or member's staff ideally should possess "the professional capability backed by computers and other aids where appropriate, to identify and evaluate alternatives to the programs proposed by the Executive departments and agencies." [24]

Robinson stresses that ". . . the consequences of today's actions, or inactions, often determine tomorrow's possibilities of maneuver and decision." [25] Choosing when to call for a vote, or reveal support, or display overwhelming justification, is a mark of the successful Congressman.

In considering potential application areas for ADP support to the Congress, it is desirable to treat these, as previously mentioned, within the context of four levels of activity—the Congress as a unit, each chamber as an entity, by committee (or subcommittee), and the individual Congressman. Potential ADP applications are further discussed in the order presented in the summary listing.

SUMMARY LISTING OF PROJECTED APPLICATIONS OF ADP IN SUPPORT OF THE CONGRESS (ENTRIES ARE NOT NECESSARILY EXCLUSIVE)

The Congress as a Unit:
Status of pending legislation
Lobbyist activity information
Direct access to legislative research
Legal literature/information
Automated index/catalog of congressional documents
Payroll accounts of employees of Congress
Up-to-date Legislative telephone directory
Each Chamber as an Entity:
Current information on issues up for vote
Post-vote analytical information
Electronic (remote) voting by Congressmen
The Committee or Subcommittee:
Current schedule of committees' meetings and hearings
Histories of committee action
Exclusive file for each Committee
Information on Federal contract awards
Appropriations statistics and information
The Individual Congressman:
Exclusive file for each Congressman
Selected readings of interest to Congressmen
Constituent information

The Congress as a unit

Centralized information of many kinds would be valuable for use by the members of both Houses. Considering that some 25,000 bills and resolutions are "put in the hopper" for action (or rejection) by each Congress, a computerized file of all pending legislation would be most useful. Pertinent information could include the name and number of the bill, the sponsor, a précis of the content of the bill, related (other House) legislation, past legislation germane to the current bill, and status of action on the bill. Daily printouts, specially formatted, could be produced and distributed for Congressional consumption, and special (*ad hoc*) requests could be handled expeditiously.

A "Selective Dissemination of Information" (SDI) system [26] for providing tailored information for each Congressman based on a preestablished "interest profile" which could be matched by computer against descriptions (abstracts) of the bills is another possibility. The SDI system has proven, in other environments, to be highly useful since it offers flexibility in reflecting user needs and the changing content of information files. Also within the state-of-the-art, and occasionally implemented, is the option for printing out the entire content of a given document (in this case, a bill).

The desirability of maintaining registration data on lobbyists is discussed by Kenneth Janda, who notes that the lobbyists "constitute one of the most valuable sources of independent information available to Congress." [27] The computerized file could reflect the name of the individual, whether or not he is a registered lobbyist, the name and address of his employer, with what area of legislation (or special bill) he is concerned, total sum of contributions during the calendar year, and "the names of any paper, periodicals or other publications in which he has caused to be published any articles or editorials." [28]

Communication between the Congress and the Legislative Reference Service (LRS) of the Library of Congress has been in effect for many years, but only in recent years has the possibility of providing remote terminals for direct Congressional query of LRS become feasible. Man-machine interface—i.e., direct query access to computerized data banks—must be planned and implemented with care. Witnesses before Congress have urged the use of computers by LRS,[29] but the size of the holdings within the Library of Congress enforces the need for a careful systems analysis and design effort.

Not only must the existing system for rendering support to Congress be scrutinized, and its strengths and weaknesses weighed, but design considerations must allow for the continuation of service even while improvements are being implemented. This parallel operation allows a modular (step-by-step) development of the system, with periodic evaluations, that optimizes fulfillment of the user's needs.

The desirability of providing Congressional access to computerized legal literature has been recognized. Automated law searching has been developed at the University of Pittsburgh during the past several years. The entire United States Code, in full text, is available for querying, as are other statutes, codes and regulations.[30] In addition to such legal documentation, some persons have urged that ADP equipment be used to catalog and index Congressional documents.[31]

Housekeeping functions performed by ADP of benefit to the Congress could include placing the payroll accounts of the employees of Congress in computerized files, and maintenance of an "up-to-date telephone directory for the Legislative Establishment." [32]

Each chamber as an entity

In some instances, information needs of the two Houses are best treated separately. One recent study shows [33] that Congressmen often are summoned to the floor to vote with virtually no information as to the issue under consideration. The establishment of a chamber-oriented communications network would help the individual Congressman by providing him with information, both on an unsolicited basis (e.g., twice daily) or upon request, about the status of activities in his chamber. This could include furnishing substantive information on which to base his vote.

Once the vote has been taken, the office terminal could provide from a central computerized file such information as the voting positions of various Congressmen, a summary of the issue, and the consequence of the vote for passage of the bill.[34]

Another possible area for machine utilization by the Congressman is that of automated voting. This controversial issue will not be further discussed since it falls outside the orientation of this paper.

The committee or subcommittee

The Congress conducts much of its business through its committees and each may have separate needs for specialized information. A schedule of committee meetings and hearings could be maintained in an ADP

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[20] *Report to the President on the Management of Automatic Data Processing in the Federal Government, op. cit.*, p. 9.

[21] *Inventory of Automatic Data Processing Equipment in the Federal Government, op. cit.*, Chart 2, p. 8.

[22] Janda, *op. cit.*, Table 1, p. 7.

[23] A.D. Little, *op. cit.*, p. 31.

[24] *Ibid.*, p. 32.

[25] Robinson, *op. cit.*, p. 13.

[26] International Business Machines Corporation, Inc., *Selective Dissemination of Information*, a General Information Manual (White Plains, N.Y.: IBM Corp., 1962).

[27] Janda, *op. cit.*, p. 30.

[28] Karl Schriftgiesser, *The Lobbyists* (Boston: Little, Brown and Company, 1951), pp. 89–90.

[29] U.S. Senate, Joint Committee on the Organization of the Congress, *Interim Report* (Senate Report No. 426, 89th Congress, 1st Session, 1965), Appendix C, p. 28.

[30] Earl W. Brydges, "The Electronic Solon", *National Civic Review*, July 1965, p. 351.

[31] George B. Galloway, "Congressional Reform: Agenda and Prospects", (Address before the Tenth Southern Assembly, Biloxi, Miss.) January 28–31, 1965, p. 27.

[32] *Ibid.*, p. 27.

[33] Janda, *op. cit.*, pp. 31–32.

[34] *Ibid.*, p. 32.

form, thus aiding the Congressman in planning his time. Another salient application area is that of compiling histories of committee action for machine retention and subsequent accessibility. Over a period of years, Janda comments,[35] each committee may consider many bills which are quite similar. Machine memories could augment those of senior committee members. Human memories often fail, and in the case of the more junior lawmakers, they are not able to function as effectively without historical information on past action.

Committee staffs, charged with performing research that is often sparsely or obscurely documented, would welcome enhanced access to information bearing on the mission of the committee. Often, staff members must browse among subject matter which *may* be of value. Rigby highlights the considerations inherent in this situation.

"For subject searches, no system can yield just what, and only what, is desired, no matter how carefully the question is formulated. There will always be some element of subjective judgment. Hence the need for browsing to find (or eliminate) what is most probably relevant (or irrelevant). The user sometimes looks for very specific data by subject; but more often he has vague or ill-defined or not definable ideas, or is merely looking for interesting information." [36]

Congressional committees should be able to conduct research without having to depend heavily upon the resources of the Executive branch. The ability to submit queries to a legislatively-administered data processing center, where key information is circumspectly controlled and stored, and to analyze the outputs produced in response to these queries without fear of external bias—these things are important to the Congressional staff person.

Another application area for ADP utilization is in storing information on Federal contract awards (by subject, contract recipient, and Congressional district).[37] This information could be quite valuable during the recurring debates on R & D projects and appropriations. Also, it would allow an examination of industrial resources applied to Government projects.

Committee review of appropriations requests or budgetary expenditures is one means by which the Congress reviews the activities and plans of the agencies within the Executive branch. The consequences of an enhanced Congressional ability to analyze the area of monies and expenditures have evoked this observation:

"Committees could use the computer for exhaustive and comprehensive analyses of current estimates according to past estimates and subsequent expenditures. The sources of increase and decrease (if any) can be pinpointed and subjected to closer scrutiny. Patterns of supplementary appropriations could be entered into the analysis." [38]

In amplification, George B. Galloway has said that Congress could use computers to reflect "trends in Federal budgeting to show rates of growth of program components together with data on original enabling authority and points of decision-making when funding levels were either increased or decreased." [39] With the introduction of an integrated Planning-Programming-Budgeting (PPB) System involving numerous Executive departments and agencies, the Congress may choose to alter its mode of fiscal review.[40] Variance in program categories and subcategories presentation may appear, as budget activity structures are modified. The employment of ADP techniques and devices to aid the Congress in its evaluation of appropriation trends and budget data may become desirable.

The individual Congressman

It is recognized that no general information system can be devised to fulfill all requirements of every Congressman, but the way in which he uses existing—or projected—capabilities is important. As implied above, the Congressman faces a dilemma in many vote-casting situations.

Much of the information relevant to a given piece of legislation, including the Congressman's past attitudes and statements regarding the area under focus, could be stored in a computerized memory. Any projected system could include allowing each Congressman the prerogative for placing into the central files—in a specially formatted section—key information of use to him alone. The importance of participation by the Congress in defining its collective and component needs for information *cannot* be overstated. With the recognition of this basic premise, the requester in effect accepts the admonition that ". . . when you request information, you must visualize the often indefinable gap in your knowledge clearly enough to state what it is you don't know but wish to find out. Learning to label information, learning to ask questions—these are the biggest problems." [41]

The constant need of the Senator or Representative to read all of the information that is essential to his office has been previously noted. The determination as to what material should be treated in cursory fashion, and what must be perused, is made by the Congressman and his staff as best they can. Here again, an SDI system would be useful. In many instances, computers could search those categories of information previously assigned top priority and provide a listing of those documents and related data for possible further scrutiny. The time-response factor, so often a constraint on staff action, is an ever-present determinant. Information systems often classify responses in three time frames: "priority, time critical, and scheduled." [42]

Each Senator and Representative would like to have a current, accessible file containing information on his constituents. The retention and retrieval of essential information about constituents—name, address, family composition, business, voting record (if known), degree of political participation—are easily handled by existing ADP equipment. Also, the Congressman may choose to answer much of his mail with special typewriters, perhaps linked to computers.[43]

In considering the significance of the projected applications, the reader should keep in mind that knowledge is useful only in the hands of the technical specialist. Automatic data processing is the instrument for information *processing*, but the all important function of selecting information for *decision-making* is the prerogative of the subject matter specialist.

Orientation and education for all involved with the system is mandatory. Extensive planning, weighing of alternatives, tailored design, and modular implementation must take place before the system of the future becomes a reality. The future of the United States resides in the efficacy of its decision makers, whose judgments must be rendered with perspective and knowledge.

[35] *Ibid.*, p. 36–37.

[36] Malcolm Rigby, "Browsability in Modern Information Retrieval Systems: The Quest for Information", *Proceedings of the Symposium for Information Sciences* (Washington, D.C.: Spartan Books, 1965), p. 49.

[37] Galloway, *op. cit.*, p. 27.

[38] Janda, *op. cit.*, p. 38.

[39] Galloway, *op. cit.*, p. 27.

[40] Executive Office of the President, Bureau of the Budget, *Planning-Programming-Budgeting*, Bulletin No. 66–3 to the Heads of Executive Departments and Establishments (Washington, D.C.: October 12, 1965), p. 5.

[41] Evan Herbert, "Finding What's Known", *International Science and Technology*, January 1962, p. 14.

[42] *Report to the President on the Management of Automatic Data Processing in the Federal Government, op. cit.*, p. 6.

[43] John Dillin, "Congress: streamlining letters", *Christian Science Monitor*, March 15, 1966, pp. 1 and 16.

Alan L. Otten, "Punched Card Politics: Parties and Unions Use Data Processing Gear", *Wall Street Journal*, May 24, 1965, pp. 1 and 20.

OUTRAGEOUS AND SENSELESS ACTS OF TERRORISM

Mr. MIZE. 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 Kansas?

There was no objection.

Mr. MIZE. Mr. Speaker, I was shocked, as I know many other Americans were, on Sunday when we learned about the bombings of the Yugoslav Embassies and consulates in the United States and Canada.

Secretary Rusk is correct when he calls these "outrageous and senseless acts of terrorism." These attacks happen in other countries, but they should not happen here because they are repugnant to the American sense of decency and justice. Even when we disagree with our neighbors, we respect their rights and spare them violence.

I visited in Yugoslavia in December as a member of the International Trade Subcommittee of the House Banking and Currency Committee. I feel confident that the Yugoslav people are interested in establishing a rapport with the West, and it is my opinion that we should keep the door wide open for any opportunities to promote better relations.

I am sure that the Yugoslav people who know the facts understand that the majority of American people abhor these terrorist actions and do not want to be judged by the thoughtless deeds of a few. We will spare no effort to bring the guilty to justice, and we should make sure that these and other offices receive added protection so that there will be no reoccurrence of Sunday's bombings.

Mr. ALBERT. Mr. Speaker, will the distinguished gentleman from Kansas yield?

Mr. MIZE. I am happy to yield to the distinguished majority leader.

Mr. ALBERT. Mr. Speaker, I strongly support the statement which has been made by the gentleman from Kansas [Mr. MIZE].

Mr. Speaker, I learned with horror which all Americans surely share that the Embassy and other establishments of the Government of Yugoslavia in this country and in Canada were subjected yesterday to bomb attacks. I cannot imagine how anyone could be so stupid and so irresponsible as to seek to express his political opinions in this fashion, however strongly he may hold them. I particularly object to the extension of foreign political disagreements to this

country, and to attacks on the diplomatic representatives of foreign governments who are guests in this country.

This sort of action is especially senseless when it is directed against a country which, whatever its internal political system, has courageously defended its independence for nearly two decades with our help and to our benefit. I am sure that the Congress of the United States joins with me in expressing to the Government of Yugoslavia, and to its Ambassador in Washington, our deep sense of outrage over this deplorable affair.

BOMBING OF YUGOSLAV EMBASSY AND CONSULATES

Mr. ADAIR. 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 Indiana?

There was no objection.

Mr. ADAIR. Mr. Speaker, I am sure that all of us feel a sense of shock and indignation at the bombing of the Yugoslav Embassy here in Washington and the Yugoslav consulates in New York, Chicago, and San Francisco. The Yugoslavian Embassy in Ottawa, Canada, and the consulate of Yugoslavia in Toronto were also bombed. The fact that the explosions occurred in all these cities in the early hours of Sunday morning indicates that they were the result of a carefully developed plot.

This sort of thing cannot be tolerated in the United States. It is not a question of whether anyone is for or against Tito or communism. Although there may be a certain tradition of terrorism as an expression of disapproval in some parts of the world, we must make clear to bomb throwers everywhere that we will not tolerate such actions here.

I know that all Members of the House feel a warm friendship for the people of Yugoslavia and want to join in expressing our regrets for what has happened and our determination to track down and punish the guilty parties.

BILL BAGGS REPORTS—PARTS VI AND VII

Mr. FASCELL. 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 Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, today I would again like to call to the attention of my colleagues, the sixth and seventh articles in the exclusive, descriptive sketch by Miami News editor, Mr. Bill Baggs, on his visit to North Vietnam.

He has afforded us all with an opportunity to reflect the present situation with a more personal insight.

In the following two articles, Mr. Baggs reports with a total grasp, the experiences of the citizens of Hanoi and Phu-ly.

PHU-LY: A CITY ALMOST BOMBED OFF THE MAP—PART VI

(This is the sixth in a series of exclusive articles by Miami News Editor Bill Baggs on his visit to North Vietnam.)

(By Bill Baggs)

Phu-ly, North Vietnam—(Delayed)—This is a little city which has been pretty much bombed off the map.

Indeed, an uncommon sight around here is a structure with a roof and walls. After examining the rubble, you estimate that at least four-fifths of the city has been destroyed.

Acres and acres of ruins stretch out from either side of the highway through the place.

The people here say the American planes came three times in October of last year, on the 1st and the 2nd and the 9th days, and that they were bombed hard on 10 occasions during those three days.

Once the little city had a population of 7,700, but when the bombing started in North Vietnam, the people of Phu-ly as in other cities, largely evacuated the place. Most of those left were doing housekeeping work at the hospital and the schools. A few religious persons remained to look after the old Catholic Church and the pagodas here.

The people you talk to in this province are convinced that the American bombers destroyed Phu-ly to terrorize the population, and to give a violent hint of what might be done to Hanoi and other large cities. Nothing a visitor can say convinces the people that these are not the American intentions.

Persons in the American government have told this reporter that Phu-ly was bombed because it had become a rallying ground for supplies headed south to the National Liberation Front at war with the Americans and the South Vietnamese.

These same persons explained the policy was to knock out those sections and sheltered areas in the city where the trucks and men gathered for the journey south.

The bombers knocked out about everything.

The rail bridge across the river may have been destroyed and such bridges could be considered military targets, but if so, the North Vietnamese have built another since the October bombings. A train huffed across the rail bridge while this reporter was here.

On the north side of town, a work crew of young men and women, a familiar sight in North Vietnam, had begun working south, across the rubble, into what had been Phu-ly. They were cleaning and stacking bricks.

A man in the government of this province was an encyclopedia of information, relating the number of bombers and the number of bombs dropped and the number of rockets fired at Phu-ly, but this reporter has not included these statistics because he cannot confirm them himself. In any event, the sight of Phu-ly is the best evidence of what happened here.

Phu-ly is located about 60 kilometers (35 miles) south of Hanoi, along the principal highway toward Saigon. Up and down the highway are signs of bombing. Repair of the important road is apparently swift. Dirt is hauled, packed into the bombed places, and the traffic resumes. Great amounts of earth and boulders are stored along the sides of the highway, and the rail lines, for prompt repairs.

There is no question that the bombings have hurt North Vietnam. The people here admit that. There does appear a question as to how much damage to the military capability has been accomplished by the bombings.

The persons you talk to in North Vietnam have two complaints about the bombings. One is that these attacks are aggressions against a sovereign nation. The second is that many places bombed have no relation to military purpose. Surely in Phu-ly, you can see with your own eyes that hundreds of homes were reduced to ruins along with whatever military facility which might have been here once.

When these complaints are auditioned to a visiting American reporter, he tries to explain that the American government is convinced North Vietnam is sending supplies and men south to fight the Americans, and that the bombings are designed to discourage the flow southward. The explanation is politely and firmly rejected.

DETERMINED NORTH VIET BETS ON ITS MOBILITY—PART VII

(This is the seventh in a series of exclusive articles by Miami News Editor Bill Baggs on his visit to North Vietnam.)

(By Bill Baggs)

HANOI—(Delayed).—North Viet Nam is a guerrilla society.

The people here have been at war, mostly guerrilla war, for 25 years, and only the older ones remember a season of peace.

And this long visit of war not only has conditioned the character of the people, but also the nature of their economy.

The adults, and many teenagers, are trained to use a rifle or a machinegun. The ministers in the government are trained to bear arms. Even the barmaids at the hotel are skilled at lifting a rifle and running into the courtyards to shoot at the American planes.

You could say that the modern guerrilla society was established when the Japanese occupied Viet Nam during World War II. The Japanese collaborated with the French residents, or most of them, and a Viet underground was fashioned to fight them both.

Later, the guerrilla society took on the French, and the world knows of the historic battle of Dien Bien Phu, where the Vietnamese astounded the French by transporting heavy artillery and other needs of war across the mountains and engaging the French.

Now, in the conflict against fellow countrymen in the south and the Americans, the North Viets enlist the same tactics . . . the tactics of the guerrilla fighter.

Usually the soldiers move in small units, and only at night, and the convoys are brief, and not strung out up and down the highway, to provide as small and mobile a target as possible.

The soldiers, as well as a colonel from what serves as chiefs of staff, tell of the same conviction: They believe they can outlast the Americans.

In frank conversation, these men express what appears a knowing respect for the economy and the military of the United States. But they speak of a belief that, in time, the Americans are going to weary of war, such as this one, although it may take 10 or 20 years.

You see the influence of a protracted war upon the Society everywhere. Almost every school has been closed in Hanoi, but the schools, in smaller units, have been relocated to the provinces. The same is true of the university.

There are 17 million (estimated) people in North Vietnam, and they appear less dependent upon their cities than any country ever visited by this reporter. Much of the industry has been moved to the countryside.

You hear, and you see some evidence, that North Vietnam does not need much industry to carry on the war at the present level. The heavier weapons of war seem to come from the Soviet Union, lighter weapons from China, some military aid from other countries. Food is shipped in from various nations.

Indeed, if one word could describe both the nature of the North Viet military and the economy of the country, the word surely would be "mobility."

The disadvantage of the Americans in the south is said to be the presence of fixed bases, large and known targets, while the guerrilla fighters "carry" their bases or stations with them, so to speak.

The North Vietnamese are very aware of the advantages of mobility and their strategy, or what little of it is revealed in conversation, indicates the mobility is at the heart of their strategy.

So it is with the economy. A mobile economy. It is not a country of abundance, but this is a guerrilla society. Bicycles take the place of autos, and a soldier is trained to operate for two weeks with a modest supply of rice, and thus the industry, with help from foreign countries, is adequate at this time. And it is mobile.

CONGRESSMAN JOHN SAYLOR ADDRESSES THE FLORIDA AUDUBON CONVENTION

Mr. FASCELL. 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 Florida?

There was no objection.

Mr. FASCELL. Mr. Speaker, at the recent Florida Audubon Convention held in Miami, Fla., we were privileged to have as the honored guest and principal speaker at the concluding banquet of the convention, one of our distinguished colleagues, who discussed the important subject of the sound conservation of our natural resources, calling for a serious reexamination of our national attitudes and suggesting a plan of action for the 90th Congress.

Because the speaker is eminently qualified on the subject, I am sure that my colleagues would be interested in his remarks, which I shall include hereafter.

I had the pleasure and privilege of presenting our distinguished colleague to the convention: Congressman JOHN P. SAYLOR comes from an American family whose roots have been for over 300 years in Pennsylvania. On leaving college, he quickly pursued a course of public service which was already traditional in the Saylor family. He enlisted in the Navy, and had an outstanding service record in World War II, serving in major battles of the Pacific, including Iwo Jima and Okinawa. He had the honor of selecting the flag which was raised on that historic day on the hill in Iwo Jima. On his return to the States, he quickly got back into public service and was the leader of the Republican resurgence after the Truman election. Having been elected to the Congress by special election in September 1949, he has served here continuously ever since with great distinction.

He has been and is the ranking minority member of the Committee on Interior and Insular Affairs. He is rightly regarded nationally as a dedicated conservationist who can be found in the forefront of many of the most difficult conservation battles for the better management of our natural resources.

JOHN SAYLOR's approach is not partisan to this important national issue. He is well regarded for another reason in the halls of the Congress, and that is because everyone knows where he stands. JOHN SAYLOR is quick to say "Yes." He is just as quick to say "No," if that is what he believes. He has fought hard and successfully to protect the public interest and the Nation's national resources. He is regarded as a leader and leading conservationist.

He is father of the Wilderness Preservation Act, coauthor of the Land and Water Conservation Act, author of the Delaware Water Gap National Recreation Area, author of the Coal Research Act, and many others.

As an indication how well he is respected throughout the conservation community, I call to your attention that JOHN SAYLOR was the first Member of Congress to receive the National Parks Association Award for distinguished service on behalf of national parks and monuments of the United States. He is the recipient of the National Conservation Award presented by six leading conservation organizations in the United States. He is the recipient of the Conservationist of the Year Award in 1964 from the National Wildlife Federation. His own people thought so highly of him that the Pennsylvania Outdoor Writers Association named him Conservationist of the Year in 1965. He is a member of many commissions and boards and conservation groups. He is truly a knowledgeable and distinguished champion of national resources conservation. It is a great privilege and honor to present the speech of my colleague, JOHN P. SAYLOR, Republican, of Pennsylvania:

REMARKS OF U.S. REPRESENTATIVE JOHN P. SAYLOR BEFORE FLORIDA AUDUBON CONVENTION, MIAMI, FLA., JANUARY 14, 1967

Mr. Chairman, Congressman Fascell, members of the Florida Audubon Society and honored guests:

In irrefutable fact of our modern existence is that our natural resources will continue to be less per capita. This is an obvious truism that is often lost in the details of effecting programs for one area of natural resource management, which is but a part of the total resource picture. It has been my concern for some time that we need badly a reevaluation or at a minimum a new perspective of the many problems of resource management. Often our zeal to solve a particular problem may create others that are even more onerous.

The failure to appreciate fully the interrelationship between resource uses can result in serious harm to any one such use; for example, as our population has grown many of our scenic resources have disappeared because of the demands of our productive economy. True, there were prophetic voices of the past to the effect that provisions must be made to protect areas from loss and encroachment by better planning of other resource use, but like most prophets, the temper of the time was such that their advice was not heeded. Areas that seemed to lag behind in economic development understandably sought to increase their economic activity, transportation and communication. When the per capita income of the region was below that of the rest of the country, a premium was placed on resource use and allocation that would improve their economic status. In this effort, scenic resources appeared to be in great abundance in many of these areas. Significant limitations upon them did not appear imminent. Thus the lack of concern was both understandable and predictable. As our population has burgeoned, however, the economic development has proceeded at a pace unparalleled in history, it became obvious that our assumption heretofore of inexhaustible scenic wonders was incorrect.

As more people began to be aware of the diminution of our scenic resources the instruments of Government began to reflect this concern. I should like to report to you that an immediate about face took place and that an immediate consideration of the overall balance of resource use was made. This was not the case. Public awareness is seldom immediate and as a consequence the policies that flow from such an awareness also are not immediate. It has been a difficult and frustrating task for the concept of scenic beauty to compete in the mind of the citizens, in public policy, and in the public purse, with forces of development.

I use the term competition advisedly, for the members of this body are aware of the many and obvious conflicts that they have been asked to adjudicate in the last two decades. Also, awareness is not even handed across the face of our Nation because the impacts of the problems and the policies that deal with them are not evenly distributed. The very nature of our existence has been to spread economic developmental techniques from the East to the West. As a result, in dealing with the problems of scenic resources and the new awareness on the part of the general public, there have been significant strides in effecting a natural resources policy to give due consideration to the preservation of scenic resources.

The Congress has moved to enact a Wilderness Preservation Bill and establish a Wilderness Preservation System. A Land and Water Conservation Fund has been established as a means of financing the necessary acquisition of areas for recreation and scenic enjoyment. The Wetlands Acquisition Fund has been established to accelerate the acquisition of wildlife habitat in order to protect our migratory waterfowl. Greater consideration for parks, recreation and wildlife has been achieved through the Coordination Act in planning our river basins. Water and air pollution have been broadened to consider not only the direct health implications but to evaluate the impact on recreational opportunities and natural beauty.

There has been no attempt to construct a definitive listing of the achievements that have been made in this general area. Rather, I have chosen only in an electic fashion policy actions that demonstrate to me the interest in achieving a status for scenic and recreation uses of resources in a management program. In lising such major areas I am not unaware that conflicts have been apparent and will no doubt continue.

Resource use and resource emphasis is a highly dynamic phenomenon. The value upon one use 10 years ago may be quite different today. Our institutions at all levels of Government and for all functions of Government seldom change with sufficient rapidity to meet the dynamic nature of our resource management problems. It is in this setting that we find ourselves with conflicts between Bureaus and between Departments. No one is suggesting, least of all I, that there is any panacea that can be promulgated to settle all conflicts in a harmonious manner. The purport of my remarks today is to urge that serious consideration be given by all members of this body and all those with responsibilities in the difficult decision-making task that is inherent in a successful resources policy, to a better procedure for the handling of conflicts.

We must reconsider existing statutes that in their effort to solve individual problems may in their implementation be in considerable conflict with one another. There must be better procedures between administering agencies and/or bureaus to resolve conflicts and work more cooperatively, one with another. I am not unsympathetic to this problem nor do I underestimate the prodigious task that confronts so many of our administrative authorities, but unless some means is achieved whereby individual administrative agencies can look beyond their immediate constituency and plan their own im-

portant but nevertheless parochial programs with those of others, the much sought for balance, which must be a significant goal in resource programming, will never be achieved. In addition, new problems present themselves to all resource managers and new means must be utilized if they are to be solved. New problems can manifest themselves in many ways. Problems may be age old inherently but placed in a new dynamic setting may demand rethinking and great imagination.

I want to suggest to you some of the specifics of the foregoing. Many of the members remember I am sure at the concern that was expressed some years ago for disappearing waterfowl and resulted in an authorization of increased appropriations to the Wetlands Acquisition Fund. As you know this Fund had been primarily funded by Duck Stamp money, which hunters and sportsmen purchased each year. This money was then used for the purchase of necessary wildlife habitat. The disappearance of waterfowl specifically had been great, thus the need for an increase in land devoted to this purpose. The Act of 1961 was to appropriate from the Federal Government certain monies to the Fund each year and after a period the appropriations would stop and would be repaid during another period by the revenues from the Fund. This decision was critical, since suitable lands for purposes of waterfowl habitat would soon be gone or diminished to such a degree that to acquire them would be beyond the resources of the Fund. Thus the availability and the need were at the greatest in the next few years. There were a number of problems because of the impact upon State and local communities but these were eventually worked out in the measure that was passed. Unfortunately the Congress has not appropriated the funds authorized to fulfill this program. As a result the program must either be extended or there must be an admission that waterfowl is not important to the American people. For unless the habitat requirements are achieved the waterfowl diminution will accelerate at a considerable pace. In my judgment, the program that was envisaged by the Administration and the Congress was a sound one. It sought to meet the need with a maximum economy and a minimum of burden upon the Government. It overcame the difficulties that such a program would have relative to the various States and localities but in spite of this concern great losses will result unless this need can be met in the relatively near future.

Other conflicts have been more direct than the basic competition for funds. The wildlife refuge system, which has been established throughout the United States and funded to a large extent by the Duck Stamps purchased by hunters and sportsmen, have been involved in a variety of conflicts over the years. In the early 1950's the decision as to the use of wildlife areas for oil drilling and oil exploration occupied the attention of Congress for some period of time. Another conflict, which occurred in the middle 1950's, was with the Department of Defense, where a portion of a wildlife refuge was to be used for military purposes. The integrity of the wildlife refuges was preserved, by and large. More recently the construction of our road system has been in conflict with refuge lands. Despite the public proclamations of the Bureau of Public Roads, wherein wildlife areas and streams are to be given every consideration, conflicts continue and are real. Two different agencies and two different Bureaus both seeking to carry out the spirit of their basic statutes are in direct conflict one with another. In most of these cases the argument is always on the basis of the cost incurred by the development. Usually, the additional cost of the road to detour around wildlife refuge is made the central point of consideration but seldom is discussed the damage done the wildlife refuge or the necessary cost that would be incurred to rehabilitate or reestablish the refuge in some other area. Often to the developer such cost of re-establishing a refuge is absent. The answer to him is simple—don't re-establish it. Emotional arousing catch phrases as people vs. wildlife are not now nor have they ever been accurate to describe the conflict. People pay the bill in any event. The issue, however, is that the people who want the road vs. people who want the wildlife area protected, thus the admonition of people vs. wildlife is an inaccurate and self-serving commentary on the conflict.

Executive orders urging cooperation have not been effective. Such action is not sufficient to the establishment of a proper procedure for resolving such conflicts. Statements by the developing agencies that these matters will be considered in their policy decisions also are not sufficient. A better procedure is contained in the recently passed Department of Transportation Act (P.L. 89-670) Section 4(f) wherein it states:

"(f) The Secretary shall cooperate and consult with the Secretaries of the Interior, Housing and Urban Development, and Agriculture, and with the States in developing transportation plans and programs that include measures to maintain or enhance the natural beauty of the lands traversed. After the effective date of this Act, the Secretary shall not approve any program or project which requires the use of any land from a public park, recreation area, wildlife and waterfowl refuge, or historic site unless (1) there is no feasible and prudent alternative to the use of such land, and (2) such program includes all possible planning to minimize harm to such park, recreational area, wildlife and waterfowl refuge, or historic site resulting from such use."

Whether the consultation will be sufficient to effect a procedure that will offer a full opportunity for the alternatives to be expressed, will be dependent in the last analysis upon how serious a consideration of these matters will be given by the Department of Transportation. Despite the Executive commentary of the past, Route 17, New York "quickway", will be reconstructed for 18 miles along the Beaver Kill and Willowemoc Creek in the Catskills Mountains. This is probably one of the outstanding trout streams in the entire Eastern United States. Also, Interstate Route 40 is scheduled to cut through Overton Park in Memphis, Tennessee, despite the destruction of such an act and despite the avowed opposition of the Mayor of Memphis. Plans are being formalized for a second highway to the mainland from Key West, Florida, which would bisect Everglades National Park. California Route 89 is planned to traverse the Western portion of Lake Tahoe, which would require deep cuts in many of the mountains along the Lake. Wm. G. Wing, writing in the Audubon Magazine for July–August 1966, states in his article "The Concrete Juggernaut" this observation:

"As space becomes scarcer, highways become wider. Any fishing stream or hickory grove knocked out now may be the last in 20 counties. The roads themselves are no longer modest; they are dominating. They no longer meekly follow the topography, because engineers can put them anywhere—over, under, around and through. Roads rival all other engineering projects."

The conflict has been aided and abetted by programs heretofore not properly coordinated. On the one hand we have the Highway Trust Fund which offers a 90% subsidy to the States for the building of certain highways. On the other hand we have the Migratory Bird Fund and the Land and Water Conservation Fund. The L&WCF in particular allocates more than 50% of its funds to the States for purposes of planning, development, and land acquisition for outdoor recreation resources. Thus a state may have formulated a recreation program, which has been approved by the Department of Interior and the Department may have expended funds as it is directed to do under the statute. The State may be well on the way of acquiring and developing an area for recreation pursuits. In the process of this programming, however, plans for a road may be such as to take a significant part of the area previously dedicated to recreation. It may be that the State would not now place the area high in its priority for outdoor recreation because of the location of the road.

It is not my purpose here to suggest that in all instances road locations must inevitably give way to the use of a particular area for wildlife preservation, recreation and scenic enjoyment. In fact, it should be noted that experience indicates that these resources are more often than not sacrificed to that of development. The urgency of my concern, however, is that our present procedure is inappropriate and wasteful. In effect, we have the Federal Government subsidizing the States to one course of action and simultaneously are subsidizing them to another cause of action which is often in conflict with the first. Some better means of establishing procedure where rational decisions can be made is, in my judgment, incumbent upon this body. The decisions that are being made regarding the use of our natural resources are of the most critical and they must not be decided by expediency.

It is almost impossible to classify the many problems that impinge upon the acquisition of lands for recreation and scenic uses. First and foremost is the fast escalating cost of land values. Directly related thereto is the rapid disappearance of suitable lands for recreation and scenic use. This condition reinforces the pressure of escalating land values. Another concern is the rapidity by which this is all taking place. The Congress wisely passed the previously mentioned L&WCF Act. Part of the philosophy underlying this Act was the realization that the Federal Government could not provide all of the recreation, wildlife and scenic resources that would be required by our people for the foreseeable future. The fund properly shared this burden with the States. The Fund was also to provide the Federal Government with the means to acquire the inholdings in our National Forests, National Park System and Wildlife Refuge and Game Refuges. Additionally, it was to provide for future Federal acquisitions of new areas. It has been obvious from our brief experience that such funds are inadequate, especially involving Federal acquisition of new areas.

The conditions of fast rising prices, fast rising land values, the disappearance of suitable lands for recreation and scenic purposes can be partly aided if and when it is the decision of the Congress to take these lands for other purposes, that the cost of so doing be fully expressed by reimbursing the Land and Water Conservation Fund by the market value of the lands taken. This would have the effect, in the event it was determined that a public road should require a portion of a refuge or a park, then of treating this cost of acquisition as it would any other cost of land by transferring funds to the Land and Water Conservation Fund. We have found that often the Federally held areas, especially when they are open spaces, are an actual inducement for use by other agencies who need low-cost lands for development.

As one would expect the closer land acquisition is to metropolitan areas the more acute the problem of land values and hence the difficulty of any acquisition policy. It may be that we can no longer rely to the extent that we have in the past upon the fee simple acquisition of lands. To be sure there will be inevitably a necessity for acquiring land in fee simple, but there may be areas and times, where it would be appropriate and good economy to accept uses of land in less than full title. Administrative agencies by and large are not eager to utilize a number of devices that make possible the acquisition of land in less than

full title. The negotiation is generally more difficult, the administrative convenience is generally less but neither of these circumstances should prevent us from utilizing such devices and techniques, when the failure to make use of them may result in a loss of the entire area. The use of scenic easements, purchase and leaseback, and reciprocal covenants running with the land are techniques that must be adjudged carefully for the future.

In many instances the aim of preservation is the beauty of an area. Under such circumstances it may be possible to obtain from the land owner an agreement whereby the area would be left in its natural state. Often this can be done by negotiation. There are several reasons for the reliance upon these instruments. The first and most obvious is that it now appears evident that many of the areas and scenes that are worthy of preservation will never be so preserved because of the rapid increase in values. I do not wish to give the members of this body the impression that these are new tools without any background of usage or success. On the contrary the State of Wisconsin has operated under an Act of 1951, which allows the Department of Highways to purchase scenic easements from owners whose lands lie contiguous to many of the highways in the State. They have had a considerable experience with this Act and through the process of trial and error have effected thereto a number of amendments. Other States have similar acts for similar purposes. The Federal Government has also utilized a number of these techniques for the taking of land in less than full title. I am aware that not in all instances will such devices provide a solution. It is often pointed out that under certain circumstances scenic easements would have to be purchased for a price higher than that of a fee title purchase. It is not suggested that a blind reliance upon a single device should be the procedure, but rather than a better array of tools be assembled for the job to be done.

It should not be overlooked that many individuals, who are also property owners in areas of prospective acquisitions, are as desirous as the various instruments of Government to preserve and maintain the natural beauty of their property. In circumstances such as these it is often possible for the Government to receive a donation of such easements with the understanding that the areas will be left in their natural state. An excellent example of this procedure was in the establishment of Piscataway Park (P.L. 87-362), which was initiated by land owners in areas opposite Mount Vernon. They determined their problems had been solved because of the general restrictions agreed to by members of that community. They were not aware that despite this forward-looking program of restricted zoning that they were still not safe from encroachment. Other State and regional agencies placed this area under considerable stress with a variety of development programs. In cooperation with conservation organizations it was determined that the establishment of a national park in that area was necessary to achieve the full protection of the Federal Government. Of approximately 3600 acres it was determined that only 1100 needed to be taken in fee simple. A part of the 1100 was donated by private foundations. Of the 300 individual property owners residing in the scenic easement area of 2500 acres, over one-half, 160, gave the Federal Government scenic easements on their land with the stipulation that the area would be left in its present state. The prospect for similar negotiations with individuals, many of whom are public spirited and are indeed concerned with the quality of their existence, may prove to be helpful in future situations.

Another device that merits serious consideration in the acquisition of park lands is the purchase and leaseback provision, which has been utilized in a somewhat different context for a number of years, wherein the simple purchase of scenic easements seemed to exceed the value of the purchase in fee; when the Government's contemplated use of the area does not warrant taking it in fee, the purchase and leaseback method can be an effective tool. The Government would purchase the area in fee simple and would lease the area back to the original owner or owners who would agree in the terms of the lease to uses of the area which are consistent with the Government's purposes. The Government in holding title to the land is thus reimbursed in part for its price as a result of the lease. The effect of this is to accomplish the Government's purpose at less than a fee simple cost.

On occasion the powers of eminent domain have been misused. Waste of land has occurred. Costs incurred by the Government have been excessive. Where considerable negotiating is involved, there has been a reluctance to negotiate because of the assurance that eminent domain will provide the necessary land. The use of eminent domain, as a result, has been coming under greater and greater public criticism. The long time accepted use of this power for the building of roads, reservoirs, public buildings, etc., becomes more critical and more contested as available land diminishes. I would suspect that the trend in the courts will probably continue. The protests of land owners have been receiving more favorable consideration. Even when scenic easements are employed, the land owner is becoming more sophisticated and while he wishes to continue the land in its natural state he is becoming wary as to the practices of Government. Many are, therefore, insisting that such scenic easements carry a reciprocal restriction which would restrain the Government from utilizing the area in such a fashion that the scenic beauty would be destroyed.

Other procedures must be investigated as a means of overcoming the fast escalating land values. So many procedures have been discussed from the land bank to the Federally established foundations, both of which seek to accelerate land acquisition policies at a more rapid rate than is possible under the present procedure of authorization and appropriation by the Congress. On the assumption that the Congress has rejected on numerous occasions procedures by which it is not necessary to return yearly to Congress for appropriations, I shall not dwell upon the land bank procedure. There does appear, however, that a foundation might be established under the authority of the Federal Government to receive and encourage private gifts of real and personal property or income. Suitable means of allocation could be achieved in any enabling legislation. Also, a number of regional corporations are established usually for purposes of administering river basins and river basin resources and these organizations, which are representative of Federal and State interests, may be helpful if authorized to issue bonds in order to facilitate the acquisition of necessary lands for scenic and recreation purposes. This had been suggested by the Administration in terms of regional water pollution control administrations. It is perhaps more adaptable to the acquisition of land areas inasmuch as the Congress has stipulated the amounts authorized and in no case would a bonded indebtedness incurred by the corporate authority be in excess of the authorized amount. Thus if the bonds were reimbursed by the Federal agency from appropriations as they do accrue, vital time may be saved in acquisition of these lands.

The program for a sound conservation of our natural resources has never been a partisan matter either with the people of the country or with the Congress. This is true to a very great extent at all other levels of Government. It is not my purpose therefore to plead a partisan case but to elicit earnestly the attention and serious consideration by all members of this body to the need for reconsidering the trend of many of our historical attitudes about resource management.

In summation I have tried to point out several considerations that should become a part of our obligation in the 90th Congress:

1. A re-examination of statutes that appear to promote rather than resolve conflicts in resource use.

2. An insistence upon the establishment of plans and procedures that require the coordination of Departments and Bureaus that have overlapping responsibilities in resource management decisions.

3. To require a full and projected account of funds required for Federal acquisition programs as best as they can be estimated from the present evidence.

4. A reduction of the time from the authorization of Federal acquisition to the appropriation of funds implementing the action.

5. An investigation of the possible uses of relatively new devices and techniques, which can reduce the cost of such acquisitions.

U.S. DELEGATION, THE MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER. Pursuant to the provisions of section 1, Public Law 86-420, the Chair appoints as members of the U.S. delegation of the Mexico-United States Interparliamentary Group for the meeting to be held in Oaxaca, Mexico, February 8 to 15, 1967, the following Members on the part of the House: Mr. NIX, of Pennsylvania, Chairman; Mr. WRIGHT, of Texas; Mr. JOHNSON, of California; Mr. GONZALEZ, of Texas; Mr. DE LA GARZA, of Texas; Mr. SELDEN, of Alabama; Mr. FRASER, of Minnesota; Mr. SPRINGER, of Illinois; Mr. MORSE, of Massachusetts; Mr. REIFEL, of South Dakota; Mr. HARVEY, of Michigan; and Mr. WHALLEY, of Pennsylvania.

BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

The SPEAKER. Pursuant to the provisions of 20 U.S.C. 42 and 43, the Chair appoints as members of the Board of Regents of the Smithsonian Institution the following Members on the part of the House: Mr. MAHON, of Texas; Mr. KIRWAN, of Ohio; and Mr. BOW, of Ohio.

BOARD OF VISITORS TO U.S. AIR FORCE ACADEMY

The SPEAKER. Pursuant to the provisions of 10 U.S.C. 9355(a), the Chair appoints as members of the Board of Visitors to the U.S. Air Force Academy the following members on the part of the House: Mr. ROGERS, of Colorado; Mr. FLYNT, of Georgia; Mr. MINSHALL, of Ohio, and Mr. BROTZMAN, of Colorado.

BOARD OF VISITORS TO THE U.S. COAST GUARD ACADEMY

The SPEAKER. Pursuant to the provisions of 14 U.S.C. 194(a), the Chair appoints as members of the Board of Visitors to the U.S. Coast Guard Academy the following members on the part of the House: Mr. ST. ONGE, of Connecticut, and Mr. WYATT, of Oregon.

BOARD OF VISITORS TO THE U.S. MERCHANT MARINE ACADEMY

The SPEAKER. Pursuant to the provisions of 46 U.S.C. 1126c, the Chair appoints as members of the Board of Visitors to the U.S. Merchant Marine Academy the following members on the part of the House: Mr. CAREY, of New York, and Mr. BURKE, of Florida.

BOARD OF VISITORS TO THE U.S. MILITARY ACADEMY

The SPEAKER. Pursuant to the provisions of 10 U.S.C. 4355(a), the Chair appoints as members of the Board of Visitors to the U.S. Military Academy the following members on the part of the House: Mr. TEAGUE of Texas; Mr. NATCHER, of Kentucky; Mr. LIPSCOMB, of California; and Mr. PIRNIE, of New York.

BOARD OF VISITORS TO THE U.S. NAVAL ACADEMY

The SPEAKER. Pursuant to the provisions of 10 U.S.C. 6968(a), the Chair appoints as members of the Board of Visitors to the U.S. Naval Academy the following members on the part of the House: Mr. FLOOD, of Pennsylvania; Mr. MACHEN, of Maryland; Mr. LAIRD, of Wisconsin; and Mr. MORTON, of Maryland.

AMERICAN REVOLUTION BICENTENNIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 2(b), Public Law 89-491, the Chair appoints as members of the American Revolution Bicentennial Commission the following members on the part of the House: Mr. DONOHUE, of Massachusetts; Mr. MARSH, of Virginia; Mr. SAYLOR, of Pennsylvania; and Mr. POFF, of Virginia.

JOINT COMMISSION ON THE COINAGE

The SPEAKER. Pursuant to the provisions of section 301, Public Law 89-81, the Chair appoints as members of the Joint Commission on the Coinage the following members on the part of the House: Mr. EDMONDSON, of Oklahoma; Mr. GIAIMO, of Connecticut; Mr. CONTE, of Massachusetts; and Mr. BATTIN, of Montana.

STUDY COMMISSION TO INVESTIGATE FACILITIES AND SERVICES FURNISHED VISITORS AND STUDENTS COMING TO NATION'S CAPITAL

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 89-790, the Chair appoints as members of the Study Commission To Investigate Facilities and Services To Be Furnished Visitors and Students Coming to the Nation's Capital the following members on the part of the House: Mr. GRAY, of Illinois; Mr. KLUCZYNSKI, of Illinois; Mr. PICKLE, of Texas; Mr. CRAMER, of Florida; Mr. HANSEN of Idaho; and Mr. SCHWENGEL, of Iowa.

FATHER MARQUETTE TERCENTENARY COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 89-187, the Chair appoints as members of the Father Marquette Tercentenary Commission the following members on the part of the House: Mr. ZABLOCKI, of Wisconsin; Mr. GRAY, of Illinois; Mr. BYRNES of Wisconsin, and Mr. RUPPE, of Michigan.

NATIONAL COMMISSION ON REFORM OF FEDERAL CRIMINAL LAWS

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 89-801, the Chair appoints as members of the National Commission on Reform of Federal Criminal Laws the following members on the part of the House: Mr. KASTENMEIER, of Wisconsin; Mr. EDWARDS of California; Mr. POFF, of Virginia.

ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

The SPEAKER. Pursuant to the provisions of section 3, Public Law 86-380, the Chair appoints as members of the Advisory Commission on Intergovernmental Relations the following members on the part of the House: Mr. FOUNTAIN, of North Carolina; Mr. ULLMAN, of Oregon; Mrs. DWYER, of New Jersey.

LEWIS AND CLARK TRAIL COMMISSION

The SPEAKER. Pursuant to the provisions of section 3, Public Law 88-630, the Chair appoints as members of the Lewis and Clark Trail Commission the following members on the part of the House: Mr. HUNGATE, of Missouri; Mr. REUSS, of Wisconsin; Mr. BERRY, of South Dakota; Mr. SKUBITZ, of Kansas.

MIGRATORY BIRD CONSERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of 16 U.S.C. 715a, the Chair appoints as members of the Migratory Bird Conservation Commission the following members on the part of the House: Mr. KARSTEN, of Missouri; Mr. CONTE, of Massachusetts.

NATIONAL FOREST RESERVATION COMMISSION

The SPEAKER. Pursuant to the provisions of 16 U.S.C. 513, the Chair appoints as members of the National Forest Reservation Commission the following members on the part of the House: Mr. COLMER, of Mississippi; Mr. SAYLOR, of Pennsylvania.

NATIONAL HISTORICAL PUBLICATIONS COMMISSION

The SPEAKER. Pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Chair appoints as a member of the National Historical Publications Commission the gentleman from California, Mr. MILLER.

COMMISSION ON POLITICAL ACTIVITY OF GOVERNMENT PERSONNEL

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 89-617, the Chair appoints as members of the Commission on Political Activity of Government Personnel the following members on the part of the house: Mr. OLSEN, of Montana; Mr. NELSEN, of Minnesota; and the following from private life: Mr. Robert Ramspeck, of Maryland; Mr. Charles O. Jones, of Arizona.

SELECT COMMISSION ON WESTERN HEMISPHERE IMMIGRATION

The SPEAKER. Pursuant to the provisions of section 21(a), Public Law 89-236, the Chair appoints as members of the Select Commission on Western Hemisphere Immigration the following members on the part of the house: Mr. CELLER, of New York; Mr. FEIGHAN, of Ohio; Mr. RODINO, of New Jersey; Mr. MCCULLOCH, of Ohio; Mr. MOORE, of West Virginia.

JOINT COMMITTEE ON NAVAJO-HOPI INDIAN ADMINISTRATION

The SPEAKER. Pursuant to the provisions of section 10(a), Public Law 474, 81st Congress, the Chair appoints as members of the Joint Committee on Navajo-Hopi Indian Administration the following members on the part of the house: Mr. HALEY, of Florida; Mr. UDALL, of Arizona; Mr. BERRY, of South Dakota.

FEDERAL RECORDS COUNCIL

The SPEAKER. Pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Chair appoints as members of the Federal Records Council the following members on the part of the House: Mr. STAGGERS, of West Virginia; Mr. GROVER, of New York.

NATIONAL FISHERIES CENTER AND AQUARIUM ADVISORY BOARD

The SPEAKER. Pursuant to the provisions of section 5(a), Public Law 87-758, the Chair appoints as members of the National Fisheries Center and Aquarium Advisory Board the following members on the part of the House: Mr. KIRWAN, of Ohio; Mr. EDWARDS, of Alabama.

AIR POLLUTION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 47)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee of

the Whole House on the State of the Union and ordered to be printed:

To the Congress of the United States:

I. THE POLLUTION OF OUR AIR

THE PROBLEM

Two months ago, a mass of heavily polluted air—filled with poisons from incinerators, industrial furnaces, powerplants, car, bus, and truck engines—settled down upon the 16 million people of Greater New York.

For 4 days, anyone going out on the streets inhaled chemical compounds that threatened his health. Those who remained inside had little protection from the noxious gases that passed freely through cooling and heating systems.

An estimated 80 persons died. Thousands of men and women already suffering from respiratory diseases lived out the 4 days in fear and pain.

Finally, the winds came, freeing the mass of air from the weather trap that had held it so dangerously. The immediate crisis was ended. New Yorkers began to breath "ordinary" air again.

"Ordinary" air in New York, as in most large cities, is filled with tons of pollutants: carbon monoxide from gasoline, diesel, and jet engines, sulfur oxides from factories, apartment houses, and powerplants; nitrogen oxides, hydrocarbons, and a broad variety of other compounds. These poisons are not so dramatically dangerous most days of the year, as they were last Thanksgiving in New York. But steadily, insidiously, they damage virtually everything that exists.

They aggravate respiratory problems in man—asthma, bronchitis, lung cancer, and emphysema. Emphysema, a lung disease, is one of the fastest growing causes of death in the United States today. And it forces more than a thousand workers into early retirement every month.

Polluted air corrodes machinery. It defaces buildings. It may shorten the life of whatever it touches—and it touches everything.

This is not a problem of our largest cities alone. Weirton, W. Va., and Gary, Ind., are two among many communities that suffer days when the sun seems a pale orange ball hidden in a noxious cloud. Small towns, farmlands, forests—men, animals, and plants—are all affected by the waste we release into the air.

The economic loss from pollution amounts to several billions each year. But the cost in human suffering and pain is incalculable.

This situation does not exist because it was inevitable, nor because it cannot be controlled. Air pollution is the inevitable consequence of neglect. It can be controlled when that neglect is no longer tolerated.

It will be controlled when the people of America, through their elected representatives, demand the right to air that they and their children can breathe without fear.

WHAT WE ARE DOING NOW

We have proposed and the Congress has enacted three laws since 1963, each representing some forward movement toward cleaner air.

Under these laws, we are spending more than $25 million this year in matching grants to cities and States, and in research and other efforts:

We have helped to create 80 local air pollution programs, and to strengthen 40 others.

We are working in nine areas of the United States—including the New York-New Jersey area—to abate pollution that passes across the State lines and is beyond the reach of any single State or city.

We have established a system of national standards for motor vehicles, that will become effective with the 1968 models. These will require sharp reductions in pollution from automobile exhausts.

We have begun by Executive order to control the sources of air pollution on Federal installations throughout the country. The experience we gain in carrying out this order will help us develop more effective ways of controlling pollution elsewhere.

We have intensified our research work on sulfur oxide pollution from coal and oil burning, and on pollution from motor vehicles.

WHAT WE MUST DO NEXT

Yet the pollution problem is getting worse. We are not even controlling today's level of pollution. Ten years from now, when industrial production and waste disposal have increased and the number of automobiles on our streets and highways exceeds 110 million, we shall have lost the battle for clean air—unless we strengthen our regulatory and research efforts now.

Federal action alone cannot master pollution. The States, the cities, and private industry must commit themselves more fully, more effectively, and with a new sense of urgency, to America's struggle against poisoned air. Several steps are needed now.

To move forward in our attack against air pollution, I recommend the Air Quality Act of 1967.

First, emission control levels should be set for those industries that contribute heavily to air pollution.

Today, no such levels exist. Industries do not know to what extent they should control their sources of pollution or what will be required of them in the future. Strong State and local standards—essential to pollution control—cannot be effective if neighboring States and cities do not have strong standards of their own. Nor can such local standards gain the support of industry and the public, unless they know that plants in adjoining communities must also meet standards at least as strict.

We need the means to insure comparable emission levels for a given industrial source of pollution throughout the country.

I recommend that the Air Quality Act of 1967 authorize the Secretary of Health, Education, and Welfare to—

Designate those industries in interstate commerce that are nationally significant sources of air pollution.

Develop and publish industrywide emission levels in consultation with the industry concerned.

Provide each State the opportunity to adopt equivalent levels—or stricter ones.

Apply the Federal levels in those States which do not adopt their own.

The levels will establish pollution limits that a given industrial plant may not exceed—no matter where it is located. Our aim is to provide uniformity and stability in pollution control levels in cooperation with industry and local governments.

Second, Regional Air Quality Commissions should be established, to enforce pollution control measures in "regional airsheds" which cut across State and local boundaries.

Winds carrying waste gases have no respect for manmade political boundaries. The question we must answer is: Shall we, the victims of pollution, hinder our fight against it by concerning ourselves more with artificial boundaries than with our people's health?

Today, although many of our severest pollution problems involve more than one State jurisdiction, there is not a single effective interstate program in the Nation. Efforts to achieve uniform control activities among neighboring States and communities have failed, despite added Federal financial incentives.

Under the Clean Air Act of 1963, we have attempted to encourage States to develop effective regional control programs. The act offered three Federal dollars for every local dollar spent to develop and support regional interstate air pollution control programs. Despite this incentive, no effective regional programs have been developed under the act.

Men and women in one community, where there are relatively strict control standards, must suffer each time the winds bring in the aerial refuse of another community, where the standards are weak or nonexistent.

This is neither fair to the community that is willing to adopt strong controls, nor responsible to the citizens of the entire region.

We must develop the means to deal with sources of pollution that affect more than one political jurisdiction. We must have laws that do more than set in motion cumbersome legal processes requiring years to effect results.

I recommend that the Air Quality Act of 1967 authorize the Secretary of Health, Education, and Welfare to—

Designate those interstate areas where effective regional airshed pollution programs are needed, but do not exist.

Establish, in consultation with the States and local communities affected, a Regional Air Quality Commission in each such area. Each Regional Air Quality Commission would include two persons from each State involved, and one Federal official appointed by the Secretary of Health, Education, and Welfare.

The Commissions would establish regional air quality levels which would build upon the nationwide levels for major sources of air pollution, including industrial sources. The levels would encompass the entire pollution problem in a regional airshed—from waste burning and motor vehicle engines, as well as from industry. In every case, the Commissions will give due regard for the eco-

nomic and technical feasibility of achieving adequate pollution control.

Each Regional Air Quality Commission would—

Determine, in consultation with the industries and local communities involved, air quality levels to protect the public health and welfare in the region.

Set emission levels to assure that the air quality levels will be met. These emission levels would be no less stringent than any applicable levels published by the Secretary of Health, Education, and Welfare.

Achieve compliance with those emission levels through enforcement proceedings initiated by the Secretary of Health, Education, and Welfare.

Third, vehicle pollution control devices, required on 1968 model cars and in years to come, should be inspected on a regular basis by the States, with Federal assistance to initiate State inspection systems.

This fall, new cars must be certified as meeting Federal exhaust emission standards when they are delivered to the retail showroom. But the best mechanical devices can fail through damage, the passage of time, or neglect. Many States have long recognized that the safety of our people requires periodic inspection of automobiles, to determine whether critical components are still in sound working order.

If a car's brakes—and its steering wheel, horn, turn signals, and lights—should be inspected periodically to protect against bodily injury, then surely its exhaust control device should be examined as well. In 1965, the Congress made the determination that such devices were required to protect the public health. The time has come to take the next step. We should insure that these antipollution devices continue to function properly during the useful life of the car.

I recommend that the Air Quality Act of 1967 authorize the Secretary of Transportation to provide matching grants to help the States establish inspection programs for motor vehicle pollution control. The Secretary of Health, Education, and Welfare would establish criteria for these grants.

Fourth, we must take steps to improve our enforcement procedures.

The Federal enforcement procedures established under the Clean Air Act of 1963 involve long delays between hearings, findings, and the completion of enforcement proceedings. Many State and local communities encounter similar difficulties with their own enforcement procedures. The problems are intricate and complex, but we must find ways to improve the enforcement process, while at the same time assuring that the rights of all of the parties are fully protected.

I am directing the Acting Attorney General and the Secretary of Health, Education, and Welfare, in consultation with State and local officials, to find ways to speed and improve the enforcement of clean air laws at all levels of government.

Fifth, research in fuel additives must be accelerated.

The use of fuel additives is growing, as demands for heat and energy grow. The extra power that additives give to diesel fuels, for example, is an important factor in the economics of trucking.

Yet, when exhaust fumes are sufficiently concentrated, some fuel additives are known to be detrimental to health. Other additives and the compounds that derive from them may pose similar hazards. We simply do not know what public health price we are paying for the economic benefits we gain from fuel additives.

I am directing the Secretary of Health, Education, and Welfare to begin a new research program on the health effects of fuel additives and on their contribution to air pollution. As an essential part of this program, I recommend that the Congress require that all fuel additives be registered with the Secretary of Health, Education, and Welfare.

Sixth, our efforts to understand and control air pollution must be intensified and broadened.

Many sources of air pollution cannot be economically or effectively controlled by our present technology. The sheer number of motor vehicles may, within a decade or two, defy the best pollution control methods we can develop. If this proves true, surely we cannot continue to use the type of internal combustion engine now in service. New types of internal combustion engines—or indeed new propulsion systems—may be required. Aircraft engine exhausts are also becoming significant pollution problems. Sulfur compounds—created wherever coal or oil is burned—threaten the environment of almost every city and town in America.

We must recognize that in dealing with fuels for industry and motor vehicles, we are dealing with matters of enormous importance to every section of the Nation and to many economic interests. America's technology and natural resource development are intimately involved in any program that affects fuels and their uses. Great investments have been made on given assumptions about those fuels and uses.

These considerations require that we approach the pollution problem with respect for its complexity and its economic implications.

But the health of our people, and indeed the health of the whole urban and rural environment, also require us to approach the pollution problem with urgency and tenacity.

The Clean Air Act of 1963 provided new authority to make grants for research and training, planning, and development of local control programs. Since then, we have invested $16.9 million in research grants, $5 million in training, and $4.6 million for surveys and pilot projects. This work has moved us along in our search for new solutions to the difficult technical and social problems associated with air pollution.

We are now ready to launch a wide-ranging research effort, involving government, private industry, universities, and independent research groups.

Our immediate research targets must include motor vehicle emissions; smoke and odors from diesel engines; alternative means of motor vehicle propulsion; sulfur dioxide emissions; low sulfur, or sulfur-free fuels.

I recommend an increase of 50 percent in funds to expand our research efforts.

I am asking the Chairman of the President's Council of Economic Advisers and the Secretary of Health, Education, and Welfare to explore appropriate measures to encourage industry and local governments to abate pollution. I have asked them to meet with business and local government leaders, and to present their recommendations to me.

It is in private laboratories, and in private boardrooms, that the crucial decisions on new fuels, new control technology, and new means of developing power and locomotion will be made. We should support private efforts now to expand the range of their alternatives and make wiser choices possible.

The Government's relationship with private industry in this field should not be one merely of regulator and regulated. Pollution affects the lungs and eyes of worker, manager, owner, and government servant alike. The air cannot be divided into convenient shares. It is indivisible—and either clear and beneficial—or fouled and dangerous for all of us. Out of personal interest, as out of public duty, industry has a stake in making the air fit to breathe. An enlightened Government will not only encourage private work toward that goal, but join and assist where it can.

America's air pollution problem emerges from our success as a modern Nation. Sources of pollution may be environmental villains—but they are also social and economic necessities. Our task is to determine how to abate the poison they pour upon the air, without seriously diminishing the benefits they provide. Surely this is not beyond the capacity of a great nation's productive and scientific genius. Clearly, it is an absolute necessity for the health of the American people.

II. HIGHWAY SAFETY AND BEAUTY

The automobile is a central feature of American life. It is a principal instrument of transportation and daily activity. In this mobile society, the safety and beauty of our highways are of direct concern to all of us.

In 1966, I proposed and you in the Congress approved the first comprehensive traffic safety program in the Nation's history. This measure was a forceful recognition of the fact that we can no longer tolerate the mounting toll of death and destruction on our highways. Under these programs, we are already working with State and local governments in a broad attack on all aspects of the highway safety problem; launching a comprehensive research program to probe into the "whys" and "hows" of traffic accidents; preparing to issue the first standards to make our automobiles safer.

In 1965, I proposed and you in the Congress approved legislation to preserve and restore natural beauty along our highways and to insure effective control over billboards and junkyards.

Under the law, over 2,200 projects have been developed by States under the highway beautification program.

Unsightly junkyards are being removed and screened. Roadside rest areas are being built and improved. Scenic

strips along our highways are being acquired. In consultation with the States, the Secretary of Transportation is preparing a program of effective billboard regulation.

With the cooperation of all levels of government, we are moving toward our objective to make beauty part of the daily life of every American.

These vital programs have started well. Now, we must provide for their continued financing. We must do this so that our children, and their children can enjoy the benefits of a vast highway network that we cared enough about to improve and protect and make safe and scenic.

To provide a sound financing plan, I recommend the creation of a special highway safety and beauty trust fund to be financed with the receipts from 2 percentage points of the excise tax on new automobiles.

III. DEVELOPING OUR RESOURCES

This continent is an abundance, continually being discovered and developed—sometimes wastefully, more commonly now with prudent foresight.

Much of its richness still lies hidden or unused. Untouched mineral resources lie beneath the American topsoil. Food, minerals, and fresh water lie untapped within and beneath the oceans off our shores. The economic use of subsurface space is still beyond our powers.

The time has come to encourage the development of power from geothermal steam springs on Federal lands; increase our scientific knowledge of the sea's resources; develop rapid excavation techniques, to reduce the cost of underground construction; examine our nonfuel minerals needs; and strengthen our ability to answer broad energy policy questions.

GEOTHERMAL STEAM

This untapped source of power—exemplified by the "Old Faithful" geyser—lies within several Western States on lands under Federal control. It holds vast potential as a source of power for our cities and our industries. Legislation must be passed before leases can be granted to develop these geothermal steam resources. Congress last year passed such legislation, but it was deficient in several critical aspects, and, in my judgment, and the judgment of my principal advisers in this field, insufficiently protected the public interest.

I have directed the Secretary of the Interior to submit a bill that will avoid the defects of the vetoed measure, contain additional safeguards to protect the public interest, and encourage the development of geothermal steam; withdraw all lands potentially valuable for geothermal resource development from sale, entry, settlement or location pending enactment of such a bill.

THE RESOURCES OF THE SEAS

The ocean floor is an immense storehouse of mineral wealth. Intense research will shortly begin to identify those minerals.

The new National Council for Marine Resources and Engineering Development, chaired by the Vice President, will review our oceanographic program and recommend new directions for research. The new ship, *Oceanographer*, the best-equipped instrument of research on the seas, will shortly begin a round-the-world voyage. Geological mapping is being conducted now on the west coast, and will begin in the Gulf of Mexico in 1968.

Long range, we know that we must turn out enough competent scientists, engineers, and technicians to conduct the ocean research and development of tomorrow. Congress last year devised and passed the sea-grant college program, in which students will work and enlarge their talents and our knowledge in many of the marine sciences. The Director of the National Science Foundation is organizing that program now.

The sea is the source, not only of minerals, but of vast food reserves. Animal protein—desperately needed by hundreds of millions of ill-fed human beings—abounds in the sea. With the strong support of the Congress, we are trying to develop economic and acceptable methods of converting fish protein into a usable source of food. I have directed the Secretary of the Interior to proceed with this effort on an urgent basis.

ADVANCING EXCAVATION TECHNOLOGY

The clutter of our land not only offends our sense of beauty, but also limits our capacity to live fully and work effectively. Living space itself is a valuable resource. Webs of wire, carrying power and communications services, mar the landscape. Congestion has reached serious proportions in many of our metropolitan centers.

A promising alternative to this clutter—the earth's depths beneath us—has received only passing attention. But it can provide a location for the arteries a modern city must have—the wires, pipes, tubes, passageways, and parking spaces.

Subsurface excavation today is difficult, slow, and expensive. One hundred miles of subway, to be built in major urban areas during the next 10 years, will cost more than $1 billion for excavation alone. Obviously, we must develop cheaper and better methods. I recommend a program for research to develop rapid and low-cost excavation technology.

The beauty of cities and rural areas can be protected and enhanced by placing utility transmission lines underground. Many technical problems remain unsolved, however, especially those involving high-voltage powerlines.

I have directed the Secretary of the Interior to initiate a cooperative research program with industry, to find solutions to these technical problems, and to seek ways to reduce the cost of placing utility lines underground.

NONFUEL MINERALS

Sharply rising world demands threaten to exhaust the best and most accessible deposits of minerals. Rapidly changing demands for materials are bringing changes in our mineral needs. We must understand the technological and economic changes taking place. The last comprehensive study of these problems was completed by the President's Materials Policy Commission in 1952. Much has happened in the past decade and a half. A new examination is needed.

I am requesting from the Congress the necessary funds for the Secretary of the Interior to sponsor a comprehensive study of the problems involved in maintaining adequate and low-cost supplies of nonfuel minerals.

ENERGY POLICY

The number and complexity of Federal decisions on energy issues have been increasing, as demand grows and competitive situations change. Often decisions in one agency and under one set of laws—whether they be regulatory standards, tax rules, or other provisions—have implications for other agencies and other laws, and for the total energy industry. We must better understand our future energy needs and resources. We must make certain our policies are directed toward achieving these needs and developing those resources.

I am directing the President's Science Adviser and his Office of Science and Technology to sponsor a thorough study of energy resources and to engage the necessary staff to coordinate energy policy on a governmentwide basis.

IV. WATER—ABUNDANT AND PURE

As our population increases, our cities grow, and our industry expands, water becomes an increasingly precious resource. Many regions of the country are facing critical problems of water supply. We must thoroughly explore every means for assuring an adequate supply of pure water to arid areas like the Southwest.

I am renewing my recommendation for the enactment of legislation to establish a National Water Commission. Working with the Water Resources Council and with Federal, State, and private agencies, the Commission will examine our major water problems and develop recommendations, guidelines, and long-range plans for the most effective use of available water resources.

Adding to our pure water supply is not enough. The steady encroachment of pollution continues, throughout America's rivers, lakes, and coastal waters. During the last year and a half, we have acquired important means for resisting its progress. Ultimately, we shall use those means to turn it back decisively:

The Water Quality Act of 1965 requires that water quality standards be set on all interstate and coastal waters, and calls for plans to achieve those standards.

The transfer of the water pollution program to the Department of the Interior permits the comprehensive management and development of the Nation's water resources.

The Clean Water Restoration Act of 1966 creates new incentives for States and cities, in partnership with industry and the Federal Government, to develop basinwide plans for pollution control.

These actions recognize that polluted waters are not a problem of individual cities, or counties, or States. Each water pollution problem is as broad and as long as the watersheds it affects. To win the battle against pollution, we must concentrate our effort on entire river basins.

In 1967, the Secretary of the Interior will—

Review and approve effective State water quality standards which will serve as a guide for our cleanup effort.

Encourage effective and economical river basin plans for pollution control.

Support work on advanced treatment methods, to allow the reuse of waste water at reasonable costs.

Explore with the Chairman of the President's Council of Economic Advisers appropriate measures to encourage industry and local governments to abate water pollution.

V. THE ENDOWMENT OF NATURE

We must not only resist the spread of pollution in our environment—but we must also preserve what remains of the natural beauty and tranquillity that was here long before man came. We must create new occasions for people to encounter that beauty, and to experience the re-creation of the heart that occurs in the natural universe.

PARKS FOR AMERICA

In recent years, we have added considerably to our national recreational estate. Last year, I recommended, and the Congress authorized the Cape Lookout National Seashore off North Carolina, Indiana Dunes National Lakeshore near Chicago, Pictured Rocks National Lakeshore on Lake Superior, Bighorn National Recreation Area in Wyoming and Montana, and Guadalupe Mountains National Park in Texas.

But the need for more protected areas is still great. We must make significant additions to our present domain of land and water merely to keep pace with the need.

Therefore, in addition to the national parks and recreation areas I have previously proposed, I recommend that the 90th Congress—

Establish a Redwoods National Park in northern California. We must preserve a significant acreage of these primeval redwoods as a national park. This is a last-chance conservation opportunity. If we do not act promptly, we may lose for all time the magnificent redwoods of northern California.

Establish a national park in the North Cascades area in the State of Washington, provided that the wilderness and recreation areas are protected. This spectacular area of unparalleled mountain masses, glaciers, meadows, and timbered valleys is close to major metropolitan areas, and lies entirely within national forests.

Establish Potomac Valley Park in Maryland, Virginia, and West Virginia. This park, creating green and open spaces along the reaches of the Potomac would help make the Potomac Valley a model scenic and recreation area for the Nation.

Establish the Apostle Islands National Lakeshore in Wisconsin, to add a superb string of islands to our national seashore system.

WILDERNESS AREAS

In 1964, the Congress authorized a wilderness system, to preserve for future generations of Americans large areas of undeveloped lands in their natural state. The enabling legislation called upon the President to make recommendations for the inclusion of certain additional areas within the system.

In accord with that law, I recommend legislation to authorize the first addition to the wilderness system since its establishment—an area to be known as the San Rafael Wilderness, Los Padres National Forest, Calif. We will submit recommendations for other additions to the wilderness system in the coming months.

SCENIC RIVERS AND TRAILS

I renew my recommendation—overwhelmingly approved by the Senate during the 89th Congress—to establish a national scenic rivers system to maintain and restore segments of selected rivers in their natural state. This scenic rivers system will enable future generations of all Americans to know and experience this significant part of their natural heritage.

I again urge the Congress to establish a nationwide system of trails. We should begin with authorization on the Appalachian Trail from Maine to Georgia. The system should include similar status for the Pacific Crest and Continental Divide Trails from the Canadian border almost to Mexico, and for the Potomac Heritage Trail along that great river from tidewater to its source. Our proposal will call for expansion of metropolitan, State, and Federal trails where our people can hike and bicycle and ride horseback—near the cities in which they increasingly live.

TIMELY ACQUISITION OF RECREATION AREAS

We are seriously hampered by rapidly rising land costs when we seek new areas for recreation. Average land prices are increasing at a rate of almost 10 percent a year. The cost of land for recreation is spiraling at a considerably higher rate This diminishes the effectiveness of our program of State grants and Federal purchases of land for parks and recreation areas. We must act promptly to assure that we can acquire needed recreation lands before the price becomes prohibitive. The most effective means of controlling the increase in the price of land is to acquire the lands quickly after authorization by the Congress.

To speed up the acquisition of recreation lands, I recommend a $142 million appropriation to the land and water conservation fund for fiscal 1968. This is nearly a third higher than the amount appropriated in 1967. For the first time, it includes a $32 million advance appropriation from general funds to accelerate the purchase of lands for parks and other recreational purposes.

VI. PROTECTING OUR NATURAL HERITAGE

There is much to be done. And we are losing ground. The air and water grow heavier with the debris of our spectacular civilization. The domain of nature shrinks before the demands of commerce.

We can build, for a time, a rich nation surrounded and permeated by poisoned element. By ignoring the poisons, or by treating them in a casual, piecemeal way, we can endure in their midst for decades.

But here in America, we started out to do more than simply endure. We intended to live as men should live, working hard, raising families, learning, building—and breathing clean air, swimming in clear streams, finding a part of the forest or the shore where nobody else was.

If we are to have that America, we shall have to master the consequences of our own prosperity—and the time to begin is now.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 30, 1967.*

PRESIDENT'S MESSAGE ON NATURAL HERITAGE

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, as a young man, I was witness to one of the most tragic results of man's carelessness that we have seen in this century. Many will remember, as I do, the wasteful Dust Bowl of the 1930's. Because man was wasteful, because he was improvident, because he was neglectful, he squandered and lost millions of acres of precious topsoil. We watched that soil blow away by the tons, in clouds so thick and dark they obliterated the sun.

I remember those unhappy days very well—and I hope I never live to see them return.

But today, Mr. Speaker, other ill winds are blowing, and they are not restricted to the great western plains. They are blowing across our entire continent. And they carry with them the accumulated poisons of an urban and industrial society.

They call it air pollution. Like the Dust Bowl, it is the result of man's indifference and neglect. But this time the implications are far worse. These winds, Mr. Speaker, leave more than a layer of sediment in their wake; they leave disease—and even death—as well.

I do not believe we can tolerate this much longer. The air we breathe grows more poisonous every day, and the health of our Nation is at stake.

The time has come for us to act—and act boldly.

As President Johnson has noted today, the responsibility is clearly ours. The air recognizes no political boundaries.

Let us respond to the President's call. Let us redouble our efforts before it is too late. The winds continue to blow and our citizens must breathe whatever they carry.

Mr. EDMONDSON. Mr. Speaker, the Nation is sure to welcome the President's message on the quality of the environment.

The solution to the pressing problems in this area—especially air pollution—requires action at all levels of government. Assuredly we must have Presidential leadership, and strong action by the Federal Government.

Our beautiful land will be a far better place to live when we rid our cities of smog and our streams of the waste which pollutes them.

Every citizen who drives a car contributes to air pollution. And every citizen is affected. Every day there are

more and more cars, more and more factories, more and more fires, chimneys, sources of smoke and noxious gases. Every day more and more people become sick because of the air they breathe. Some of them die.

With this message the President has proposed needed amendments to the Clean Air Act. We have made a start, but, as he says, much more needs to be done. Nearly half of the urban population is still not covered by local air pollution programs. And in any event, local programs are not enough.

Regional programs—the kind that could cover the vast New York area, for example—scarcely exist at all. The President's proposal for a regional airshed approach is one of his most important points. Only five of the 24 largest metropolitan areas are now served by regional action against air pollution.

State and local government, and many of our industries, have not moved fast enough in this field. Their dragging feet have compounded the crisis we face today, for which we must share responsibility.

Lack of uniform standards has been one problem in the effort to cooperate on this problem. The President's requests, if acted upon, should help to solve that diffifficulty.

These are problems that affect all of us.

We are all in this together. As the President proposes—let us solve it together.

Mr. RESNICK. Mr. Speaker, I wish to make some remarks in support of President Johnson's recent proposals to improve the quality of our air.

There is a tendency to consider air pollution as a problem which afflicts only the heavily urbanized areas of the country. Then why should a Member who represents an area of villages and farms be concerned with this problem? Because in addition to our natural sympathies for the problem faced by our fellow citizens of the great metropolitan areas, we too have experienced the damages and discomforts caused by polluted air.

In my district, there are many resort areas which have traditionally served as places to which the inhabitants of New York City and other nearby urban centers could retreat, leaving behind them the congestion, noise, and dirt of the city. That tradition is eroding. While our resorts still flourish, there are signs that they too are beginning to suffer some of the blights of the city. Air pollution is one of these.

I have been particularly concerned with the discharges from cement and asphalt plants in my area, and last year I held hearings on this subject. It is my feeling, as a result, that in too many instances the State and local governments have not lived up to the responsibility of controlling air pollution sources within their respective jurisdictions.

I am particularly pleased, therefore, by the President's proposal to establish minimum emission control levels on a national basis. I feel the setting of these levels will be particularly beneficial for the nonurban areas of our country. Too often the headlines seem to be concerned only with the major urban air pollution episodes, while the problems of citizens who may reside in the vicinity of a cement mill, for example, appear to go unnoticed. Yet the person who lives near a single air pollution source may, in fact, inhale as much dirt as the person who lives in the city with its many sources.

The Clean Air Act of 1963, and its subsequent amendments, have started us on the road to purer air, but it is only a start. Meanwhile, the problem grows worse with every passing year. If we are to roll back pollution levels to the point where the air we breathe supports life without adverse side effects, then we must redouble our efforts. The legislation proposed by President Johnson is an essential step in that direction.

ANNUAL REPORT OF THE U.S. CIVIL SERVICE COMMISSION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. Doc. No. 13)

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 Committee on Post Office and Civil Service and ordered to be printed with illustrations:

To the Congress of the United States:

I transmit herewith the Annual Report of the U.S. Civil Service Commission for the fiscal year ended June 30, 1966.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 30, 1967.*

TREASURY SHOULD SCRAP ITS PLAN TO ISSUE HIGH-RATE SAVINGS CERTIFICATES

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. WIDNALL] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. WIDNALL. Mr. Speaker, for some time the savings industry has been disturbed by a Treasury Department proposal to issue a new type of high-rate savings certificate. The new savings certificate would be made available to regular purchasers of U.S. savings bonds.

Initially, a rate as high as 5 percent was talked of, with a term of 3 to 5 years. Since then an unspecified rate under 5 percent has been mentioned.

The savings industry only now is recovering from the near monetary crisis conditions of last summer and fall which so seriously impaired the flow of funds to savings institutions and the mortgage market.

Treasury has at its command a wide variety of marketable credit instruments to raise funds in the capital markets. These include marketable bills, certificates, notes, and bonds.

Only today, Treasury books are open for subscription to $5.5 billion of 15-month, 4¾ notes and $2 billion of 5-year 4¾ percent notes. The issues are priced at slight discounts to afford investors returns of 4.85 percent and 4.84 percent respectively. The subscriptions are open to anyone in denominations of $1,000 up to as much as $500 million. Without question, the $7.5 billion offering will be an outstanding success.

There is just no need for the Treasury to further invade the savings market by issuing a new form of high-rate savings certificate.

One of the greatest contributions the Treasury could make to reestablishing the flow of home mortgage funds would be for it to announce that it was scraping its new high-rate savings certificate plan. Savings institutions freed from potential disruptive and devastating competition for savings from the Government would then be free to devote their energies to expanding home mortgage loans.

I call on the Treasury to announce without delay that it has abandoned its proposal for the issuance of a new high-rate savings certificate.

TROUBLE SPOTS IN SOUTHEAST ASIA

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CONTE. Mr. Speaker, there is little doubt in the minds of most Americans that southeast Asia is the dominant and most dangerous international powder keg in the world today. The war in Vietnam, especially, and all of its potential repercussions pose by far the most serious threat today to world peace and thus to our American security.

That war has already furnished us in this body and our colleagues on the other side of the Capitol with some of the bitterest and most heated debate in decades. The outlook for the 90th Congress rather obviously indicates that Vietnam will again dominate our discussion of virtually all issues and proposals.

The Vietnam situation today is a tragedy of major proportions. It is a source of maddening frustration to all Americans that we have so far been unable to bring the war to an end on any terms. We have explored a great many avenues toward negotiation with the North Vietnamese. In the months ahead, we must explore even more. We must literally leave no stone or even a blade of grass unturned in search of a solution.

The pages of the Washington Post recently featured an editorial which provided a balanced, rational view of the situation and of the possible alternatives open to the United States at the present time.

Under unanimous consent I include this editorial at this point in my remarks.

The editorial follows:

PEACE PERSPECTIVES

The pursuit of peace in South Vietnam will end in disappointment, disillusion and

disaster if it is prosecuted in the belief it will bring lasting peace to Asia and the world, no matter on what terms it is obtained.

If that were the case, hardly any price would seem too high to the American people to whom the continuing loss of life on both sides is a matter of daily anguish and distress. But the anxiety to obtain a settlement in Vietnam must not be permitted to induce us to accept a settlement that will end in an early resumption of hostilities in South Vietnam, at a worse disadvantage, or incite hostilities elsewhere.

The painful truth is that there is not much likelihood that real peace can soon be obtained in Asia, no matter what happens in South Vietnam. Such peace as the world has seen there since World War II is due chiefly to the fact that the United States has acquired effective mobile military power and has demonstrated a willingness to use it to defend countries threatened by aggression. This is the single greatest deterrent to war and the greatest prop to peace. If the credibility of that deterrent is fatally diminished, by a decline in power or a decay in the will to use it, there will be less peace in Asia. Many countries who are not content with the boundaries established after World War II will then resort increasingly to the use of force and violence to change them. This deterrent, almost alone, is keeping peace along the artificial boundaries between North Korea and South Korea, between East Germany and West Germany, between the Soviet Union and Western Europe, between Mainland China and Taiwan—and at other borders around the world.

The peace of the world, as far into the future as any man can see, will be precarious, in any case. There will be frequent tests of American resolution, at every intimation of policy change in the United States and at every shift of power in Asian Communist states that covet the territory of their neighbors. There is no reason to hope that communism in Asia will make any swifter accommodation between its extravagant theories of universal domination and the realities of world power than European communism made.

It may be cruel to tell a people so passionately longing for peace that there is not going to be any peace. It would be an even greater cruelty to mislead them into the belief that a sacrifice of principle in South Vietnam would bring lasting peace there or elsewhere.

This does not mean that there can be no settlement in South Vietnam. There surely is some alternative to the war that would be acceptable. Let us hope that Secretary U Thant will find it. Difficult as it now seems, there is much reason to hope that a way can be found. The outlook is made brighter by the fact that the United States itself is in a position to sacrifice almost any strictly selfish interest in order to get a settlement. Unlike the colonial powers, it has no imperial interest to defend or preserve. It cannot consent to any settlement that will imperil the precarious peace that prevails upon a hundred restless borders in Asia as the result of the certain knowledge that the United States has the power and the will to live up to its commitments to help small nations preserve their integrity and their territory against the unprovoked aggression of their neighbors. Any settlement that does not abandon this deterrent to war can be considered; any settlement that does abandon this deterrent ought not to be considered.

This editorial makes abundantly clear what we must already understand—the need for a solution in Vietnam is of utmost urgency and must be subordinated to no other goal and no other issue.

Because of the complex problems involved, the countless conflicting reports we have had from various sources, and the seemingly insoluble controversy in the Congress, it has become clear to many of us that an accurate and reliable understanding of the situation could only be gained through personal, on-the-scene observations.

I have felt, as many of my distinguished colleagues have, that only through personal inspection of the installations, through discussions with U.S. and foreign officials on the scene, with our fighting men and the local citizens, and through the development of personal impressions, could the necessary understanding and insights be gained to make meaningful and constructive contributions to the forthcoming debates in the Congress.

It was with this incentive that I and my distinguished colleague and good friend, the Honorable EDWARD P. BOLAND, of the Second Congressional District of Massachusetts, undertook a joint inspection tour of the key trouble spots in southeast Asia. We left the United States shortly after adjournment of the 89th Congress and returned a few weeks before Christmas.

The tour fulfilled most of our expectations and furnished the kind of knowledge we were seeking as to the nature of the present situation not only in Vietnam but in Thailand, Indonesia, Laos, and the other political question marks throughout the Asian hemisphere. We also gained what I believe can be regarded as reliable impressions about what to expect in the weeks and months ahead and, above all, what is incumbent upon the United States if we are to maintain our policies and commitments throughout southeast Asia.

Upon our return to the United States, we prepared a series of reports on the impressions and information we gained in some of the most important and pivotal areas.

Because I believe our findings to be of substantial value in terms of our total understanding of the situation in southeast Asia, I respectfully place in the RECORD at this point excerpts from the first of these reports dealing with the war in Vietnam.

The report follows:

A JOINT REPORT ON THE VIETNAM TOUR OF CONGRESSMEN SILVIO O. CONTE AND EDWARD P. BOLAND, OF MASSACHUSETTS, NOVEMBER 22, 1966, TO NOVEMBER 25, 1966—THE WAR IN VIETNAM TODAY

The war in Vietnam is unlike any that American forces have ever fought. It is totally unlike previous wars in the military sense of strategy and tactics. The problems of logistics—of supply and material support—are unique in military history. The political and social aspects of the Vietnam war are different from any our State Department policymakers have ever encountered.

And, of course, the reaction here at home is unlike any we have ever known.

In our talks with the military leaders and civilian experts on the scene, the basic conviction was reaffirmed that we must continue fighting in Vietnam until the military war is ended. We cannot pull out. We cannot abandon the Vietnamese to the communist Viet Cong, to the Hanoi government, or to Peking.

The evidence is stronger than ever that a collapse in South Vietnam will trigger new outbreaks of aggression by Peking-supported communists in Thailand, in Indonesia, and elsewhere. As one Indonesian student leader told us: "We don't want the Chinese to grab hold of things and swallow it all." New wars will develop and, sooner or later, the United States will again be drawn into the conflict.

There is no question that the test is being made in Vietnam.

There is no question that Vietnam is the best place to accept the challenge, to accept the responsibility, and to resolve the question once and for all.

OUR VIETNAM ITINERARY

We arrived in Saigon on November 22, 1966, where we met and had lunch with Ambassador and Mrs. Henry Cabot Lodge. In the afternoon, we toured the docks of Saigon which are so vitally important in the logistical support of troops in the field. It was clear from the confusion and chaos of the area that the facilities, antiquated and primitive, were totally inadequate for the needs of the military. Nearby we observed the elaborate construction activity under direction of U.S. authorities to set up new, modern dock facilities and to establish a system for incoming and outgoing vessels.

The following day we flew to An Thoi in the Gulf of Thailand to inspect the Navy's repair facilities for Naval and Coast Guard patrol vessels on duty in the Gulf and the Mekong Delta area. We flew back to the Vietnamese mainland, stopping at Bien Hoa Air Base which officials described as one of the two busiest airstrips in the world.

The 3rd Tactical Fighter Wing is based there along with Vietnamese units, and logistical support units of the Army, Navy, and Marines. The wing of F-5 tactical support fighter aircraft at Bien Hoa is the only such wing currently operational in the Air Force.

We drove to Long Binh to inspect the troop concentration center there and to be briefed by officials of the commanding II Field Force Victor. The trip was over jungle roads, through the villages and tropical undergrowth in which the war is being fought. The area was infested with Viet Cong guerrillas and we rode in specially armed jeeps with full security precautions.

At Long Binh we were briefed by Major General Fred Weyand. General Weyand told us about "Battle Attleboro," which had been fought nearby and was regarded as one of the major engagements of the entire Vietnamese war.

The battle had been launched by elements of the 196th Light Infantry Brigade which is made up mostly of Massachusetts selective service personnel who had been assembled and trained at Fort Devon, Massachusetts. The battle developed, General Weyand told us, when the 196th uncovered a huge cache of Viet Cong supplies, including about 1300 tons of rice. Rice, at this stage, is more important to the Viet Cong than weapons and ammunition. The V.C. put up a bitter but futile fight to hold on to their supplies.

From Long Binh we flew on to Cu Chi by helicopter over more jungle area heavy with Viet Cong guerrillas. At several spots, it was necessary to fly at higher altitudes to be out of range of V.C. snipers in the jungles below. Cu Chi is headquarters for the 25th Infantry Division. We had further briefings on their activities and on "Battle Attleboro."

We then boarded the helicopter and flew out for a brief visit with the 196th Brigade itself at its jungle outpost. We had a chance to speak to about 165 men attached to the 196th, all from Massachusetts, and to visit the Brigade hospital.

This remote field hospital was a far cry from anything our GIs have ever had in the past. It was equipped as well as many metropolitan hospitals in the world today. The facilities were complete and modern, and it was truly amazing to discover such an elaborate setup in such a remote spot. Such facilities, coupled with the swift evacuation of wounded by helicopter, account for the fantastic recovery rate of our wounded men. There is no doubt that they are receiving the

finest medical attention available in the world today, military or otherwise.

Undoubtedly the high morale of our men in Vietnam can be attributed in part to this fact. While visiting the 196th field hospital, we talked with a young soldier from Boston who had been brought in wounded only minutes before. We asked him what he needed and he said only two things; to assure his family that he was okay and doing well, and to get patched up to get back into the fight as soon as possible.

It was an inspiring and moving experience throughout our trip to feel the tremendous optimism and high morale of all our troops. During our visit later at Da Nang, we learned that more than 4,000 Marines due for rotation back to the United States had applied for reassignment right back at Da Nang. They seem to understand what it's all about and they're anxious to get the job done.

The following day, Thursday, November 24, was Thanksgiving Day and we planned to visit installations in the northern highlands. We flew up to Da Nang and visited Marine and Navy installations there. We were briefed by command personnel of Coast Guard Division 12 and the Northern Surveillance Group who have a two-fold mission: first, to form a naval blockade at the 17th parallel and, second, to provide fire support for our troops inland.

At Da Nang we also had an extensive briefing with Lt. Gen. Lewis W. Walt, Commanding General of the Third Marine Amphibious Force. General Walt described for us one of the more interesting and unique phases of the war—the so-called Civil Action Effort in which his troops are actively participating.

The Civil Action Effort is a joint civilian-military civic education program designed to build understanding, confidence, and loyalty among the South Vietnamese people in their legally constituted government. This particular phase of the war effort could perhaps prove the most devastating weapon of all since it is focused on the minds of the native citizens. We will discuss this in more detail elsewhere in this report.

Lunch on this Thanksgiving Day for us was with Coast Guard and Navy personnel at Da Nang. Our host was Rear Admiral Thomas R. Weschler, Commander of Naval Support Activity at the base.

From Da Nang, we flew southward again for a landing and tour of the port facilities at Cam Ranh Bay. The bay forms a natural harbor and required very little dredging for the Navy to establish highly efficient prefab-pier and docking facilities. It was one of the most beautiful scenic spots of our entire trip, with great mountain peaks sloping down to the sea and clear sandy beaches.

Following a helicopter and boat tour of the harbor, we took off again for Saigon. We had Thanksgiving dinner at the home of Rear Admiral Ward in Saigon.

The highlight of the tour, coming at the very end, was our meeting and summary talks with General William C. Westmoreland, commander of all U.S. forces in Vietnam. General Westmoreland described the changing character of the war and discussed, in retrospect, some of the factors that have prolonged the war, as well as those that will hasten its conclusion.

General Westmoreland explained the distinction between the military war and the psychological, sociological war. While the two are presently intermingled, it is the latter area that the ultimate victory must be won. It is here that the Vietnamese people themselves must win before any ultimate victory can be claimed, even though there may be a termination of major fighting between large organized combat units.

We departed Vietnam on Friday, November 25, with a far better understanding of the situation and a far better grasp of the factors that underlie our involvement there.

SUMMARY AND CONCLUSIONS

The question of when we can expect an end to the fighting inevitably emerges in any study of Vietnam. The American people have heard a great many general predictions made by the Defense Department and others over the past year or so, most of them finally proving false and erroneous.

Military experts presently on the scene no longer make specific predictions, beyond the fact that some kind of war will be going on in South Vietnam for quite some time. But they are now making a distinction between a classic war fought on battlefields by organized military combat forces and the kind of war that is shaping up more and more in Vietnam.

The character of the Vietnam war has changed. There are fewer major battles between large bodies of men. Our military officials expect even less in the months ahead. Some say we may even have seen the last major engagement already.

The war has shifted more and more to one of search-and-destroy, and of take-and-hold operations. Small detachments of men in patrols seek out the small bands and individual guerrillas and destroy them when and where they can. The goal is to take the villages and compounds out of the hands of the Viet Cong guerrillas and to hold them secure against their return.

The mobility of U.S. forces, demonstrated so well by the devastating success of helicopter-borne troops of the air mobile First Cavalry Division, have given us the edge in every major engagement since they first became operational. This is a fundamental example of why the U.S. can and will win the military war in Vietnam, where the French, for example, failed.

General Westmoreland stressed that continued strategic bombing of North Vietnam, of oil and supply dumps, of infiltration routes and other strategic targets remains a vital necessity. He insists the bombing has been effective in sapping the strength of Hanoi forces and in slowing down the rate of infiltration. It has not yet influenced Hanoi toward peace negotiations and, in General Westmoreland's view, we will soon have to escalate the bombing to knock out the MIG bases. It is a major phase of his war effort.

But the inability to bring our overwhelmingly superior firepower to bear on these guerrilla forces is what will prevent us from bringing a swift end to the war. We cannot crush the enemy's army because, in a classic sense, he has no army. He has tens of thousands of individuals sprinkled like salt throughout the country, fighting independently, taking control of peaceful villages.

As General Westmoreland explained to us, it has taken a long time—about a year and a half—for U.S. forces and our allies to learn about this new concept of warfare. The first 18 months of the Vietnam war were what he terms "learning years." The new tactic which has emerged, he says, is the take-and-hold tactic—the idea of recapturing territory from the guerrillas and securing it against their return.

The unfortunate fact is, of course, that U.S. casualties are highest in these isolated jungle encounters. Because of our superior firepower and training, U.S. casualties are far lighter in major battles and engagements. Most U.S. losses have actually been inflicted by booby traps and deadly "Claymore" land mines, fabricated by the V.C. in the jungle from crude implements and spotted alongside the trails and roadways. A thin green wire stretched almost invisibly across the trail triggers the mine, hidden waisthigh in the dense foilage alongside the road or path.

The final victory in this new kind of war in Vietnam, General Westmoreland says, can only be gained by the Vietnamese people themselves. In his opinion and that of other experts on the scene, Hanoi will only give up the guerrilla war when they are convinced that the South Vietnamese people cannot be won over to their side. Hanoi, fully aware that it cannot win the military war, is waging war for the minds of the South Vietnamese.

The Civil Action Effort which we saw at Da Nang, is an important step in the direction of encouraging national unity among the South Vietnamese and in ultimately convincing Hanoi that they cannot win over the South Vietnamese people.

The U.S. is heavily committed to the educational campaign and to supporting and aiding the native population wherever possible. This is being emphasized especially in the five northern provinces of South Vietnam. Largely through the efforts of AID and the State Department, a special coordinating council has been formed to meet on a regular basis. Under this council, special subcommittees function in such areas as education, public health, psychological warfare, and distribution of food and clothing.

In a little over a year—between October, 1965, and November, 1966—some 973,928 persons have received medical treatment through the auspices of the civic action programs. In addition, 33,176 persons received dental care, many perhaps for the first time in their lives. Some 99,463 pounds of clothing have been distributed; 1,898,937 pounds of food; and 220,959 pounds of soap. The program has also sponsored construction of some 626 buildings.

In addition to the civic action campaign in the South, a heavy propaganda program is underway to encourage desertions from North Vietnam. Daily raids drop leaflets into Viet Cong villages and communities describing the return to South Vietnam of former guerrilla leaders. Special "passes" are dropped, too, authorizing safe conduct for the bearer through the frontier into South Vietnam. Up to the time of our visit, some 800 former communists had defected to our side as a direct result of these campaigns.

An important step forward was passage by the South Vietnamese government of a new law for defectors from the North, making it easier and more attractive for them to leave the communist camp.

General Walt and his staff at Da Nang are convinced that the overall U.S. policy is paying dividends. But they concede that a long guerrilla war still lies ahead.

They point out that the guerrilla has an unusual stranglehold on the population throughout the country. He collects taxes. He does away with schools and churches. He gets food and intelligence information for the organized military units and serves as a guide for these units.

An interesting fact is that a man must be a local citizen, raised in his vicinity, in order to be a guerrilla. He must not only know the area and its people, but he must be known by them. No outsiders or "imports" from North Vietnam can become guerrillas.

Because of his unusual influence, it is therefore more important to kill a guerrilla than a regular army soldier. Military strategists rate one guerrilla as important as three to five North Vietnamese army soldiers.

Much emphasis is also being placed on recruitment and training of localized popular forces to counteract the influence of the guerrillas. The intent is that as regular troops force out and eliminate local guerrillas, specially trained local force personnel will secure the area against his reestablishment.

In the present conviction of our planners and strategists in Vietnam, it is this coordinated civic-military effort; the education of the people and the gradual elimination of the guerrilla that will win the war in Vietnam. It is a policy that depends heavily if not entirely, in the last analysis, on the determination of the South Vietnamese themselves to accept their national government and to

want to resist the communist and the guerrilla terrorist.

Naturally, a competent, stable government is essential upon which to base such a program. In this regard, many observers agree that Premier Nguyen Cao Ky is not the most popular leader among the people. He is, in their view, however, about the best they have at the moment. And in serving as a kind of executive officer for the government of South Vietnam at the present time, he is well qualified and has done a good job in eliminating much of the corruption so characteristic of Asian governments. Many feel that he will undoubtedly be replaced when the people are able to select their own leader in a general election. The hope is, of course, that a leader will emerge to truly unite the country and to control the dissident factions.

Ambassador Alexis Johnson provided us with an encouraging final analysis. He believes that what must happen in Vietnam is precisely what has already happened in Korea. In his opinion, Korea today is almost a modern miracle. Its economy has stabilized and a strong popular government has emerged. It has happened in Korea and it must happen in Vietnam.

A REPORT ON THAILAND TODAY

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CONTE. Mr. Speaker, I have just read the report which I released jointly with my distinguished colleague and good friend, the Honorable EDWARD P. BOLAND, of the Second Congressional District of Massachusetts. The report dealt with the Vietnam phase of a recent tour of southeast Asia which my colleague and I undertook at the close of the 89th Congress.

Vietnam certainly is the most important and most critical issue facing both the United States and the entire world today. It is the greatest single threat to world peace.

However, because of the nature of that war and of the protagonists directly involved and those who wait in the wings, as it were, it cannot or should not be taken out of the context of the entire southeast Asia zone. It must be considered in relation to its neighbor nations and the peoples of the entire continent. What ultimately happens in Vietnam will have a decisive impact on all of these people and upon the entire world.

The trip which my colleague and I have taken purposely included, therefore, certain other trouble spots which, in our judgment, were equally important to an understanding of the situation today in that corner of the world.

Because I believe it to be of value to my colleagues, I respectfully ask unanimous consent to place at this point in the RECORD the second of a series of reports concerning our trip. This report deals specifically with the situation in Thailand as we found it in late November of last year.

The report follows:

What is happening today in Thailand should leave no doubt in the minds of any informed person just what the communist grand plan is for Southeast Asia and for the rest of the Western Pacific Hemisphere.

The Thai people are unique among their neighbors because they have never borne the yolk of colonialism; they have never been divided into ethnic factions, or regional rivalries, and they have been spared much of the political oppression so characteristic of other Southeast Asian nations. Psychologically, therefore, they are better equipped to deal with the communist menace.

The United States, as we have learned only recently, is officially committed to assist the Thai people in this effort. The lessons we have have learned in frustration and blood in Vietnam are, perhaps, paying big dividends now in Thailand, and in Indonesia and elsewhere throughout Southeast Asia.

Congressman Edward P. Boland of Springfield and I were most happy to have the opportunity to see these lessons being applied firsthand in northeast Thailand, where the communist menace is strongest.

Northeast Thailand comprises about a third of the country—about 10 million out of the 30 million people. It's the most impoverished part of the country; a rather high area with sandy soil and rolling hills. It is separated from Laos by the Mekong River, and because it's so easy to get back and forth across the river, the communists have been infiltrating agents through here, trying to organize bands of Thai guerrillas.

For many years up until just recently the area was cut off from the central Government. They didn't have communications, good roads or government services. For the last four or five years the Thai government has been working hard to get these services out there. And, of course, one of the services is that of police protection against both banditry and also these armed communist incursions.

It was clear to us from what we observed and from the patterns of communist aggression elsewhere that the historic neglect of this northeast region by the royal Thai government was a significant factor behind the inroads which the communists had been able to make so far. The government focused attention for too long on developing its military strength, with little effort given to internal social and economic problems.

Although considerable effort is now being made to reverse this trend, or at least to place more emphasis on the socio-economic sector, much damage has already been done and the communist menace is an established genuine threat.

Historically, communism is not a new threat in Thailand. Communist activity has been going on in Thailand since World War II, but on a limited scale. It became much more serious about two years ago when various communist radios in Hanoi and Peking announced the establishment of a so-called Thailand patriotic front. This is, of course, a communist front organization with the avowed purpose of overthrowing the government by violence.

At the same time, the Chinese foreign minister was also quoted as having told a Western diplomat that guerrilla warfare would start in Thailand sometime during 1965. Subsequent events proved he knew just what he was talking about because, of course, this was obviously announcing communist intentions.

Assassinations of selected village officials began. At first it was running perhaps two or three a month. There have probably been 80 or 90 people killed during the first half of 1966 as this activity has stepped up.

The pattern of the communists in Thailand has been a familiar one. It has followed the more or less stereotype sequence or "phases", that we have seen elsewhere.

Phase I is when the communists move into the villages, sending in people who have been trained up around Hanoi. They are sent in to start organizing and propagandizing among the villagers.

Frequently the villagers are duped. In many cases they've been told: "If you join with us we'll give you the equivalent of almost a year's income." Of course, very few people ever see the money, but there is a great deal of this type of recruitment, playing on the grievances they may have against taxes, things like that. This is Phase I, trying to organize these people.

Phase II then comes about when they begin resorting to terror. It's really a very sobering experience to see the way whole villages can be brought under control when they simply murder the village head man or schoolteacher—the people of influence within the village.

The communist objective, of course, and so far they haven't been too successful, is to move into stage III where they've gained complete control of some of these areas and can spawn off other communist bands—send them out into new areas. So far most of this activity is still in Phase II and as the Thai police officials told us they feel that, with their security efforts and their patroling and getting out into the countrysides, they have pretty well kept this thing under control so far.

In comparing the situation in Thailand with that in South Vietnam, we can see that the Viet Cong have gone far beyond even Phase III. As our military and civilian analysts put it, the communists in Vietnam are in what they themselves call the final stage, where there are actual major military engagements fought between large, organized troop units.

The hope and intention of the Thailand communists is, of course, to match their colleagues in Vietnam; to break down the government structure and eventually to seize enough power so that they are able to control whole areas from which to mount bases and recruit enough men to form regular, organized battalions. These units would then be thrown into battle against the regular troops of the royal Thai government, as we have seen in South Vietnam.

The aim of the Thai government and of the United States Overseas Mission presently assisting in Thailand is to prevent this.

There is, moreover, good reason to feel confident that the anti-communist, anti-insurgency effort will succeed in Thailand before the situation reaches the so-called "final stage".

Thailand, unlike Vietnam and most of the other nations of Southeast Asia, is a very homogeneous country. It has never been colonized, maintaining its independence from the British, French, and Dutch colonial rule which held sway over her neighbor nations for so many years. As a result, the Thai people have never been fragmented by the divide and rule policy so characteristic of colonialism.

By way of contrast, in Vietnam, Buddhists are set against the Catholic Christians; the northerners and southerners have been at each others throats even before the Viet Cong insurgence; the hill tribes and Montagnards are against the lowlanders; and so forth.

More than 90 per cent of the Thai people are Buddhists. The country has a good going government administration, which has been modernizing the country since the end of the 19th century. The figure of the King, who incidentally was born in the state of Massachusetts while his father was studying medicine in Cambridge, is very popular.

It's not overpopulated, it doesn't have a land tenure problem in which the peasants don't own their own lands and are exploited by wealthy landowners.

Despite the reasonable apprehensions of many in the United States that Thailand could indeed become another Vietnam, there

are ample signs that the Thai people themselves are more determined that this will not happen in their country. There seems to be a greater awareness of the inherent falseness and evils of communism. The Thai seem clearly more determined to learn the tools and techniques of resistance than the South Vietnamese were several years ago.

The government has responded to the threat by increasing the security forces in the Northeast area and by accelerating a rural economic development program. Mobile medical teams from Bangkok hospitals are now functioning in the area, many of them helicopter-supported so that even some of the most remote isolated villages can now receive medical attention.

The United States, as has now been officially confirmed, is heavily committed to assisting the Thai people in the fight providing weapons, specialized training, and by developing vitally important military bases and installations.

While visiting the city of Udorn in the northeastern region, we were able to observe a "dress rehearsal" operation as a highlight of the counter-insurgency training program conducted there with U.S. help for delegates from the various villages.

A mock battle was staged in which communist infiltrators attempted to take over a village. The villagers opposed them with both sides firing blank ammunition. Special colored cloth panels were spread on rooftops as a signal to patrolling helicopters overhead. Spotting the panels, the helicopter patrol radioed to a police concentration center where armed police were immediately dispatched to the villages.

The police security patrol, together with the villagers, combined to drive the "communists" out. It was evident that a comprehensive training program had been set up for these villagers.

In all, it comprises about a four-week course beginning with an intensive indoctrination program—educating them about the history of Thailand, about the monarchy, and about their government's concern for them. They are told about the various new development programs and about the medical and health programs being brought out to the various villages.

This is followed by weapons training in shotguns, in M-1s, and in carbines which we saw used in the firing demonstration. Then, they go back in to spend about a week in their villages learning how to do patrols, how to set out alarms so that when people come down the trails of the villages they'll get some advance warning. Then, they also learn about the panel method of communication; a certain amount of first aid; and so forth.

Then they go back under the village chiefs and organize themselves and the other villagers so they can be in a position to defend themselves in case communist terrorists bands come in, as they frequently do, to try to round the villagers up at gunpoint and harangue them with communist propaganda attacking the Royal Thai Government and attacking the United States who are supposedly enslaving Thailand.

These people are being given the means through some of our AID programs and through the work of the Thai government to help them really defend themselves.

Inevitably, we had to draw comparisons between what we were seeing in Thailand and what we had seen in Vietnam. We know, for example, that even after we have helped the South Vietnamese win the military war against Hanoi troops and against the Viet Cong, that the ultimate victory over communism could still elude us.

The battleground lies in the hearts and minds of the people themselves and it is there that this final victory will have to be won. It is for this reason that U.S. policy in Vietnam has been geared to include the massive civic education programs to teach the natives about democracy, freedom, and their democratic form of government so that they will embrace these ideas and reject the terrorism and enslavement of the communists.

The fear throughout Southeast Asia is that a similar situation may exist in other countries. Native populations tend to be illiterate and isolated from any sense of national unity or purpose. It has been necessary to educate and try to enlighten populations about these ideas in order to equip them for the fight against communism.

With the active support and backing of the United States Overseas Mission under auspices of the State Department and the Agency for International Development, the Thai government is taking steps to remedy these problems.

The accelerated rural development program is one aspect of this, as well as the mobile medical and health teams. There is an extensive road-building program underway. They've got agricultural extension workers setting up the equivalent of our 4-H clubs, teaching them new farming methods, introducing fertilizers and pesticides. They are setting up new schools.

It's designed to go all across the board in meeting the needs of the villagers and trying to bring them modern technology just as quickly as possible. In addition to this there is a good information program as part of the psychological operation to win the hearts and minds of the people.

In the opinion of our experts on the scene, a comprehensive information program is a vitally important part of the plan because it has a sort of "multiplier" effect. Since all of the villages cannot be reached at once, sometimes not even in the same year, it is important to remind them that, sooner or later, they will receive the same care and attention that others are getting. It is claimed that such programs do tend to insulate the villages against the appeal of the communist propaganda.

There are secondary benefits, of course, from these efforts—especially the economic development programs—that apply not only in Thailand but throughout the area. Communication barriers have been lowered between the various countries and a tremendous growth of regionalism has developed.

Under the old colonial regimes, such separate states as Laos and Vietnam used to have to communicate with each other through Paris. Indonesia went through The Hague. Burma and Malaya used to contact each other through London. These restrictions have vanished and, despite the conflicting alignments and primitive means of communication, a great deal of contact has developed between the various countries.

Right along the Mekong River, they have a project comparable in scope to the TVA, building large dams to produce fertilizer and electric power, better fishing and flood control. They just had the worst flood in 50 years on the Mekong just a couple of months back, and this project is going to have about five different nations all along the river working together.

Even nations that have as strained relations as Thailand and Cambodia still meet under U.N. auspices in the Mekong Committee. There has been a meeting of Southeast Asia ministers of education setting up technical schools and agricultural centers. They're even talking in terms of a Southeast Asian common market now.

It is also startling to see the impact of our buildup in Thailand on the local economy. The city of Udorn has been likened to a U.S. boomtown of the late 19th century. Some have even nicknamed it "Dodge City". Shops and stores, restaurants, theatres, and all the other trappings of a new city have sprung up in this remote village in the middle of the jungle. A booming new community has emerged from the thatched huts and unpaved trails of Udorn.

Money has been pumped into the local economies. Jobs have been created for villagers and natives. In a large sense, the U.S. mission has really opened up the northeastern section of the country, given impetus and solidarity to the efforts of the Thai government.

It appears to have a galvanizing effect on the other nations of Southeast Asia, as well; just as our determination to stick it out in Vietnam has helped firm the stand against communism in other areas. We were told, for example, that the U.S. effort in Vietnam had an admittedly decisive influence on the Indonesian army officials in overthrowing the attempted communist coup in Indonesia during October 1965.

Previously, many of these countries were afraid to work together. It was fear of China, fear of what might happen. Cambodia tried to make its peace with China, thinking they were going to win. But there is a completely different psychology now and these people have gotten enough confidence to start working together. And basically it's been behind the shield of our power as we fulfill our commitments in South Vietnam.

Of our entire tour through Southeast Asia, Thailand was perhaps the most enlightening. Here is a country unique among her sister nations. Although it has been placed on the Peking "agenda" for communist takeover, it seems less likely to succeed here than anywhere else in Asia.

Thailand is better equipped to deal with the menace of communism from both a psychological and social point of view. They seem more determined to resist than the South Vietnamese did when they, too, were subject to the "Phase I" and "Phase II" efforts of the communists.

It seems most promising that, with a sufficient and well-planned effort now, the United States and the royal Thai government can indeed prevent another Vietnam in Thailand.

The Thai people themselves are more united than the Vietnamese people. They have lived under a strong, central government, independent of foreign rule, for many generations. They have a sense of loyalty and patriotism that was largely unknown in Vietnam just a few years ago.

By taking advantage of these assets from the outset and by building on the foundation that already exists, there is every reason to feel confident that Thailand will not become another Vietnam. The U.S. commitment in Thailand seems well justified under these circumstances.

INDONESIA

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. CONTE] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CONTE. Mr. Speaker, I reported here on Vietnam and Thailand and read excerpts from recent reports which I have released concerning the southeast Asia tour taken late last year by myself and my colleague, the Honorable EDWARD P. BOLAND, of the Second Congressional District of Massachusetts.

Those reports dealt, respectively, with the situation as we judged it in November in South Vietnam and Thailand.

The third and last of my special reports deals with still another, and in some ways even more significant country: Indonesia. Indonesia, more than any of the others, reflects the dramatic changes

that have occurred among the peoples of southeast Asia, the shifting allegiances and the emergence of a strong nationalism after centuries of colonial control.

Indonesia presently hovers balanced on a kind of invisible political line. There are great tensions and anxieties among her people in the wake of the abortive Communist coup of 1965 and under the quasi-military rule of the present Suharto government.

It is clear that a great deal of attention must be devoted to the development of U.S. policy toward Indonesia in the months ahead. In the interest of the debates over that policy which will undoubtedly arise in the future, my colleague and I included Indonesia on our inspection tour.

Under unanimous consent procedures, I now place in the RECORD a portion of my report on Indoncsia today, and respectfully call it to the attention of my distinguished colleagues.

The report follows:

INDONESIA

Political, military, and economic events in recent months in the sprawling republic of Indonesia have deservedly drawn worldwide attention. Virtually unaided, nationalist forces in 1965 overthrew an attempted communist takeover of the country's government. In the wake of the coup attempt, Indonesia's despotic President Sukarno was retained, but was stripped of much of his power. Economic reforms have been instituted by the ruling military presidium but the resulting period of uncertainty has triggered a critical inflationary spiral in the domestic economy.

The economy of Indonesia is presently undergoing perhaps its most severe test. Its political climate is stormy to say the least. For all intents and purposes, the country is ruled by a military junta headed by General Suharto. President Sukarno, because of his still considerable popularity outside the capital city of Jakarta, has remained as titular head of state and continues to maneuver and plot in an effort to regain his former power.

An enlarged parliament still made up principally of Sukarno-appointed deputies rather than elected ministers sits in deliberation over the fate of the country, looking to 1968 when a general election has been promised.

Despite the bloody purge of known communist elements in the wake of the unsuccessful coup attempt in 1965, the communist PKI continue to infiltrate and agitate, continue to spread lethal propaganda about U.S. and Western intentions in Southeast Asia.

A great deal of unrest exists among the youth of Indonesia and the extremely articulate and politically active student population. They are certainly a force to be reckoned with and indeed may hold the balance of power between the struggling factions of Sukarno and Suharto.

Because these events are vitally significant with respect to the current situation throughout Southeast Asia and therefore the entire world, I resolved to see for myself the conditions in Indonesia today. It has been clear to a great many observers that Indonesia must be weighed in any analysis of current events in Southeast Asia. It is a vast, populous nation with great potential riches locked in its mountains and rain forests. U.S. policy must continue to include Indonesia and, in the interests of the debate over that policy, I wanted to include Indonesia on my recent tour through Southeast Asia.

The following report deals specifically with what I saw and learned about Indonesia today and the impressions I gained which I am confident will be invaluable in the coming session of Congress; a session in which Southeast Asia will become perhaps the most critical issue we have faced in two decades.

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BACKGROUND

Indonesia is a unique, sprawling island republic in the Southwest Pacific. Chief among its landfalls is the island of Java where the capital city of Jakarta is located. Much of Indonesia was under colonial control of the Dutch government up until World War II, and the influence of the Dutch can still be seen in dress, architecture, and in the accents of the language.

It is a populous nation, its 105 millions ranking fifth in the world behind the fourth-ranked United States. In population and area it is almost equal to the rest of Southeast Asia combined. It is regarded as one of the potentially richest countries in the world with vast natural resources of rubber, tin, and other commodities. It was the lure of these riches that brought the Japanese in World War II and triggered the nearly successful Peking-backed communist coup in September–October, 1965.

The present plight of Indonesia can probably be laid almost entirely on the doorstep of the arrogant, despotic, and seemingly deluded Sukarno. Although he has lost power, his country will continue to suffer the consequences of his regime perhaps for many years to come. Moreover, he remains a serious threat to return to power. His popularity is largely undimmed in the rural, isolated interior of the country. Although he ruled with an autocratic high-handedness, there was little apparent resentment from the native population who had been bred to generations of feudal servitude under the Dutch.

Instead of applying his country's wealth and potential to a meaningful program of economic expansion, Sukarno chose instead to strut the world stage with an outward show of opulence and military power. He lived in splendor and excess, committing his nation's resources to showy but useless projects such as fancy hotels and exotic government buildings. He resigned from the United Nations, encouraged an explosive confrontation with Malaysia, and tried to become the focal point of an Asiatic counterpart to the U. N. which would have included Communist China, Cambodia, and a number of nonaligned countries. Although he professed to maintain a neutralist policy in world affairs, thumbing his nose at offers of U. S. aid and assistance, he leaned increasingly toward the Peking communist orbit.

As one student leader told us: "Sukarno is just a new feudalist. (He lives) the way the old Princes lived. It is just the (extension) of the old kingdoms of Java on a national scale with modern symbols."

In September of 1965, Sukarno's Indonesia seemed a ripe plum for the Reds to pluck. Fortunately, they overlooked the nationalist determination of the army.

The attempted coup began on the night of September 30, 1965, with the kidnapping and subsequent murder of a number of army generals known for their strong anti-communist views. Sukarno himself, uncertain of the outcome and of his fate at the hands of the eventual victors, escaped in his nightshirt and holed up with one of his own generals.

General Suharto rallied the army together and overthrew the communist PKI. In the confusion and chaos that followed, Suharto established a military presidium to rule over the nation's economy and security forces. Sukarno, still a hero to the natives in the hill country, was allowed to remain as president but with only ceremonial duties. He held no meaningful control over the policies of his government.

At that point, a dramatic change occurred in the domestic and foreign policies of the Indonesian government. Sukarno's program of state and public buildings was abandoned. The confrontation with Malaysia was ended with a noticeable relaxation of tensions throughout the hemisphere. Sukarno's dream of an Asiatic U.N. was dashed and Indonesia eventually rejoined the worldwide United Nations.

The new leaders of the government, General Suharto and his presidium, are generally regarded as moderate and pragmatic. They have swung the focus of Indonesia's economic resources away from showy but wasteful extravagance, and the focus of her foreign policy away from false bravado to one of practical, realistic accommodation.

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INDONESIA TODAY

The transition from the status-seeking of Sukarno to the pragmatism of Suharto has neither been complete nor tranquil. The economy remains a shambles after years of mismanagement by Sukarno. It will take time to rechannel resources and redirect the energies of the Indonesian people. During this interim period, much confusion and uncertainty exists. Inflation is taking a terrific toll as it mounts day by day, driving the price of bare necessities to almost impossible levels.

Although the people have been warned that they will have to endure a period of upheaval, many observers and Indonesian leaders themselves are apprehensive that healthy results may not come soon enough. If the period of inflation and uncertainty continues too long, there could well be another political upheaval.

The political situation, meanwhile, remains far from stable. The shadow of Sukarno looms ominously on the horizon. He is considered too popular in many areas of the country to be deposed completely. He remains largely a figurehead, but with enough access to communications media and the political machinery of his government to continue to maneuver and plot to regain complete power.

Evidence of the persistent fear of Sukarno can be found in the continued harsh treatment and execution of leftist sympathizers and suspect military officials. An example was the recent conviction and death sentencing of Air Force General Omar Dani, a Sukarno aide accused of complicity in the coup. The military presidium under Suharto has retained the powers of government but is seriously lacking in management ability. While the phony splendor of Sukarno has been abandoned, redirection of human resources has been torturously slow, resulting in under-utilization, idleness, and poverty.

A visit to Jakarta today is, in many ways, deceiving. Instead of the hustle and bustle one might expect from an aggressive new government, there are signs of idleness and inactivity. Many of Sukarno's lavish projects stand empty and half-finished. Six years ago, when I first visited the country, Sukarno was at the height of prestige and power. Many of the buildings and monuments were just getting started.

They remain today in various stages of construction, empty and free of the clamor of workmen and machinery. Work has been resumed on some of them, primarily those to be used as new government buildings. But others will remain half-built shells until the economy can accommodate them as well as the hunger of its people.

Indonesia, while apparently free of the military pressures arising from the unwise confrontation with Malaysia, is overburdened with a huge foreign debt, exhaustion of foreign exchange reserves, and declining export trade.

Anti-communist sentiment in the wake of the 1965 coup attempt has undermined the nation's major entrepreneurial class, made up mostly of Chinese, resulting in a serious lag in business and private enterprise.

Many in Indonesia, including student leaders, are fearful that the Suharto regime will be unable to fulfill its goals soon enough,

or that the nation will not have attained sufficient stability by 1968 to justify a democratic election.

This apprehension is warranted on several counts. Should the people lose confidence in Suharto and his presidium, the way would be clear for Sukarno to slip back into power and, on the strength of the reaction against Suharto's failures, restore his corrupt and deluded policies.

The Suharto regime can naturally be expected to counter any such trend with whatever weapons it could muster. With the army at least under Suharto's thumb, it is clear that a de facto military dictatorship could easily become the enduring form of government in Indonesia. There are many in the country who fear this as much or more than they fear a return of Sukarno.

The influence of the students, especially those united in the Indonesian Nationalist Student Front known as KAMI, cannot be under-estimated. They are active, courageous, and articulate. As the most promising segment of the population from the standpoint of enlightenment, they must be considered in planning for the future.

Up until recently, the role of the students was largely one of public demonstration; of picketing and parading in the streets, and other overt gestures. Suharto has imposed a ban on open demonstrations of this sort; perhaps furnishing another symptom of the military dictatorship. Instead, he has granted representation in the Indonesian parliament to the students and to KAMI. Thus, they are to have at least an oral means to express their interests and feelings. Here again, however, results must be evident within a reasonable time or the impatient students can be expected to rebel.

* * * * *

The parliament, under prodding from Suharto and more progressive elements, has instituted a number of new programs and taken steps to stabilize the economy. In addition to suspension of Sukarno's many uneconomic prestige projects, the Indonesians have initiated new exchange rate regulations to spur export trade; a bank reform bill to restore soundness to the Central Bank; a new tax collection program; stringent monetary controls (which are undergoing severe strain in the present inflationary period); and a sharp cut back on government subsidies.

A new private investment law has been initiated and, with U.S. participation, a new investment guarantee program may soon be inaugurated. A major effort is also underway to remedy a severe food shortage.

While all these are promising signs, it seems unlikely they can bring about the necessary improvements within a politically acceptable timetable—specifically, by the 1968 elections. Outside help is essential.

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THE U.S. AID COMMITMENT

U.S. aid to Indonesia is but one phase of a multilateral program. In the short range, the U.S. has joined with other European and Asian nations in providing interim assistance during the most critical phase of Indonesia's political upheaval. (No longer do we hear cries from Sukarno: "To hell with your aid!")

Our aid program to Indonesia is, of course, founded on the requisite determination by President Johnson on September 1, 1966 that such aid was essential to the national interest. An ongoing program for Indonesia has subsequently been established.

Rice and cotton under Public Law 480 (Food for Peace) have been committed in the amount of $45.9 million, repayable in dollars. Under another provision of PL 480, some $8.2 million of emergency food supplies have been committed. An AID (Agency for International Development) loan of $10 million has been negotiated for spare parts and industrial raw materials to help eliminate bottlenecks in transportation, communication, power, industry, and agriculture. An additional loan of $1.2 million has been made available for military and civilian civic action personnel training, educational materials, and other aspects of the civic action program which is geared specifically to educate and train desperately needed Indonesians for government administration and educational institutions.

Long run programs include U.S. participation with the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) and other participating countries in a multilateral debt rescheduling and monetary stabilization and development program for Indonesia. Much work has already been done with IMF toward stabilization and an IBRD team has visited Indonesia with the aim of identifying Indonesian priority import requirements. The U.S., along with other creditor nations, have held extensive talks to reach agreement on debt rescheduling.

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THE OUTLOOK

The Indonesian people are, for the most part, fiercely nationalistic. They are determined to rebuild from within, to restore their nation with their own resources. The more knowledgeable, including the student leadership, privately acknowledge that, alone, they cannot hope to accomplish all that is necessary within a reasonable time and thus be able to ward off a return of Sukarno, a successful communist coup or, as a third possibility, the permanent establishment of a dictatorial military regime.

They express the hope that the United States will not be lulled by the first outward signs of stability and progress—signs that so far are favorable and encouraging only in comparison to the despotism of Sukarno.

As the U.S. mission has stated unofficially, in order to be most effective, our presence in Indonesia must remain unobtrusive. We must give up the publicity and propaganda benefits for a quieter but more effective gain on behalf of the Indonesian economy.

U.S. policy must be carefully administered to neither overstimulate expectations among the Indonesians, nor to lag too far behind. We must acknowledge the authority of the military and the fact that Suharto's army is the only real bulwark against communism. Yet we must avoid policies that would prolong the military presidium in control of the country.

This apparently is Suharto's goal as well. He has encouraged the civic action program, personally created the additional deputy seats in parliament for the students, and has pledged the 1968 election.

It is clearly essential in Indonesia, as it is in Vietnam and in Thailand, that the U.S. continue to honor its commitments in Southeast Asia. There can be little doubt that an abandonment at this time or in the foreseeable future will drain away all vitality and support of existing neutralist and pro-Western governments and merely pave the way for Peking-oriented communists to assume control.

The impact Sukarno's government had on world affairs and particularly on U.S. foreign policy prior to October, 1965, leaves no room for doubt that he must not be allowed to regain control. Indonesia, by rejecting both communism and Sukarno, has demonstrated its determination to become an independent, respectable member of the community of free nations. As the unchallenged leader of that community, the United States cannot risk an abandonment in Indonesia.

OUR OBLIGATION TO ASTRONAUTS GRISSOM, WHITE, AND CHAFFEE

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GOODLING] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GOODLING. Mr. Speaker, sadness fell upon the land in the wake of the tragedy last week that took the lives of three of our astronauts, Col. Virgil Grissom, Lt. Col. Edward H. White 2d, and Lt. Comdr. Roger B. Chaffee.

Our Nation owes these men a great debt, an obligation that will be honored not only by us today but by Americans of tomorrow.

The loss is all the more grievous when we recognize that here were three truly remarkable men, being possessed of rare combinations of mental and physical excellence required for a precise technical task—nuggets screened from the sands of men.

They were men of vision, looking beyond the horizon of earth into the outer reaches of space. While they had their eyes turned to the sky, they had—in their love and loyalty for family and their dealings with friends and associates—their feet solidly fixed to the ground.

That they were aware of the great dangers confronting them in their task was obvious, for these men had a total grasp of their mission.

On one occasion, for instance, one of the late astronauts, when confronted with the possibility of death in the space undertaking, answered:

> If it happens, we wouldn't want it to hold up the space program. We have to keep progressing.

It is truly a tragedy to lose men of this magnitude—it is a blessing, however, that in their day they did give tone and character to the future of America.

Our hearts go out in sympathy to their families.

FINO INTRODUCES LEGISLATIVE PACKAGE TO CURB PARTICIPATION SALES

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FINO] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. FINO. Mr. Speaker, last year I was proud to help lead the fight against the administration's Participation Sales Act. Today I am introducing four different bills to curb the FNMA participation sales mechanism, by which L. B. J. hocks Federal loans to raise cash for budget juggling.

My four bills are: First, to restrict FNMA participation sales to sales of participations in pools of only FHA-insured and VA-insured loans as was the case prior to the Participation Sales Act of 1966; second, to limit participation sales interest rates to ½ percent above the 4¼ percent long-term debt interest rate which applies to Treasury borrowing; third, to prohibit FNMA from directly or indirectly selling participations to Government trust funds—so as to achieve budget gimmickry with a bookkeeping

entry; and fourth, to make FNMA participations "obligations of the United States" so as to be within the Federal debt limit, as befits Government borrowing.

As I told the Ways and Means Committee, I am introducing this legislative package to focus attention on the Johnson administration's participation sales gimmickry.

"I do not think the money market will be able to absorb the $5 billion worth of participations the administration proposes to sell in fiscal 1968 so as to make room in the budget for "Great Society" waste. I think that the participations will bring back supertight money and roll back the stock market. I think L. B. J.'s budget is going to redefine the "Great Society" as history's first inflationary wartime recession.

I hope that the House of Representatives will take up the cudgels to curb the FNMA participation sales mechanism—it is nothing but a gimmick.

I include a copy of my statement to the Ways and Means Committee, as follows:

Mr. Chairman and Members of this Distinguished Committee:

At the outset, let me say that I appreciate this opportunity to testify on the proposal to raise the national public debt limit.

I would like to urge for your consideration two things:

First, I hope that this Committee will approve a small debt ceiling increase, and

Second, I hope you will turn down and disapprove the President's proposed tax increase, except for an excess profits tax on war industries.

If you grant the President only a small debt ceiling hike and a small tax increase on excess profits on war industries, you will be doing this country a great favor. You will be tightening the screws on the President's wild-eyed deficit spending. You will be setting the stage for the necessary cut back in the wasteful non-essential spending of the Great Society.

When I urge this Committee to approve only a small debt ceiling hike, I do so in the knowledge that the debt ceiling has been made all but meaningless. As we all know, the Participation Sales program makes the debt ceiling a false indication of the nation's longterm debt. Participation Sales are just a gimmick to borrow without admitting it.

But if Participation Sales have made the debt ceiling meaningless in one way, the heavy volume of Participation Sales which has been scheduled for Fiscal 1968 gives the debt ceiling a new, indirect effectiveness.

As you gentlemen know, the impact of a half-billion dollar Treasury borrowing on the money market is not great. The money market is used to Treasury borrowings. Nor does Treasury borrowing exert much upward pressure on the interest rate structure. But Participation Sales are something else again. They are not a "known quantity" like Treasury borrowing. And they carry very high and unsettling interest rates—usually between one quarter and three quarters of a percentage point higher than comparable period Treasury borrowing. High interest rates are the key reason why Participations upset the money market. Too great a volume of Participation Sales keep interest rates high. Back in the fall of 1966, this point was made by former Treasury Undersecretary Roosa; and the Morgan Guaranty Trust Co. and Salomon Brothers and Hutzler, both part of the FNMA underwriting syndicate. Even the President admitted it. He must have found it hard to swallow his words, because House Republicans had been saying this since last spring.

To put it more succinctly, my point is this: I doubt whether the economy can stand $5 billion worth of Participations in Fiscal 1968, as per the President's plans. I think that $5 billion worth will tighten interest rate pressures and contribute to a recession. At any rate, the President cannot expect to increase the Participation Sales above the $5 billion figure. Therefore, if this Committee slashes the debt ceiling request in half, the President will not be able to circumvent restricted Treasury borrowing power by going to FNMA. His budget already calls for all the FNMA gimmickry the money market will be able to bear—and perhaps more. Therefore, if this distinguished Committee refuses to hike the debt ceiling to the extent the Administration requests the Administration—having played budget gimmickry to the hilt—will be forced to cut back on federal spending. This is the goal for which you ought to aim. You can put immense pressure on the wasteful federal budget.

Now I am not suggesting that the debt ceiling request is the only one which ought to be cut. I believe that the tax request ought to be cut. And I myself intend to do what I can to put the FNMA gimmick out of action. Pressure on all these fronts will *force* the Administration to cut back heavily on planned federal spending. I believe that this is what we have to do if we are to restore a semblance of fiscal sanity.

Had the Administration not been able to doctor its budget with phony Participation Sales receipts, the Fiscal 1968 deficit—even allowing for the proposed new taxes—would be enormous. As it is, the inflationary effects of this budget will be enormous, and they may *also* contribute to the development of a recession. Deficit financing, particularly via Participation Sales, is both *inflationary* in the sense that it increases interest rates and indirectly *deflationary* in the sense that it tightens the money supply, shrinking loans and business expansion. It will be interesting to see the effect the proposed sale of $5 billion worth of high-yield Participation Sales will have. How much will they tighten the money supply and restrict credit? How much of an inflationary interest rate effect will they have?

I urge this Committee to limit the extent of the *Treasury* part in deficit financing by refusing to make any great change in the debt ceiling. If you reduce the debt ceiling increase which has been requested, the Administration will *have* to cut the budget and borrow less money.

If the budget is *not* cut, we will have to redefine the "Great Society" as the first instance in recorded history of a tight-money, inflationary recession during wartime. Only the black market in Vietnam, the French gold bankers and the American social planning establishment will be happy.

The proposed amount of non-Treasury and Treasury borrowing, in my opinion, means that tight-money will persist through Fiscal 1968, so long as we are heavily committed in Vietnam and the Administration is still funding all kinds of wild-eyed social spending programs here at home. I hate to think what five billion worth of Participation Sales will do to the money market during a generally inflationary period.

I suggest that the size of the *de facto* Fiscal 1968 budget deficit means that inflation is going to be with us for the next year or two—and with us in spades. The tax increase if passed, will not curb inflation—it will curb saving and investment, and facilitate the development of a recession.

Some people are under the false impression that recessions are periods of non-inflation. That is not true. Most of the postwar recessions in this country came during periods of inflation, even severe inflation. It is very likely that we are on the doorsteps of another inflationary recession. For such an event to occur during wartime would be an achievement—the type of achievement that characterizes the "Great Society"!

I think a recession in this country is just around the bend. The Johnson Administration proposes to tax away the savings and investment potential of this nation, all of which could be going into expanding economic development, to pay for an ill-conceived and ill-managed war we cannot seem to win and a social revolution that is contrary to the interests of ninety percent of this nation and ninety-nine percent of its taxpayers! I consider this a sad situation. We are about to see the "politics of money" and the "economics of opportunism" unite in a last hurrah before the "Great Society" collapses in the biggest political upheaval since the election of Franklin D. Roosevelt in 1932:

You gentlemen can help stem this tide. You can say "no" to the debt ceiling hike and "no" to the tax increase. I do not mean to say that I would expect you to refuse the requests altogether, but you can say "no" to half of what is sought. The rest of us will try to do our part when the debt ceiling hike, the tax increase and the proposed "Great Society" spending programs come to the Floor of the House for a vote.

The distinguished minority leader of the House, Gerry Ford, announced two weeks ago that he intended to seek repeal of the Participation Sales Act. I agree. But I think that there are a number of ways we can approach this problem.

This afternoon, I am introducing a package of four bills in the House, all of which relate to the Participation Sales gimmick. One of the bills limits Participation Sales to sales of participations in pools of only VA-insured and FHA-insured loans. This would restrict the pool mechanism to its pre-1966 scope. I first introduced this bill in February of last year, right after I read the Fiscal 1967 budget pooling plans. My second bill would limit Participation Sales interest rates to one-half of one percent more than the present 4¼% interest limit on Treasury long-term debt. My third bill would prohibit FNMA from selling participations to the government trust funds, which is the newest element of gimmickry in this very gimmicky program. My fourth bill would make FNMA Participation Sales certificates obligations of the United States, so that they might count in the national debt, as they should, being U.S.-guaranteed borrowings to pay for loan programs which ought to be in the budget.

I expect these bills to be sent to my own Committee, Banking and Currency, but I would be delighted to have the support of any members of this distinguished Committee.

When one of my aides telephoned the office of this Committee to indicate my interest in testifying, the Committee staff asked him whether or not I planned to talk about a national lottery. Now I had not planned to. But I think, in view of the growing interest the lottery idea seems to be stimulating, that I will make a brief comment. A lottery would be better than a tax increase. Let us siphon money out of the numbers racket to pay for the "Great Society" instead of saddling the taxpayer.

Let one racket pay for another! New York State is setting an example the federal government would do well to follow. At least, this form of taxation—a government-run lottery—would be a painless and voluntary method of raising revenue.

Before closing, let me remind this Committee what the late President Roosevelt said in 1932 when campaigning for the Presidency. He said:

"Any government, like any family, can for a year spend a little more than it earns. But you and I know that continuance of that habit means the poor-house."

Again, may I thank this Committee for allowing me this privilege to appear here today.

FEDERAL TAX SHARING

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. CRAMER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CRAMER. Mr. Speaker, I have today joined a number of my Republican colleagues in introducing a Federal tax-sharing proposal. The purpose of this legislation is to revitalize State and local government and to restore the balance of a truly creative Federal system.

Specifically, the bill provides for the return of 3 percent of Federal personal income tax revenue to the States. This would be raised to 5 percent over a period of 4 years.

The legislation provides that 10 percent of the returned revenue would be allocated to the 17 States with the lowest per capita income. Of the remaining 90 percent, 50 percent would be distributed to the States for any purpose they desire, 5 percent to the States for strengthening State and local administration, and 45 percent to local subdivisions of the States.

The bill also provides for the establishment of a 10-man Council on Tax Sharing which would: first determine the forms and procedures for distribution of the money; second, withhold money based upon failure to fulfill State and local obligations; and third, report to Congress its assessment of the impact of the program and to make recommendations for changes. The President shall appoint the 10 members of this Council. Five of the ten members are required to be Governors and no more than three of the remaining five can belong to the same political party.

Allocations to the States will be based on a tax-effort ratio multiplied by the population of the State. The tax-effort ratio would be the sum of all taxes collected within the State divided by the total personal income in the State.

Mr. Speaker, today there exists over 400 Federal aid appropriations for 170 separate aid programs administered by a total of 21 Federal departments and agencies, 150 Washington bureaus, and 400 regional offices, each with its own procedures for handing out Federal tax dollars. The obvious administrative chaos that is resulting from the present system could be largely obviated by adoption of this tax-sharing proposal. Although I am aware of the objections that will be raised to the enactment of this bill by the bureaucratic empire builders and alphabetical agency advocates, I am nevertheless convinced that the strengthening of the federal system and the resultant efficiency will be welcomed by the vast majority of Americans.

CONGRESS SHOULD BEGIN NOW TO EVALUATE THE DRAFT

Mr. DICKINSON. 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. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. CURTIS. Mr. Speaker, on the opening day of this 90th Congress, January 10, I reintroduced my bill (H.R. 422) to establish a Joint Congressional Committee on American Manpower and National Security to study the Nation's draft laws. I had hoped that the report of the President's National Commission on Selective Service would be available by this time and I had withheld my remarks for this reason. However, it is becoming increasingly apparent that the Commission's report, if available at all, will be so at a time sufficient to allow only cursory evaluation before Congress must decide on whether to extend the draft or accept an alternative to it this June. We are witnessing again the phenomenon of "inaction by Commission."

In any event Congress should begin now with its study because reports of executive commissions and other sources can only supplement and can never replace the congressional hearing process. Only through congressional hearings can all the arguments and alternatives be debated and subjected to cross-examination in a public forum. Perhaps Congress will ultimately get the opportunity to evaluate the recommendations of the President's Commission, as it should, along with recommendations collected by several independent conferences on the draft held this fall and winter, and other available material. But Congress must not shunt its responsibility in this area because deliberations of executive commissions, as is characteristic of them, have been held behind closed doors without the public knowing what arguments were considered and what positions were advanced and explored. Congress is the unique instrument of our Government whose function it is to gather and assimilate publicly the wisdom of our society, and then publicly bring that wisdom to bear on social problems confronting us. Because of the great numbers of Americans involved, and, I would argue, because the problem of manpower procurement is more than a military one affecting our value system and the whole universe of civilian and military life, we cannot afford to do less than a complete, open, and thorough congressional study.

Congress must organize and begin to study the draft now. Because of the importance and the broad scope of the matter, I have proposed and again propose that a study be done by a joint House-Senate committee drawing its members from the Senate Labor and Public Welfare Committee, the House Education and Labor Committee, other interested Members, as well as members of the Armed Services Committee of each House.

To facilitate discussion of the feasibility of a volunteer career army as an alternative to the present Selective Service System, I am inserting in the RECORD at this point continuation of my dialog with the Department of Defense which I began last summer.

CONTINUING THE DRAFT DIALOG: THE DOD REPORT, CRITICAL SKILLS AND POLITICS

Mr. Speaker, the draft has been with us now for 15 years, and we, the Congress of the United States, have continually neglected our responsibility to examine and improve the operation of the draft and to consider viable alternatives to compulsory service. I have argued time and time again for a congressional study of the draft; but politics, bureaucratic fear of change, and anachronistic attitudes formed during World War II have stood in the way of progress and modernization in our military manpower procurement policies.

Yet the dialog on this all-important issue cannot die; we cannot shunt our responsibilities upon an Executive commission or upon some agency in the executive branch. This is our job, and as long as I remain a Member of this body, I will do my earnest best to see that our attention is drawn to this long-neglected problem. In order to further this crucial dialog, I have initiated a series of correspondences with various agencies of Government and private individuals who are concerned about this problem in order to gather information and opinions on the present operation of the draft. I take this opportunity today to share the information I have received so far with the many other Members of this House who have taken an active interest in the issue of military manpower procurement.

On June 30, 1966, Assistant Secretary of Defense for Manpower Thomas D. Morris testified before the Committee on Armed Services on the long-secret DOD draft study. Secretary Morris' 23-page statement, which was billed as a "report on the study," was the final product of a study ordered by President Johnson in 1964, but withheld from the Congress and the public for at least 12 months. Mr. Morris' testimony presented some vague conclusions on the feasibility of a "volunteer" army, but lacked most of the supporting data necessary to a careful analysis of the issues involved. I remarked at that time that this "report on a report" was wholly inadequate and merely beclouded the military manpower picture. The administration's subsequent announcement of a blue-ribbon commission to study the same topic clearly indicated that the President himself realized the inadequacy of the DOD effort.

However, an accurate evaluation of the DOD's limited study requires the publication of the supporting data and reasoning which underlies the Department's conclusions. Under pressure from the Armed Services Committee and other concerned Members, the DOD did eventually release some of this supporting data. It may be found in appendix I-A, pages 9999 to 10052, of the published hearings of the Committee on Armed Services, No. 75.

In addition to this material, I requested from Secretary Morris on July 15 the answers to certain questions which I had on the DOD study. The Secretary responded shortly thereafter with a comprehensive and thorough reply, and I wish to share this information with the House at this time.

The questions I put to Assistant Secretary Morris on the DOD study were the following:

(1) Who were the members of the com-

mission, or study group, which prepared the Department of Defense study of the draft? What are their qualifications and areas of expertise? Was outside research help employed in the study—from other departments or agencies—from non-governmental sources?

(2) What research techniques were employed in gathering this information mentioned in items 2, 3 and 4 on page 3 of your statement? How were the questionnaires administered or questions asked? (Please include sample copies of the questionnaires used.)

(3) Were formal or informal hearings held by the draft study group? What were the dates of any such hearings and who testified before the group? Are records of these hearings available? Were private witnesses called or invited to testify or present their views in writing?

(4) Could you provide supporting data to supplement your statement of the pay increases and dollar costs necessary to attract an all-volunteer force? What pay increases would be necessary to *sustain* an all-volunteer force, i.e., raise re-enlistment rates to a level at which the number of *new* volunteers required could be supplied without a draft? Include here any statistics you have on the effect of the pay increases passed by the Congress in recent years on re-enlistment rates. How much improvement can we expect in the rate of reenlistment among first-term enlisted men if pay is raised to equal that of civilian employees in similar jobs? Or how much above civilian pay levels must military pay be raised to sustain an all-volunteer force?

(5) Could you provide comparative statistics on the differences between present military pay (for officers and enlisted men) broken down by job categories, and civilian pay in occupations with similar educational and skill requirements?

(6) Could you provide supporting data on the "additional costs" (page 17 of your statement) necessary to attract and/or sustain an all-volunteer force?

(7) What are the complete results of the Bureau of the Census poll on the effect of "fringe benefits" on volunteering? List here the factors included under fringe benefits, the range of responses, and research technique used in acquiring this data. Were similar surveys conducted among men already in the service to determine the effect of fringe benefits on re-enlistments? If so, what results did you obtain?

(8) What improvements in the rate of volunteering could we expect by providing such fringe benefits—i.e. data on the combined effect of all fringe benefits taken together on volunteering and the effect of each benefit separately? Are these figures included in the cost estimates stated on page 17 of your statement; if not, what would be the revised figures? (Could you provide the supporting data on the relationship between fringe benefit improvements and volunteering and between fringe benefits improvements and re-enlistments?)

(9) Would you provide supporting data on the substitution of civilian personnel for military in support-type jobs? Explain in more detail the limitations on this substitution program. In what support jobs can increases be made in this substitution, and in what jobs have substitutions already been made? What effect will foreseeable increases in this area have on the cost estimates mentioned on page 17?

Assistant Secretary Morris responded to my request and provided me on July 27 with the following information:

REPLIES TO QUESTIONS BY REPRESENTATIVE THOMAS B. CURTIS CONCERNING DEPARTMENT OF DEFENSE DRAFT STUDY

1. The Department of Defense study of the draft was prepared by the staff group within the Office of the Assistant Secretary of Defense (Manpower) responsible for assisting the Assistant Secretary on manpower procurement and related problems, with augmentation and contract research support as described below. This immediate staff group included six professional staff members during the initial year of the study. Biographical statements on the three senior members of this group are attached (Tab A).

Additional support for this study was provided in the following ways:

a. Several personnel were retained by the Office of Secretary of Defense for the study in a consultant capacity during the initial year of the study. These included two economists employed on a full-time basis, two economists on a part-time basis, and two psychologists, part-time.

b. The Military Departments assigned personnel to work with the study group staff mainly on a part-time basis in developing data and surveys required for various aspects of the study, e.g., civilian-military substitution, qualitative standards, surveys, and reserve manpower problems. These included staff officers and civilians with specialized professional backgrounds in the specific areas.

c. The following other federal agencies provided substantial assistance for the study:

(1) *Selective Service System*—Conducted a special sample inventory of registrants as of July 1964 and made available statistical records from this inventory for analysis.

(2) *Labor Department*—Conducted special surveys of placement officers at U.S.E.S. offices, of college placement offices and of industry training directors.

(3) *Department of Health, Education and Welfare*—Provided staff support for study of medical manpower problems related to the draft. Also prepared special analysis of marriage rates for men of draft age following the September 1963 revision in order of call for induction.

(4) *Bureau of the Census*—Conducted survey of a sample of civilian men, ages 16–34 years. Also prepared detailed ten-year projections of the draft age population.

d. The following specialized research services were procured by contract by the Department of Defense:

(1) *National Opinion Research Center, University of Chicago*—Planning of sample attitude surveys of civilian and military personnel and technical evaluation of survey results.

(2) *Institute for Defense Analyses*—Research on economics of recruitment, with particular reference to effect of variations in unemployment.

(3) *Research Analysis Corporation*—Projections of annual military manpower procurement requirements and of civilian manpower pool.

(4) *Systems Development Corporation*—Specialized computer services.

(5) *University of Pittsburgh*—Special tabulations from its survey of high school youth (Project Talent).

2. A summary of the coverage and sampling methods used in obtaining the survey information for the Draft Study is included in Tab B, which also includes sample copies of the questionnaires used in the Department of Defense and Census Bureau surveys.

3. No hearings were held by the Draft Study group staff. A comprehensive review of all pertinent discussions of the subject in published sources was made. Numerous comments and suggestions addressed to the Department of Defense by private citizens were also carefully considered in the course of the study.

4. Following are responses to the separate questions under this heading:

a. A description of the cost estimates for an all-volunteer force appears in Tab C.

b. The estimated increases in pay of first-term and career personnel to maintain an all-volunteer force, following termination of the draft, are discussed on pages 8–9 of Tab C. It should be noted that these pay increases were primarily designed to attract the required number of new accessions needed to eliminate projected recruitment deficits without a draft. In addition, it was estimated that first-term reenlistment rates under an all-volunteer force would increase by an average of about ten percentage points, i.e., from 22.5% in FY 1965 to over 32%. This projected increase in reenlistment rates, combined with the longer initial tour of duty of enlistees (as compared to draftees) would result in savings, or cost offsets, ranging from $350 million to $720 million per year for enlisted personnel as shown in Table 8.

c. Attached as Tab D are the statistics on reenlistment rate trends in the Department of Defense. Military compensation is recognized to be an important factor in reenlistment decisions. However, it has not been possible to completely isolate the separate effect of pay increases upon reenlistment trends over the years due to the many concurrent forces at work, e.g., trends in earnings and employment in the civilian economy, changes in the military population, changes in other conditions of military service, etc.

d. The method used in deriving required pay increases for an all-volunteer force, as described in Tab C, did not require any specific comparisons of civilian versus military pay by occupation. Instead it was based on analysis of actual differences in enlistment rates in various regions of the United States in relation to differences in over-all civilian economic opportunities for youth in these regions. It should be noted, moreover, that a large majority of young men who enlist in service do so shortly after leaving school and before they have acquired a meaningful civilian skill.

5. The Department of Defense is currently compiling pertinent data on compensation in similar military and civilian occupations as part of its review of military compensation. However, as noted above, such comparisons were not made for the Draft Study.

6. The only additional cost estimate cited on page 12 of the statement refers to an increase of "at least an additional $1 billion" in order to attract an all-volunteer reserve force of present size. This estimate is based on the following facts:

a. Estimated expenditures for compensation of reserve components personnel totaled $717 million in FY 1966 according to the President's Budget for FY 1967.

b. A very high proportion of reserve enlistees (71%) were found to be draft motivated in the Department of Defense survey as compared to about 40% of active duty personnel.

c. The "best" estimates of required increases in first-term compensation of active duty personnel were projected at 110% and 160% under alternative unemployment estimates. Applying the average of these two percentages to reserve personnel costs resulted in an estimate of $1 billion as a minimum approximation of the additional payroll costs for reserve components.

7. Attached as Tab E is the detailed table showing the responses of nonveteran youth, ages 16–25 years, to the question: "If there were no draft now, and you had no military obligation at all, which . . . condition would be most likely to get you to volunteer?" The survey methodology used is described in Tab B.

A large number of surveys among military personnel have been made over a period of years on factors influencing their attitudes to military service careers. These generally support the conclusion that "fringe benefits" such as retirement, medical benefits and housing are significant factors in reenlistment decisions but not in first-term enlistment decisions. The importance of the retirement system in career retention was particularly highlighted in the Study of the Mil-

itary Retired Pay System prepared by the Study Committee of the University of Michigan for the Senate Committee on Armed Services (87th Cong., 1st Sess., Committee Print, July 6, 1961, pages 29–30 and Appendix 3).

8. No estimates were made for the draft study of the combined effects of improvements in fringe benefits upon the rate of volunteering. Since these benefits—with the exception of training and educational opportunities—were not found to be effective inducements for initial enlistment, it may be assumed that increases in such benefits would not be an economically efficient means of inducing more enlistments, i.e., the cost per additional recruit would be greater than if the corresponding amount were provided directly in the form of increased compensation or enlistment bonuses.

In the case of educational incentives, the benefits provided under the new G.I. Bill have probably served to improve the long range recruitment capability of the Services to some extent. Additional experience under more normal recruitment conditions will be necessary to assess their full impact.

Relevant survey data on the relationship between certain fringe benefits and enlistments and reenlistments have been cited in response to question 7.

9. The current program of substitution of civilians for military is distributed by Service and by type of individual as follows:

	Military positions reduced			Number of civilian positions substituted
	Officer	Enlisted	Total military	
Army	1,800	34,700	36,500	28,500
Navy	1,575	13,425	15,000	12,500
USMC	120	2,680	2,800	2,500
USAF	3,000	17,000	20,000	17,000
Department of Defense total	6,495	67,805	74,300	60,500

The substitution of civilian personnel for military personnel is on a one for one basis; the difference of 13,800 between the number of military positions reduced and the number of civilian positions substituted is accounted for by the elimination of requirements for trainees, trainers, and other manpower support requirements for military personnel which are not incurred in the use of civilians.

The first limitation on civilian substitution is that combat positions and positions needed for military training must be set aside. During a period such as the present, when combat forces are engaged in operations, civilianization is also limited by the need to reserve an adequate number of military positions to support rotation policies. Other criteria which are considered in selecting positions for substitution are the need for career development, military security, military discipline, and civilian availability.

Substitutions are being made in positions in a wide range of skills and skill levels found in the civilian labor market. They are primarily being made at entry levels of skill in such occupational fields as clerical, crafts, food service and similar military specialties where the rotation base is adequate. Increases in substitutions would be expected to follow the same pattern.

Further increases in civilianization are expected to have a marginal effect on the cost estimates on page 17. The present program has a primary objective of alleviating requirements for drafting military personnel rather than of obtaining maximum cost reductions.

Summarizing the Secretary's response, I believe that the DOD study was accurate as far as it goes. However, it is subject to several major limitations, particularily its failure to consider reenlistment rate improvements in the cost estimates of an all volunteer Army. Their response is significant for it reveals that the DOD examined the question of "cost" for an all volunteer army solely on the basis of pay increases necessary to attract the same number of initial volunteers which are now supplied by the draft. The Department neglected to consider the increase in career personnel which could be provided by pay increases and other benefit improvements. This increase in enlistments could significantly lower the number of new volunteers required and thus lower the cost of an all volunteer army below the DOD estimates. Reenlistment rates for draftees are now about 10 percent, and for first termers are about 20 percent. Therefore, there is considerable room for improvement in this area and considerable opportunity for reduction of the needed military manpower. This apparent failure by the DOD to take this factor into its cost estimates severely limits the accuracy of the study and calls into question the cost estimates presented in Secretary Morris' testimony. Realistically these estimates should be much lower if reenlistment rates are increased.

Furthermore, because the DOD did not consider reenlistment improvements, the Department did not do so well in coordinating "fringe benefits" into their analysis. As the Secretary stated,

> These benefits—with the exception of training and educational opportunities—were not found to be effective inducements for initial enlistment.

However, the Secretary noted that these benefits are "significant factors in reenlistment decisions." Yet the Department neglected the effects of fringe benefits on reenlistment decisions in their draft study. Thus one vital aspect of military manpower procurement and military personnel management was overlooked. If the Congress considers this question of the draft and a possible career military force, it should keep in mind the limitation of the DOD study and the inapplicability of its cost estimates to a realistic model of a volunteer army.

A further area requiring more information is the civilian substitution program established by the DOD. The Secretary pointed out the further progress in this matter of "civilianization" is limited by the need to keep a certain number of billets open for military rotational policies. This may well be a realistic limitation. However, the Congress should know how many billets are required for these purposes and how many military jobs could be replaced. The statistics on civilian replacement show that a significant savings can be achieved through the elimination of requirements for trainers, trainees, and manpower support positions when military jobs are filled by civilians. This large savings should encourage the expansion of this "civilianization" program.

Seeking this further information, I wrote Secretary Morris again on August 18, 1966, and my letter follows. His response to me of September 19, 1966, is also submitted:

AUGUST 18, 1966.

Hon. THOMAS D. MORRIS,
Assistant Secretary of Defense,
Pentagon, Washington, D.C.

DEAR SECRETARY MORRIS: Thank you very much for your comprehensive and prompt reply, transmitted to me on July 27, on my questions regarding the Department of Defense draft study.

I certainly appreciate the thorough job your office has done in preparing this material; this is an important addition to the current dialogue on the draft which is taking place in your department, the Congress and the public, I intend to place this material in the CONGRESSIONAL RECORD for I know that many other Congressmen are interested in this subject, and I am happy to see that much of this information was made a part of the published hearings of the House Armed Services Committee.

Because I think this material is so valuable to an adequate discussion of this crucial issue, I would hope that the Department of Defense will publish this material along with other information obtained from your study in one comprehensive document so that the public and the Congress can more fully evaluate the questions raised by the draft problem. I am encouraged by the cooperation your Department has given to the Congress during and after the House hearings, and I feel that a comprehensive publication would have a significant value in the public debate on the draft issue.

In order to further the dialogue on this issue, I would appreciate your assistance in answering several questions which were raised by the material you transmitted to me.

(1) I note that your estimate of the cost of an all-volunteer armed force was based on an estimate of the inducements, largely pay increases, necessary to attract the same number of initial volunteers now brought into the services by the draft. As you state on page 4 of your reply, "fringe benefits," as well as higher pay, are significant factors in re-enlistment decisions. It would seem that pay increases and fringe benefit improvements would increase the number of reenlistments and thus decrease the number of new enlistments needed below the 500,000 men now required. Could you give me any data you have, or estimates, on the possible reduction in needed new enlistments through higher re-enlistment because of (a) pay increases, (b) improved educational and job-training opportunities, and (c) medical, housing, retirement and other benefits? Could you relate this increase in re-enlistment due to pay and other improvements to the cost of an "all-volunteer" army, breaking down this data by specific increases in re-enlistment expected from specific improvements?

(2) Could you send me whatever data you have at present on the comparative study of military and civilian compensation mentioned in paragraph 5 on page 3 of your reply?

(3) I note with interest the data on page 5 of your reply on the current program of substitution of civilians for military personnel and understand the limitation imposed on this program by the need to maintain billets for the purposes of maintaining rotation policies. Could you send me the supporting data on the number of positions required for rotation purposes in (a) the present situation and (b) normal peacetime conditions? What other factors act to limit civilianization? Specifically, what further increases—by occupational area—in the substitution program are possible and/or desired by the Department of Defense under present and/or "normal" conditions?

Again, thank you for your cooperation and assistance in this matter. I am anxious to hear further from you.

Sincerely,

THOMAS B. CURTIS.

ASSISTANT SECRETARY OF DEFENSE,
Washington, D.C.

Hon. THOMAS B. CURTIS,
House of Representatives,
Washington, D.C.

DEAR MR. CURTIS: This is in reply to your letter of August 18, in which you requested additional information related to the recent Department of Defense study of the draft. I regret that it has not been practicable to provide specific information on all of the questions included in your letter. The status of this information is described below with respect to each of these questions.

1. You inquired as to the possible reductions in required new enlistments under an all-volunteer force which could be accomplished as a result of increased reenlistments, through higher pay and other incentives. As noted in our earlier response to you, the estimates of the cost of an all-volunteer force described under Tab C did include cost offsets, ranging from $350 million to $720 million per year, as a result of reduced turnover under an all-volunteer force. These would result, in part, from a projected increase of about 10 percentage points (or nearly 50 percent) in first-term reenlistment rates from volunteers who would enter service initially in response to the higher pay rates projected in this study.

These estimates assumed, however, that the anticipated improvements in reenlistment rates—and reduction in enlistment requirements—would not occur immediately but would be phased in over a period of several years. If the draft were terminated in FY 1970, for example, the study projected a reduction of about 85,000 in annual accessions by FY 1976 below the number which would otherwise be needed to maintain a 2.65 million force. This phasing was based on the premise that individuals who were originally drafted, or who enlisted solely because of the draft, and whose tours of duty would expire in the years immediately following termination of the draft, would not be responsive—to any appreciable degree—to financial inducements to continue in military service on a career basis. Other individuals, who initially entered because of the economic attractiveness of military service, would be much more likely to continue in service on a career basis under favorable pay levels.

The increase in reenlistment rates projected for the latter group was based upon survey results of reenlistment intentions of those first term enlistees who had recently entered service for reasons other than the draft. The average level of first-term reenlistment rates, of more than 30 percent, which would result, corresponds closely to the optimum *average* level desirable for maintaining a balanced military personnel structure, allowing for a proper mixture of youth and experience level in our regular forces.

Under the above procedure, no estimates were required of the separate increase in reenlistment rates to be expected from increased career pay or other specific inducements.

2. The comparative study of military and civilian compensation cited in our earlier response is still under way. It is scheduled to be completed by the end of the current calendar year. We will be pleased to submit to you any pertinent information from this study as soon as it is completed.

3. A number of factors, in addition to rotational requirements, limit the scope of civilianization of support-type military positions in the Armed Services. These include such factors as the need for training and career management of essential military personnel in such functions, as well as practical civilian labor supply considerations. The Department of Defense is currently reviewing the potential for additional civilianization of military positions in 1968, following completion of the current program. All of these factors, as well as rotational requirements, are being considered in the context of current force level and deployment requirements. We anticipate that the results of this study will be reflected in the Department of Defense military manpower plans and budget for FY 1968.

Your comments on the materials provided to you earlier concerning the Department of Defense draft study are greatly appreciated. It is our intention to make available as much of the available research materials from these studies to interested individuals as possible to the extent that staff resources and funds permit. We will, of course, be happy to provide you the results of pending studies in which you have expressed an interest when they are completed.

Sincerely,

THOMAS D. MORRIS.

The Secretary has been most cooperative in providing information as this record will indicate. I will be most interested in the results of the mentioned DOD comparative study of military and civilian compensation scheduled for the end of last year as soon as it is made available. Also of great interest to Members of Congress and the public following this dialog will be the Department of Defense' review of the potential for additional civilization of military positions promised to be included in the DOD military manpower plans and budget for fiscal year 1968.

The cooperation of the Defense Department gives me hope that adequate consideration will be given to the potentialities of a volunteer army. It seems that we are beginning to focus upon the relevant data necessary to properly evaluate this possibility. It is however regrettable that this information has to be acquired by congressional request without which the public and Congress would never know of the opportunities before us. It is also regrettable that further study is not being undertaken now by the Congress, and that it has defered its responsibility to an executive blue ribbon commission.

PROTECTING CRITICAL SKILLS

Mr. Speaker, on July 28, I took the floor to discuss our present system of determining essential activities and critical occupations for draft deferment. During the course of my remarks, which may be found in the CONGRESSIONAL RECORD, volume 112, part 13, pages 17546–17550, I included several letters which I had written to the Secretary of Labor and the Secretary of Commerce seeking further information on our occupational deferment system. I promised at that time to make available to the membership the results of my inquiries, as this material is a crucial part of our evaluation of the draft.

Secretary of Labor Willard Wirtz replied on July 27. He submitted information in response to the six questions I posed on July 1 and included a copy of the Department's "Petition Guide" for inclusions on the "List of Currently Critical Occupations" and a summary of the data considered by the Interagency Advisory Committee on Essential Activities and Critical Occupations. Secretary Wirtz' reply, however, did not speak to the points I raised in my remarks of July 28, concerning the Department's list. These points include:

First. The "current" list has not been revised since 1962, despite the enormous growth in our domestic economy and the changing defense and civilian picture which has resulted from our increased involvement in southeast Asia.

Second. The job descriptions included on the Labor list are taken from the 1949—supplemented by 1955 changes—edition of the "Dictionary of Occupational Titles." Yet a new edition has finally been produced and has been available since January 1966. This new edition has made many changes in job descriptions, and the changing structure of our increasingly automated society demands a continual updating of our job descriptions.

Third. Secretary Wirtz states that the Selective Service System and the Department of Labor do not keep statistics on the number of workers being deferred in each critical occupation. Yet the whole purpose of the list is to protect, in the words of the Department, those skills in which "an overall shortage of workers in an occupation exists or is developing which will significantly interfere with the effective functioning of essential industries or activities." Thus the number of workers presently deferred in such occupations seems to be an essential item of information in the Department's deliberations on deferment advice to the Selective Service System.

These questions are important to our evaluation of the occupational deferment system, and I have written to Secretary Wirtz requesting his opinion on these points. The Secretary's letter and enclosed information of July 27 and my letter to Secretary Wirtz of August 25 and his response to me of September 12, 1966, follow:

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, July 27, 1966.

Hon. THOMAS B. CURTIS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CURTIS: Thank you for your letter requesting information concerning the Interagency Advisory Committee on Essential Activities and Critical Occupations which is advisory to the Selective Service System.

(1) ORGANIZATION OF INTERAGENCY ADVISORY COMMITTEE AND ITS COMPONENT PARTS

The Interagency Advisory Committee on Essential Activities and Critical Occupations is composed of seven agencies of government, namely, Agriculture; Commerce; Defense; Health, Education, and Welfare; Interior; Labor; and Selective Service System. The parent committee which has an Executive Secretary, Mr. W. J. Cotter, is on call for meetings at any time and has two major working committees. These agencies, as a committee make recommendations to the Secretaries of Commerce and Labor for inclusion on either list.

The Technical Subcommittee of the Department of Commerce on the List of Currently Essential Activities is chaired by Mr. Thomas E. Murphy of the Department of

Commerce Business and Defense Services Administration (BDSA) and staff composed of BDSA specialists.

The Technical Subcommittee of the Department of Labor is composed of members representing Wage and Hour and Public Contracts (WHPC), Bureau of Apprenticeship and Training (BAT), Bureau of Labor Statistics (BLS), Bureau of Employment Security (BES), and United States Employment Service (USES/DC), and is chaired by Mr. W. J. Cotter of the Branch of Manpower Mobilization.

For inclusion on the U.S. Department of Commerce List of Currently Essential Activities under the foreseeable mobilization program the activity must be: (1) necessary to the defense program, or national health, safety, or interest, and (2) inadequate to meet defense and civilian requirements because of manpower shortages or for which the manpower supply is not reasonably assured.

Each occupation on the U.S. Department of Labor List of Currently Critical Occupations is determined on the basis of the following criteria: (1) under the foreseeable mobilization program an overall shortage of workers in an occupation exists or is developing which will significantly interfere with the effective functioning of essential industries or activities, (2) a minimum accelerated training time of two years (or the equivalent of work experience) is necessary to the satisfactory performance of all the major tasks found in the occupation, and (3) the occupation is indispensable to the functioning of the industries or activities in which it occurs.

(2) TRANSMITTAL OF DECISIONS AND AUTHORITY OF COMMITTEE

Final decision for inclusion on the lists of Essential Activities and Critical Occupations rests with the Secretaries of Commerce and Labor. The decisions are transmitted to Selective Service by letter from the Executive Secretary of the Committee.

Selective Service System (SSS) uses the lists when considering requests for occupational deferment of individual registrants. The Committee is not responsible nor has any authority for the use made of these lists by local Selective Service Boards.

(3) SKILLS BEING DEFERRED

The skills listed on page (3) of the enclosed booklet are furnished as a guide to Selective Service for possible deferment. No record is maintained by Selective Service as to the number or type of skills being deferred. They keep a cumulative record of Class IIA industry deferments. This may include persons on the critical occupations list as well as others not listed. A ten year summary of these deferments is enclosed.

(4) BASIS FOR ESTABLISHMENT OF CRITICAL SKILLS LIST AND ESSENTIAL ACTIVITIES

The Committee is charged with the responsibilities for making recommendations for revisions, deletions and additions to each of these lists in order that they may be kept current in relation to any changes in the foreseeable mobilization plans. Revisions, deletions or additions to each list are initiated by petition from trade associations, nonprofit organizations, organized labor or government. Copies of instructions for the preparation of petitions are enclosed.

The Committee reviews the reports prepared by both Technical Subcommittees on Essential Activities and Critical Occupations and prepares recommendations for the Secretaries of Commerce and Labor.

(5) RELATIONSHIP OF THE WORLD WAR II WAR MANPOWER COMMISSION

The Department of Labor carries on most of the functions of the War Manpower Commission under a voluntary rather than a controlled basis. Under pertinent executive orders and other documents, the Department of Labor through two or three of its Bureaus would, in time of emergency, serve in an identical capacity as did the War Manpower Commission.

In the specific case of the lists, there were such lists used in World War II, but they were framed under wartime emergency power acts, executive orders, and organizational structure. The present lists are an extension of the parent lists tailored to peacetime needs.

The work of the present Advisory Committee is quite similar in most respects to that of the War Manpower Commission group.

(6) COORDINATION OF CIVILIAN AND DEFENSE MANPOWER NEEDS

The Committee, the Labor Department, and the Department of Commerce are sensitive to the delicate balance that must be maintained between the expanding military and civilian manpower needs. It is our belief that the Labor Department and Commerce Department do not need additional "authority" in the area of critical skills and essential activities, but we must continually re-evaluate the relative needs of the national economy as it relates to the needs of the military.

The Labor Department is making a special study of shortages in many skilled categories including those on the lists. To undertake an extensive study of emergency requirements over a period of time, we may need to request additional funds. This results from the limiting of our funds to present operations as opposed to planning for emergencies.

I want to thank you for your interest in the manpower problems with which we must deal. I am sure only a few questions in which you are interested have been answered here, but I shall be very happy to furnish additional information at any time.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

Enclosures.

Occupational deferments (IIA), December yearend

[Figures rounded]

Year:	
1956	29,000
1957	34,000
1958	44,000
1959	53,000
1960	67,000
1961	92,000
1962	111,000
1963	135,000
1964	163,000
1965	203,000
May 1966	204,000

DATA CONSIDERED BY INTERAGENCY ADVISORY COMMITTEE ON ESSENTIAL ACTIVITIES AND CRITICAL OCCUPATIONS

Check list of information to be supplied by petitioners for inclusion on *List of Currently Critical Occupations:*

1. The definition or description of the occupation. If the *Dictionary of Occupational Titles* adequately describes the job, reference can be made to this fact.

2. The type of industry, product manufactured, or service rendered in which it is believed the occupation is critical.

3. Hours of training required to produce acceptable workers under current practices.

(a) Approximate number of workers engaged in the occupation (indicate if this number represents workers in a specific industry or in all industries).

(b) Age distribution of male workers now in the occupation, grouped by 18 through 26 years, 27 through 35 years, and over 35 years.

4. Explain methods of recruitment in use.

5. Any action now being taken or planned to forestall critical shortage of workers by:

(a) Fully utilizing available trained workers by:

Use of women.

Use of retired workers.

Use of physically handicapped.

Upgrading qualified workers.

Lengthening the workweek.

(b) Reducing need for additional trained workers:

Re-engineering the job (job simplification) to permit use of less skilled workers.

Using workers full time at highest skill.

Using new labor-saving machinery and advanced production techniques.

(c) Training additional workers through:

Enlargement or acceleration of present training programs.

New apprentice training programs.

New on-the-job training for less skilled workers. (Arrangements with vocational schools for establishment of specific preemployment training.)

6. Actual number of hours in average workweek for persons engaged in this occupation.

7. Present evidence of a current shortage of workers in this occupation.

NOTE.—Petitioners are requested to submit an original and 15 copies of the petition and supporting data for distribution to committee members. The information should be prepared on an industry basis for the country as a whole rather than for a specific employer or geographic area.

Please indicate source of data and/or method of computation.

PETITION GUIDE—ESSENTIAL ACTIVITIES

The Interagency Advisory Committee on Essential Activities and Critical Occupations evaluates all petitions which request the addition of an activity to the *List of Currently Essential Activities*. To assist the petitioner in idenifying the kinds of information the Committee considers when reviewing these petitions, this petition guide has been prepared. Petitioners are requested to present all available information on the following items which pertain to the activity under consideration and should indicate on the petition the parts of the guide which do not pertain to the activity and parts of the guide for which the petitioner has no activity-wide information.

The Committee requires that petitioners present information covering the activity on a nationwide basis and not for a particular employer or geographic area. Please indicate source of data and/or method of computation and submit an original and 15 carbons of the petition for distribution to Committee members.

1. Describe production items or services.

2. Discuss, in general terms, the importance of this activity to the defense effort at this time and in the event of full mobilization.

3. Discuss, in general terms, the importance of this activity to the civilian economy or to the national health, safety or interest now and in the event of full mobilization.

4. Indicate minimum civilian requirements for the items or services produced at this time, and in the event of full mobilization. Explain reason for any increases or decreases expected during a period of full mobilization.

5. Indicate level of activity.

A. World War II

(1) Defense and defense supporting

(2) Other

B. Pre-Korea

(1) Defense and other supporting

(2) Other

C. Korea

(1) Defense and defense supporting

(2) Other

6. Level of current activity:

A. Defense and defense supporting

B. Other

7. Are products or services of the activity at present in short supply?

A. Present backlog of unfilled orders.

B. Normal backlog of unfilled orders.

C. Have inventories increased or decreased in the past year?

8. What are the demand or consumption prospects in the foreseeable future?

9. What are the supply or production prospects in the foreseeable future?

10. Manpower Data

A. What have employment levels been in the past four years? (Number of workers and average weekly hours worked).

B. What are current levels and what are indications for the foreseeable future?

C. What types of manpower problems are being experienced or anticipated?

D. What actions have been taken to alleviate these problems?

11. What governmental actions if any, are being taken to assist in alleviating manpower problems in this activity?

12. What other pertinent information is available on this problem?

AUGUST 25, 1966.

Hon. W. WILLARD WIRTZ,
Secretary of Labor,
Department of Labor,
Washington, D.C.

DEAR MR. SECRETARY: Thank you very much for your letter of July 27 replying to my questions concerning the Interagency Advisory Committee on Essential Activities and Critical Occupations. I appreciate having this information, and I feel it is a step forward in our examination of this problem.

I intend to introduce your informative letter into the CONGRESSIONAL RECORD, as many other Members are interested in this matter. I have already sent you a copy of my remarks on the Floor on July 28 in which I included a copy of my original letter to you of July 1, 1966. As I noted in my remarks at that time, I found what I regard as shortcomings in the Department of Labor and Department of Commerce "Lists". I would appreciate your observations and comments on the following questions in order to further the dialogue on our draft deferment policies:

(1) The current Department of Labor List of Currently Critical Occupations was written in 1962, with two amendments in 1965. Since that time, the United States has expanded its activities in Viet Nam, the labor supply has grown considerably, and unemployment statistics have fluctuated. What effect have these developments had on the protection of critical defense and civilian skills from the draft? What changes in the Labor "List" have been proposed by industries or the Department itself since 1962, and what were the reasons for rejecting these proposals? How often since 1962 has the "List" been reviewed by the Labor Technical Subcommittee of the Secretary of Labor?

(2) Occupations on the Labor List are identified in terms of the DOT, Second Edition, 1949, and Supplement I, 1955. However, a new edition of the DOT has been published (1966). Does this new edition make changes in the definitions of the "Currently Critical Occupations"? If so, when will the revised definitions replace those now on the List? Or are the definitions now used in the List already revised?

(3) In paragraph 3 on page 2 of your letter, you state that the Selective Service System does not maintain records of the number or type of skills being deferred. Do you feel such records would be valuable to the Labor Department's consideration of deferment policies in the area of "critical occupations"? Does the number of workers now being deferred in a given occupation enter into your decision as to whether or not an "overall shortage of workers in an occupation exists or is developing" (criterion 2 for the Labor List)?

(4) Does the Department of Labor or its representatives on the Interagency Advisory Committee conduct any reviews of the deferment policies of the local Selective Service boards to determine whether or not the advisory "guidelines" are being carried out? If so, what is your assessment of the occupational deferment practices of the local boards? Are the suggested guidelines uniformly applied by local boards throughout the country? Have there been any complaints from industry on the application of the occupational deferment guidelines by local boards?

Again, I want to thank you for your letter and your cooperation in my military manpower procurement studies. I feel this current dialogue on the draft and military manpower procurement is of extreme importance to our defense posture and to the nation's welfare, and I look forward to hearing from you again on this subject.

Sincerely,

THOMAS B. CURTIS.

U.S. DEPARTMENT OF LABOR,
OFFICE OF THE SECRETARY,
Washington, September 12, 1966.

Hon. THOMAS B. CURTIS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN CURTIS: Thank you for your letter of August 25 with your request for further information concerning essential activities and critical occupations. I am happy that the information contained in my letter of July 27 was helpful to you on your studies of the draft and manpower needs. Following are brief answers to your present questions:

(1) a. The expanded activity in Viet Nam, the growth of the labor supply, and changing unemployment statistics have had no effect on the protection of critical defense and civilian skills from the draft. None of the industries which have submitted petitions maintain that the draft has, at this time, taken more than an infinitesimal number of skilled workers or even apprentices in those skills. Two things account for this. First, the draft, until this month, has been at one-third the level of the Korean War. Second, as almost all petitioners have testified, relatively few skilled workers are within the draft age and those who are, mostly apprentices, have been generally deferred by the draft boards in the same manner as students have been deferred.

b. A few technicians in the health field have petitioned for inclusion in the present list of critical occupations and none have demonstrated that being on the list would significantly change any shortage situation. None of the manufacturers and producers of goods have requested additions to the list of critical occupations.

c. The "List" was reviewed by the Labor Technical Committee several times between 1962 and 1965, and since the fall of 1965 the committee has had the list under almost constant review and discussion.

(2) a. The new edition of the DOT definitely makes many changes in the definitions of "Currently Critical Occupations." Upon receipt of the new DOT, the Labor Technical Committee set about converting second edition codes to the new third edition codes. This resulted in the addition of several hundred titles. The committee is now working on a review of the some 2,000 titles to reduce them to the specific jobs intended for the lists.

b. The lists will be republished as soon as the present review is completed.

(3) a. A record of skills being deferred or drafted by the Selective Service System would certainly be of value to the Labor Department. While it is true that local boards are quite autonomous, the fact that they were drafting certain skills or deferring certain skills could be helpful in determining ways of alleviating skill shortages.

b. Since we do not at present know what occupations are actually being deferred, this fact does not enter into our determinations of shortage occupations.

(4) a. The Department of Labor does not conduct any reviews of the deferment policies of the local Selective Service boards to determine their policies.

b. Selective Service headquarters informs us that boards have been extremely liberal in deferring students, apprentices, and other trainees. They also believe that the currently critical occupations lists are recognized fully by the boards. Testimony from industries supports the fact that the boards have generally been quite reasonable in the past.

c. We are fairly sure that the guidelines furnished by Selective Service to local boards are not uniformly followed. Undoubtedly, if a board has a quota and cannot find enough bodies, it will take anyone available.

I would like to add here that the Interagency Advisory Committee on Essential Activities and Critical Occupations has anticipated practically every problem that arose regarding the lists and was entirely ready to operate when the first requests by industry were submitted for consideration. Within hours, completely new lists of activities and occupations can be published since these standby lists are already prepared. This would be done without waiting for requests from industry as the standby lists are based on the experience and knowledge of manpower requirements gained in World War II, the Korean War, and the interim period. Of course, individual requests to add occupations are accepted at any time. Please call upon me for any further information you may need.

Sincerely,

W. WILLARD WIRTZ,
Secretary of Labor.

I had also written to Secretary of Commerce John T. Connor for information regarding the Commerce Department's participation in the Interagency Advisory Committee and the development of the "Department of Commerce List of Currently Essential Activities." Secretary Connor replied on August 11, and he suggested, in his covering letter, that "consideration of any proposal regarding changes in the present manpower utilization program should be deferred until such time as the National Advisory Committee on Selective Service has had an opportunity to complete its exhaustive review and to report thereon.' "

Mr. Speaker, I mentioned in my July 28 remarks that this executive commission could be very useful to the Congress in its deliberation on our national manpower policies and their relationship to the draft, especially if it held public hearings—which it did not. However, I could not agree with Secretary Connor that we, the Congress, should wait until the Commission's report is available to consider this issue. Military manpower problems are complex ones, and they involve American values, civilian demands in a rapidly expanding and changing society, and serious questions of equity, as well as military needs. The Congress is going to be asked to come up with answers to these questions before June 1967, when the current draft law expires, and we cannot sit idly by while an executive commission deliberates. The Congress is charged with the responsibility for these decisions by the Constitution, and our decisions must be based on a careful and complete study. We cannot assume that the Advisory Commission is going to provide all the answers and cover the whole range of issues posed by the draft. We must continue our own research into these questions, and our committees, including the

Armed Services and Education and Labor, must continue its hearings and studies on this problem if we are to have viable solutions to draft problems by June of next year. I expressed this thought to Secretary Connor in my reply to his letter, and also continued my own research into this area by asking for the Secretary's opinions on a number of questions which arose from his letter. I would like to include Secretary Connor's letter and information of August 11, and my reply of August 25, and his subsequent reply of September 12, 1966, at this point in my remarks:

THE SECRETARY OF COMMERCE,
WASHINGTON, D.C.

Hon. THOMAS B. CURTIS,
House of Representatives,
Washington, D.C.

DEAR MR. CURTIS: This is in further reply to your letter of July 1, 1966, in which you asked several questions pertaining to the Interagency Advisory Committee on Essential Activities and Critical Occupations.

Please be assured that I share your interest in the problem of effective manpower utilization. As you know, on July 2, 1966, President Johnson established the National Advisory Commission on Selective Service to review and report by January 1967 on the past, present and prospective functioning of selective service. I believe that consideration of any proposal regarding changes in the present manpower utilization program should be deferred until such time as the Commission has had an opportunity to complete its exhaustive review and to report thereon.

I am enclosing answers to the specific questions you set out in your letter. If you require further information, please let me know.

Sincerely yours,

JOHN T. CONNOR,
Secretary of Commerce.

Enclosures.

ANSWERS TO QUESTIONS FROM CONGRESSMAN THOMAS B. CURTIS TO SECRETARY OF COMMERCE (CONGRESSMAN CURTIS, LETTER OF JULY 1, 1966)

1. Q. Who composes this joint advisory board, how often does it meet, and what criteria does it use in determining what skills are "critical" and thus need to be deferred?

A. Pursuant to Executive Order 10999, the Secretary of Commerce has the responsibility to maintain lists of essential activities. The Secretary of Labor has been assigned the responsibility to maintain lists of critical occupations. In view of the broad policy considerations involved in maintaining these lists, the two Secretaries established an interagency staff level advisory committee, the "Interagency Advisory Committee on Essential Activities and Critical Occupations", which in addition to a Commerce and a Labor representative includes representatives from the Departments of Defense, Interior, Agriculture, Health, Education, and Welfare and a representative from the Selective Service System. The functions of the Committee include a continual review of the lists in being, in addition to recommendations to the Secretary concerned with respect to government and business requests for revision or modifications of the lists. Meetings are held as often as necessary to perform these functions, but there is no fixed schedule. The duties of Executive Secretary of the Committee are assigned to the Labor representative. The criteria used in determining what skills are "critical" are as follows:

1. Under the foreseeable mobilization program an overall shortage of workers in the occupation exists or is developing which will significantly interfere with effective functioning of essential industries or activities.

2. A minimum accelerated training time of two years (or the equivalent in work experience) is necessary to the satisfactory performance of all the major tasks found in the occupation.

3. The occupation is indispensable to the functioning of the industries or activities in which it occurs.

2. Q. How are decisions of this committee transmitted to the Selective Service System and what is the effect of these decisions?

A. It should be stressed that the "decisions" of this Committee are in fact only recommendations, purely advisory in nature, and by no means do they constitute determinations. Generally, the recommendations of the Committee are made directly to the Secretary concerned. Assuming the recommendation calls for a modification of the lists, this modification, if the Secretary agrees, would be published as an amendment and made available through the Director of the Selective Service System to the local draft boards. The latest publication on essential activities and critical occupations is enclosed. The list of Currently Essential Activities has not changed since 1962. It should be stressed that these lists are purely advisory and the local draft boards are not required to defer an individual on the basis of the inclusion on these lists of his occupation or of the particular activity in which he is employed. In cases involving important policy considerations, the recommendations made at an interagency staff level, instead of being reviewed solely by the Secretary assigned the responsibility for maintaining the list, may be reviewed at an interagency cabinet level.

3. Q. What skills or occupations, and how many individuals in each occupational group, are now being deferred because they are "critical" to the national economy?

A. The Selective Service System does not maintain the kind of data described in your question. The following data show the number of occupational deferments (Class II–A) as of the end of the year cited and as of the end of May 1966:

Occupational deferments—Class II–A

Year:	*Number*[1]
1956	29,000
1957	34,000
1958	44,000
1959	53,000
1960	67,000
1961	92,000
1962	111,000
1963	135,000
1964	163,000
1965	203,000
1966 (May)	204,000

[1] Data rounded to nearest thousand.

Source: Selective Service System.

4. Q. On what basis do you recommend deferments for "critical" skills—on the basis of job description, relationship of the occupation to a particular defense industry, number of each critical skill needed in the economy as a whole, or another basis?

A. As explained in the answer to Question 1, the responsibility for maintaining the list of critical occupations is assigned to the Secretary of Labor who is guided by the three criteria set out above. The actual decision whether or not to defer an individual in one of the listed occupations is entirely within the discretion of the local draft board.

5. Q. During World War II, a War Manpower Commission was established to coordinate manpower needs in the war production effort and the civilian economy in general. How does the work of the present advisory committee differ from that of the War Manpower Commission and how are they similar?

A. The War Manpower Commission of World War II had very broad functional responsibilities in the field of manpower just as the War Production Board of World War II had broad functional responsibilities in the field of production. The broad mobilization powers in the field of manpower have been delegated to the Department of Labor for implementation in an emergency. It is understood that the Secretary of Labor is providing you with information on his responsibilities under this delegation.

The lists of Essential Activities and Critical Occupations originated during World War II. These lists were a small part of the framework intended to stabilize and control the flow of manpower. In other words, the Interagency Advisory Committee is concerned with one aspect of the overall problem of manpower utilization whereas the World War II War Manpower Commission coordinated all government activities in this area. At the end of World War II the lists were abandoned and then were reinstituted during the Korean emergency. At the end of the Korean emergency the lists were cut back but were not allowed to lapse. In addition, a Standby List of Essential Activities and a Standby List of Critical Occupations were developed for prompt implementation by the Secretary of Commerce and the Secretary of Labor, if and when needed.

6. Q. In general, how closely do you feel the needs of the civilian economy and the armed forces for manpower are being coordinated through the present set-up? Do you think the Departments of Labor and Commerce need more authority in the deferring of "critical skills"? Do you need additional staff and/or research funds for analyzing the manpower needs of the national economy and military forces or for determining which skills are "critical"?

A. In my opinion the Interagency Advisory Committee on Essential Activities and Critical Occupations has functioned, and continues to function, smoothly. I cannot see the need for further authority in this area. The load on the Committee and its technical subcommittee has grown with the developments in Viet Nam. However, the Department of Commerce, to date, has been able to carry out its responsibilities with respect to essential activities with the staff on hand. If the review load should increase considerably, we would, of course, be forced to devote additional resources to this program.

AUGUST 25, 1966.

Hon. JOHN T. CONNOR,
Secretary of Commerce,
Department of Commerce,
Washington, D.C.

DEAR MR. SECRETARY: Thank you very much for your letter of August 11 replying to my inquiries of July 1 concerning the Interagency Advisory Committee on Essential Activities and Critical Occupations.

I appreciate having this material, and I feel it is a valuable contribution to the current dialogue on the issue of the draft and manpower utilization. I intend to introduce this information into the CONGRESSIONAL RECORD, as many other Members are concerned about this matter. As you know, I inserted my July 1 letter in my remarks on the Floor on July 28, a copy of which was sent to you on July 29. I believe that the issue of draft deferment and its relationship to our national manpower utilization and procurement policies has not been fully explored, and I hope that the current discussion of this subject in the Congress, the Executive Branch, the press and the public will continue to move forward.

I find I must disagree with your view that consideration of proposed changes in our present military manpower procurement system should be deferred until after the National Advisory Commission on Selective Service has made its report in January, 1967. I believe that the public should be continually informed of the substance and scope of the current discussion on this issue and that the Congress must have before it all the relevant information and opinion so that it can properly discuss and evaluate the work of the Commission when it is made available.

I am sure that you will agree that a subject such as this, which affects so closely a large segment of American society, needs careful and continuous study before we can consider changes in our current policies. Thus information and opinions on the issue should be in the forefront of public and Congressional attention.

In order to further the dialogue on this matter, I would appreciate your observations and opinions on several questions which arise from the information you have graciously sent to me.

(1) In question No. 2 on page 2, you mention that "The List of Currently Essential Activities has not changed since 1962." Has the List been reviewed and examined with a view toward revision since 1962? What effects have the current military build-up in Viet Nam had on the civilian economy, with particular reference to the degree of draft protection afforded to essential civilian activities?

(2) Has your Department received a larger volume of requests for inclusion on the Commerce List in recent months? If so, what action has your Department or its representatives on the Interagency Committee taken with regard to these requests?

(3) Has your Department or its Interagency representatives undertaken any review of local board practices in granting deferments in the "national health, safety or interest" to see if your advisory "guidelines" are being observed? Have you received any industry complaints in this regard? Do you feel that the advisory "guidelines" are being uniformly applied and that the "essential activities" currently on the List are adequately protected from the draft?

(4) Finally, I enclose a copy of a clipping from *Steel* of July 4, 1966, which mentions the rejection of 20 trade association petitions for inclusion on the Commerce List. I would appreciate your comments on this article.

Thank you again for your cooperation and assistance in this matter, and I look forward to hearing from you again.

Sincerely,

THOMAS B. CURTIS.

THE SECRETARY OF COMMERCE,
Washington, D.C., September 12, 1966.

Hon. THOMAS B. CURTIS,
House of Representatives,
Washington, D.C.

DEAR MR. CURTIS: This is in further reply to your letter of August 25, 1966 in which you asked several questions pertaining to the Interagency Advisory Committee on Essential Activities and Critical Occupations and to the List of Currently Essential Activities.

I am enclosing answers to your specific questions.

Your letter indicates disagreement with a statement in my letter of August 11, 1966 to you. I stated in that letter that I believed that consideration of any proposal regarding changes in the present manpower utilization program should be deferred until the National Advisory Commission on Selective Service has had an opportunity to complete its review and report thereon. I did not mean to imply that discussion of these problems should cease awaiting the Commission's report. I fully agree with you that the public should be informed on this issue and that the Congress should be kept abreast of developments in order that it can properly evaluate the work of the Commission.

Sincerely yours,

JOHN T. CONNOR,
Secretary of Commerce,

Enclosures.

ANSWERS TO QUESTIONS FROM CONGRESSMAN THOMAS B. CURTIS TO THE SECRETARY OF COMMERCE (CONGRESSMAN CURTIS' LETTER OF AUGUST 25, 1966)

1. Q. In question #2 on page 2, you mention that "The List of Currently Essential Activities has not changed since 1962." Has the List been reviewed and examined with a view toward revision since 1962? What effects have the current military build-up in Viet Nam had on the civilian economy, with particular reference to the degree of draft protection afforded to essential civilian activities?

A. The Interagency Advisory Committee on Essential Activities and Critical Occupations maintains continuous surveillance over the List of Currently Essential Activities. From 1962 until the recent build-up in Viet Nam, the Committee received very few requests for inclusion on the List. Draft quotas were very low. The criteria governing the List were difficult to meet in view of the limited draft.

The Viet Nam situation has undoubtedly aggravated the shortage of manpower. Shortages in skilled manpower would exist, of course, irrespective of Viet Nam since the economy in many areas is operating close to capacity.

The List of Currently Essential Activities, supplemented by the List of Currently Critical Occupations, has undoubtedly afforded a degree of draft protection. The Lists are made available to the local draft boards. The boards are instructed by the Selective Service System to use these Lists as tools guiding their final decision with respect to draft deferment. The local boards are told, however, by the Selective Service System that deferments shall not be limited to listed Activities and Occupations. Other reasons may be adduced by the draft boards in granting deferments.

2. Q. Has your Department received a larger volume of requests for inclusion on the Commerce List in recent months? If so, what action has your Department or its representatives on the Interagency Committee taken with regard to these requests?

A. 23 requests for inclusion of new definitions on the List of Currently Essential Activities have been filed, in recent months, with the Executive Secretary of the Interagency Advisory Committee on Essential Activities and Critical Occupations. The Interagency Advisory Committee, of which the Department of Commerce is a member, has processed all but three of these requests. The Committee has recommended a course of action to the Secretary of Commerce. To date, no new Activities have been added to the List of Currently Essential Activities.

3. Q. Has your Department or its Interagency representatives undertaken any review of local board practices in granting deferments in the "national health, safety or interest" to see if your advisory "guidelines" are being observed? Have you received any industry complaints in this regard? Do you feel that the advisory "guidelines" are being uniformly applied and that the "essential activities" currently on the List are adequately protected from the draft?

A. Neither the Department of Commerce nor its representative on the Interagency Advisory Committee on Essential Activities and Critical Occupations has undertaken a review of local board practices in granting deferments in the "national health, safety or interest" in order to determine whether the List of Currently Essential Activities is being observed. The List is a tool provided to the Selective Service System for dissemination to the local boards. An assessment of its use by the local boards is a responsibility of the Director of the Selective Service System and not of the Department of Commerce.

The Department of Commerce has received no complaints in regard to local board use of the List of Currently Essential Activities.

The question of whether or not the List of Currently Essential Activities is being uniformly applied at the local draft board level, and whether or not the Essential Activities now on the List are adequately protected from the draft, can best be answered by the Director of the Selective Service System.

4. Q. Finally, I enclose a copy of a clipping from *Steel* of July 4, 1966, which mentions the rejection of 20 trade association petitions for inclusion on the Commerce List. I would appreciate your comments on this article.

A. The executive Secretary of the Interagency Committee has recently informed a number of associations and individual companies that their request for inclusion on the List of Currently Essential Activities was denied.

The Executive Secretary issued these denials with my concurrence.

Mr. Speaker, undoubtedly Secretaries Wirtz and Connor are fulfilling their responsibilities as they see them to provide some measure of insulation from the draft to key employees of essential industries. My deep concern is with the limited scope of their view. The problems of manpower procurement are much larger than the military. They affect the whole universe of our military and civilian life. The Secretaries' responses indicate that the Interagency Advisory Committee responsible for coordination of military and civilian manpower needs has concentrated solely on a few "defense" jobs. Critical occupations in the civilian sector have gone almost unconsidered. For example, as I reported on the floor of the House on July 28, 1966, a manufacturer of electrical fuses, with a large share of the civilian market but only a small number of defense contracts could not qualify for the Commerce list and thus has experienced great difficulty in keeping its trained employees. This failure of the Selective Service to coordinate its selection process with the needs of the civilian society is damaging to our defense efforts because the health of the civilian economy is an important aspect of our military strength.

Mr. Speaker, my remarks have covered a range of issues connected with the draft and I hope that I have opened up new areas for investigation. I will continue to report to the House my findings on these problems and I urge other Members to do likewise so that this vital dialog will progress. I know that I do not stand alone in my concern for this issue because the draft affects every congressional district, every side of the ideological dispute, and the values and welfare of every citizen. Therefore, let us move forward in our examination of this problem; let us begin now the congressional study of the draft which has been long overdue.

THE REDISCOVERY OF EDUCATIONAL TELEVISION

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. ROBISON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ROBISON. Mr. Speaker, I have noted with pleasure and growing enthusiasm the several signs in recent days indicating that, at last, educational television is about to be rediscovered.

First, in the state of the Union message, the President said:

We should develop educational television into a vital public resource to enrich our homes, educate our families and to provide assistance in our classrooms.

And, now, as reported in the press last Thursday, January 26, we have the long-awaited report by the Carnegie Commission on Educational Television—a most interesting document which had this as its central conclusion:

* * * that a well-financed and well-directed educational television system substantially larger and far more pervasive and effective than that which now exists in the United States, must be brought into being if the full needs of the American people are to be served.

Now, I am sure, Mr. Speaker, that the Carnegie report contains much that may be controversial as well as much that is stimulating to those of us who have heretofore concerned ourselves with what might be called the temporary decline of interest in educational television here, in official Washington, this past year or two. The reasons behind that decline are obscure—perhaps they relate, at least in part, to the plethora of other Federal programs in aid of education at various levels that were enacted subsequent to the enactment of the Educational Television Facilities Act of 1962. That act was one which presaged a bright future for educational television—and the benefits produced thereunder have, indeed, been of significant value. But they could—and, I think, should—have been even more significant.

As the gentleman from Pennsylvania [Mr. FLOOD], my friend and colleague on the Appropriations Committee, pointed out in his typically blunt fashion during the hearings held last year by the Fogarty subcommittee on the budget request submitted by the Office of Education, the administration's efforts to secure progress under the 1962 act "poohed out" pretty fast—as Mr. FLOOD put it, and this appears on page 1669 of part 2 of last year's HEW hearings.

As the gentleman from Pennsylvania [Mr. FLOOD] also brought out at that time—ably assisted by our late colleague from Rhode Island, Mr. Fogarty—given the current rate of educational TV station activation, it would take between 30 and 35 years, in the judgment of administration witnesses, to produce a true nationwide educational television service, which Mr. FLOOD commented amounted to "an appalling situation."

In any event, to bring the rest of my colleagues up to date on this situation, in case they have not yet had it brought to their attention, Mr. Speaker, let me remind them that the ETV Facilities Act of 1962 provided for a $32 million authorization for matching grants to the States, over a 5-year period, to assist in constructing new ETV stations and to expand existing ones. Some States moved to take the benefit of this program at once; others have, as usual, lagged behind. But for those States that did move, the $1-million-per-State ceiling also imposed in the act has created real difficulties. My State of New York, as well as Alabama, California, Pennsylvania, Illinois, and Georgia—and, perhaps by now there are others as well—have already reached or are within sight of the statutory maximum although their plans for statewide ETV networks are far from complete.

For us in New York, this has become of especial concern because our State government has moved—as one could hope other State governments would—to supplement the Federal and locally raised ETV funds with substantial State aid, but, without the anticipated Federal base of financial help, these State moneys are not being used.

Now, Mr. Speaker, while I have voted for and certainly approve of many of the other forms of new Federal assistance to education, it would be my judgment that educational television, properly developed and wisely used, could and will in time become one of the most important and helpful educational tools—for young and old alike—that we could use to make available to our people the knowledge and spirit of the kind of civilization they are expected to sustain and develop. The Carnegie report speaks along these lines in terms of both "public television" and "instructional television"—a combination, as the report says, that may "become a new and fundamental institution in American culture."

Well, obviously, creating that sort of institution is something that we ought to think about a while, as we probably shall. But, in the meantime, what about that ETV Facilities Act of 1962? As I understand the situation, it is now—or soon shall be—at the outer limits of its original authorization. Must we, then, merely sit back and wait while the Carnegie report is studied in all its ramifications, and wait for Congress to make up its mind about it while all ETV network development progress comes to a halt in those States which have sought to move ahead in this area but have used up their $1 million base?

I do not think we should, and I most certainly hope we will not. I did not think so last year, either, which is why I introduced a bill in the last Congress to extend the existing program for 5 more years, authorize the expenditure of another $32 million over that period and, most importantly, raise the per-State limitation from $1 to $2 million. Now, I admit that this was not a very imaginative proposal, but it would at least have kept the ETV wheels rolling for the time being and—with all the support there properly is for this program—it should have been one that we could have enacted without any great argument or delay.

I am today reintroducing that measure, Mr. Speaker, and I hope—now that ETV has been rediscovered by the President and others—that it will this time receive early committee consideration even though it is obvious that further and much more extensive work will have to be done in committee concerning the broader aspects of this whole problem during the life of this Congress.

CONSTITUTIONAL GUARANTEE OF THE RIGHT OF FREE RELIGIOUS EXPRESSION

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BROCK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BROCK. Mr. Speaker, at this time, I submit to the House a joint resolution proposing an amendment to the Constitution of the United States. The text of the amendment is brief and clear enough to speak for itself. It simply guarantees the basic right of free religious expression to the American people. The amendment stipulates that the Constitution shall not be used to abridge the right of persons lawfully assembled in public buildings to participate in nondenominational prayers. It is a sad testimony to our times that such a modest right would have to be reaffirmed by constitutional amendment. But, due to the action of our courts in this field, such a step is not only called for, but absolutely necessary.

The American people have overwhelmingly demonstrated their support for a prayer amendment in poll after poll—letter after letter. Our country's deep and abiding spiritual faith is a matter of historical fact and is our greatest source of strength. I hope that we in the House can find the courage and the wisdom to stand by this spiritual heritage today.

TAX SHARING FOR EDUCATION

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. BROCK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. BROCK. Mr. Speaker, the tax sharing for education bill which I have introduced is identical to one which I introduced into the last Congress. It constitutes a selective application of the broader principle of general tax sharing. My bill will give the States financial aid in the area of education without requiring that they surrender control of their school systems to the Federal Government. The money rebated to the States under my bill will be returned with no strings attached.

I do want to make it clear that I have no desire to see this approach limited to education, and, that in no way does the introduction of this bill mean that I intend to withdraw my support from a broader and more general application of the tax-sharing principle.

I do feel that the area of education is especially worthy of attention and in particular need of prompt action, but there are pressing problems in other areas that are equally deserving of our attention. When we consider the cause of all these problems, we find at the heart of the matter a "fiscal mismatch" in which the National Government has almost exclusive control of the high yielding revenue sources, such as the income tax, while the State and local governments with less satisfactory revenue sources are

asked to provide more and better services for an ever expanding population.

We have witnessed in the last decade, in alarming and rapid expansion of Federal power and Federal control over almost every facet of American life. This has come to pass, not because Washington has superior know-how or more efficiency, but simply because State and local government do not have the necessary fiscal resources needed to solve the growing problems they face. Tax sharing for education—or a general program such as has been suggested by some of my colleagues—would combine the strength of the Federal Government—raising revenue—with the necessary ingredient of local control thereby assuring real progress in the American tradition.

I have limited my bill to tax sharing for education because I believe that this limitation may make the plan more readily acceptable to some who otherwise would not give the idea a chance to prove its worth. I cannot emphasize too much the need for immediate action. The prevailing trend toward centralization of authority, if it is allowed to continue, will lead to the destruction of our federal system. We must check this trend. We must make a start in the right direction.

I hope that every Member will give this bill careful study and attention. It is, I think, a significant step toward restoring the sort of meaningful balance in our federal system that will allow all levels of government to exercise their proper share of responsibility and authority. I urge the Ways and Means Committee to give early consideration to this important legislation.

The bill follows:

H.R. 308

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 "Tax Sharing for Education Act".

CONGRESSIONAL FINDINGS

SEC. 2. (a) The Congress hereby finds and declares that responsibility for and control over education is one of the powers not delegated to the United States but reserved to the States or to the people under the tenth amendment of the Constitution.

(b) The Congress further finds that continued encouragement of the means of education requires the strengthening of State governments.

EDUCATIONAL ASSISTANCE TRUST FUND

SEC. 3. (a) There is hereby created on the books of the Treasury of the United States a trust fund to be known as the educational assistance trust fund. There is hereby appropriated to the educational assistance trust fund, out of any moneys in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1966, an amount equal to 1 per centum of the taxes paid under subtitle A (other than chapter 2 thereof) and subtitle B of the Internal Revenue Code of 1954, and all customs duties collected, during such fiscal year, for the fiscal year ending June 30, 1967, an amount equal to 2 per centum of such taxes paid and duties collected during such year, for the fiscal year ending June 30, 1968, an amount equal to 3 per centum of such taxes paid and duties collected during such year, for the fiscal year ending June 30, 1969, an amount equal to 4 per centum of such taxes paid and duties collected during such year, and for the fiscal year ending June 30, 1970, and for each fiscal year thereafter, an amount equal to 5 per centum of such taxes paid and duties collected during each such year.

(b) The amounts appropriated by subsection (a) shall be transferred from time to time from the general fund in the Treasury to the educational assistance trust fund, such amounts to be determined on the basis of estimates by the Secretary of the Treasury of the taxes and duties referred to in subsection (a) paid or deposited into the Treasury; and proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or were less than the taxes and duties referred to in subsection (a).

(c) It shall be the duty of the Secretary of the Treasury to invest such portion of the trust fund as is not, in his judgment, required to meet current withdrawals. Such investments may be made only in interest-bearing obligations of the United States or in obligations guaranteed as to both principal and interest by the United States. For such purpose such obligations may be acquired (1) on original issue at the issue price, or (2) by purchase of outstanding obligations at the market price. The purposes for which obligations of the United States may be issued under the Second Liberty Bond Act, as amended, are hereby extended to authorize the issuance at par of public-debt obligation for purchase by the trust fund. Such obligations issued for purchase by the trust fund shall have maturities fixed with due regard for the needs of the trust fund and shall bear interest at a rate equal to the average market yield (computed by the Secretary of the Treasury on the basis of market quotations as of the end of the calendar month next preceding the date of such issue) on all marketable interest-bearing obligations of the United States then forming a part of the public debt which are not due or callable until after the expiration of four years from the end of such calendar month; except that where such average market yield is not a multiple of one-eighth of 1 per centum, the rate of interest of such obligations shall be the multiple of one-eighth of 1 per centum nearest such market yield. The Secretary of the Treasury may purchase other interest-bearing obligations of the United States or obligations guaranteed as to both principal and interest by the United States, on original issue or at the market price, only where he determines that the purchase of such other obligations is in the public interest. Any obligations acquired by the trust fund (except public-debt obligations issued exclusively to the trust fund) may be sold by the Secretary of the Treasury at the market price, and such public-debt obligations may be redeemed at par plus accrued interest. The interest on, and the proceeds from the sale or redemption of, any obligations held in the trust fund shall be credited to and form a part of the trust fund.

PAYMENTS TO STATES

SEC. 4. (a) The Secretary of the Treasury shall during each fiscal year pay from the educational assistance trust fund to each State which has in effect a plan for expenditure approved by the Comptroller General under section 5, an amount equal to the sum of—

(1) an amount which bears the same ratio to one-half of the total amount deposited in the educational assistance trust fund for the preceding year as the State product for that State bears to the sum of the State products for all the States, and

(2) an amount which bears the same ratio to one-half the total amount deposited in such trust fund for the preceding fiscal year as the number of students enrolled in public elementary and secondary schools in the State bears to the number of students enrolled in such schools in all the States.

Payments under this section shall be made from time to time throughout the year as needed by the States.

(b) The "State product" for a State shall be the product obtained by multiplying the number of students enrolled in public elementary and secondary schools in the State the preceding fiscal year by the percentage of the gross personal income of residents of such State which was expended for public elementary and secondary education in such State in such preceding fiscal year.

(c) Determinations of school enrollments, gross personal income, and amounts expended for public elementary and secondary education shall be made by the Secretary of the Treasury on the basis of the most recent satisfactory data from the Office of Education and the Bureau of the Census.

STATE PLANS

SEC. 5. (a) Each State which desires to receive funds under this Act shall through its Governor submit to the Comptroller General a State plan for the expenditure thereof which shall be in such detail and contain such information as the Comptroller General shall prescribe. If, upon his examinations of the plan, the Comptroller General determines that all of the expenditures proposed in the plan would be made by legally constituted public officers or agencies for public elementary or secondary education, he shall approve the plan, and notify the Secretary of the Treasury of his approval. If the Comptroller General takes no action with respect to a plan within sixty days after it is submitted to him, such plan shall be deemed to have been approved. For purposes of this Act, expenditures for construction of public elementary or secondary schools and the debt service on indebtedness contracted for construction of such schools, shall be deemed expenditures for public elementary and secondary education.

(b) The Comptroller General shall not finally disapprove any State plan for expenditure submitted under this Act, or any modification thereof, without first affording the Governor of the State reasonable notice and opportunity for a hearing.

(c) Whenever the Comptroller General, after reasonable notice and opportunity for hearing to such Governor of the State, finds—

(1) that the State plan has been so changed that it no longer complies with the provisions of section 5, or

(2) that in the administration of the plan there is a failure to comply substantially with any such provisions,

the Comptroller General shall notify such Governor of the State and the Secretary of the Treasury that the State will not be regarded as eligible to participate in the program under this Act until he is satisfied that there is no longer any such failure to comply.

JUDICIAL REVIEW

SEC. 6. (a) If any State is dissatisfied with the Comptroller General's final action with respect to the approval of its plan submitted under subsection (a) or with his final action under subsection (b), such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Comptroller General. The Comptroller General thereupon shall file in the court the record of the proceedings on which he based his action, as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Comptroller General, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Comptroller General to take further evidence, and the Comptroller General may thereupon make new or modified findings of fact and may modify his previous action, and shall certify to the court the record of the further

proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Comptroller General or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(d) A suit or proceeding asserting that any provision of this Act or its application or administration is in violation of any provision of the United States Constitution may be brought by a State, a State educational agency, a local educational agency, or any public or other nonprofit institution or agency which is or may be prejudicial by the action of the Secretary of the Treasury making or denying a grant in a particular year, in a three-judge district court, in the State where the plaintiff is situated pursuant to sections 2282 and 2284 of title 28 of the United States Code.

LABOR STANDARDS

SEC. 7. All laborers and mechanics employed by contractors or subcontractors on all construction projects assisted under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5). The Secretary of Labor shall have with respect to the labor standards specified in this section the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 5 U.S.C. 133z-15) and section 2 of the Act of June 13, 1934, as amended (40 U.S.C. 276c).

DEFINITIONS

SEC. 8. For purposes of this Act—

(1) The term "elementary or secondary education" means education provided as elementary or secondary education under the law of the applicable State, except that such term shall include one year preschool programs and vocational education, as defined in section 8(1) of the Vocational Education Act of 1963, but shall not include any education provided beyond grade 12,

(2) The term "State" includes the District of Columbia.

FEDERAL CONTROL OF EDUCATION PROHIBITED

SEC. 9. Nothing contained in this Act shall be construed to authorize any department, agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel or any educational institution or school system.

SEPARABILITY

SEC. 10. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the remainder of this Act and the application of the provision to other persons not similarly situated or to other circumstances shall not be affected thereby.

BILL RELATING TO THE SEIZURE OF VESSELS OF THE UNITED STATES

Mr. DICKINSON. 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. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. BOB WILSON. Mr. Speaker, I am introducing a bill to amend the act of August 27, 1954, relating to the seizure of vessels of the United States by foreign countries.

In a number of cases, our American-flag fishing vessels have been seized by a foreign country and detained for an extensive period of time while determining whether or not a violation of provincial fishing regulations can be charged. These unreasonable detentions are very costly to our fishermen, who notoriously operate on close financial margin. My bill would amend the Fisherman's Protective Act so that the owner of any detained American-flag vessel will be reimbursed by the Secretary of the Treasury for all costs, including damage or destruction of the vessel, the loss or damage of fishing gear or other equipment, dockage fees, utilities, and seized fish.

The bill also would compensate the owners of such vessel and its crew for the fish that were not caught as a direct result of such seizures. This compensation would be based on the value of the average catch per day at sea during the three most recent calendar years immediately preceding the seizure.

It is not difficult to understand that timing is a highly critical factor in the fishing business, not only from the standpoint of keeping up with the elusive movements of the great schools of tuna but also from the standpoint of transporting the catch promptly to the cannery.

Events of the past few months have illustrated the necessity of some legislation to deal with this problem since the State Department has been unsuccessful in halting these acts of piracy against our fishing vessels off of Latin America.

The chief offenders have been Peru, Chile, and Ecuador which claim 200-mile offshore fishing limits. In the past 20 years, these three countries have received $2.2 billion in U.S. aid including aircraft and warships which they have frequently used to harass and seize U.S.-flag fishing vessels.

My bill would not be needed if the President would use the power given him by Congress to withhold aid from any country that harasses or detains a U.S. fishing vessel in international waters. It is my hope that the Congress will move rapidly in the favorable consideration of my bill. The language of the bill reads as follows:

H.R. ——

A bill to amend the Act of August 27, 1954, relative to the unlawful seizure of fishing vessels of the United States by foreign countries

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of August 27, 1954 (68 Stat. 883; 22 U.S.C. 1971-1976), is amended by adding at the end thereof a new section to read as follows:

"SEC. 7. (a) In any case where a vessel of the United States, which is documented or certified as a fishing vessel, is seized by a foreign country and detained under the conditions of section 2 of this Act, the Secretary of the Treasury shall pay such sums as the Secretary of the Interior determines to be equitable:

"(1) to reimburse the owners of such vessels for all costs directly resulting from such seizure and detention, including, but not limited to, the damage or destruction of the vessel, the loss or damage of fishing gear or other equipment, dockage fees, utilities, and seized fish;

"(2) to compensate the owners of such vessel and its crew for the fish that were not caught as a direct result of such seizure and detention based on the value of the average catch per day at sea during the three most recent calendar years immediately preceding such seizure and detention either (A) of all fishing vessels of the United States engaged in the same fishery as that of the type and size of the seized vessel, or (B) of the vessel seized, whichever, as determined by the Secretary of the Interior, is the most reasonable and equitable: *Provided,* That such compensation shall be distributed by the Secretary in accordance with the usual practices and procedures of the particular segment of the United States commercial fishing industry to which the seized vessel belongs relative to the sale of fish caught and the distribution of the proceeds of such sale;

"(3) to compensate the heirs or legal representatives of any fisherman for a death resulting directly from such seizure and detention; and

"(4) to compensate a fisherman or his heirs or legal representatives for any injury resulting directly from such seizure and detention.

"(b) All determinations made under this section shall be final. Persons receiving payments made under this section for such seizure and detention shall not be eligible to receive any compensation, reimbursement, or other payments for such seizure and detention under any other provision of Federal law. The United States shall be subrogated to all rights or benefits accruing under any other provision of Federal or State law or policy of insurance to any person eligible for payments under this section. The Secretary of the Interior, in consultation with the Secretary of State and the Secretary of the Treasury, shall issue such rules and regulations as he deems advisable to carry out the provisions of this section."

SEC. 2. Section 3 of the Act of August 27, 1954 (68 Stat. 883; 22 U.S.C. 1973) is amended by inserting "or license fees, or both," after the word "fine" wherever it appears.

TRIBUTE TO SPEAKER JOHN W. McCORMACK

The SPEAKER pro tempore (Mr. WALDIE). Under previous order of the House, the gentleman from Illinois [Mr. ANNUNZIO] is recognized for 5 minutes.

Mr. ANNUNZIO. Mr. Speaker, as one who was elected to the 89th Congress, and is now beginning his sophomore year in the Congress of the United States, I want to take issue with those who have said that the Honorable JOHN W. MCCORMACK, our highly capable Speaker of the House, should step down.

I can personally testify to the fact that Speaker MCCORMACK has demonstrated unusual and outstanding qualities of leadership. Had it not been for the efforts of our great Speaker, the 89th Congress could not possibly have enacted all of the far-reaching and beneficial legislation that it did. Medicare, aid to education, water and air pollution, housing for the disadvantaged and the elderly, community health services, vocational rehabilitation, and countless other programs would not have become reality and the needs and wants of our citizens would still be denied today. The great social advancements we achieved in the 89th Congress can be attributed directly to the skillful and knowledgeable leadership displayed by our beloved Speaker.

All of us who served our first term in the 89th Congress know firsthand of the

patience, fairness, honesty, and ability of our Speaker. He has always taken time from his busy schedule and his heavy responsibilities to consult with and advise the new Members. He is highly respected and esteemed by all of us, regardless of our political views, because of his vast legislative experience and the outstanding record he has made in the House of Representatives.

Mr. McCORMACK has served his country continuously as a Member of Congress since he was elected to the 70th Congress. He has given exceptional service not only as a legislator but as a leader of men in the responsible posts of Democratic whip, majority leader, and Speaker of the House. Through the years, he has always put the best interests of his country first.

I am proud to have the opportunity to serve in the 90th Congress under Speaker McCORMACK, and I know that under his astute leadership we shall continue to make great advancements for the benefit of all the people of America.

PRESIDENT'S MARITIME BUDGET, FISCAL YEAR 1968: AN EVALUATION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Washington [Mr. PELLY] is recognized for 15 minutes.

Mr. PELLY. Mr. Speaker, I have been studying President Johnson's budget request for fiscal year 1968, especially that part which deals with the Maritime Administration.

To put it plainly, this budget would continue the administration policy of slow strangulation of our American merchant marine. It is a pint-sized bottle like last year but in a quart-sized box with more tissue paper and a prettier ribbon. The significance of the President's message, as I have found it, is not for what it sets forth but rather for what it fails to say.

It does not, for example, dispose of the outstanding issue of better than 2 years concerning a new maritime policy which the President promised in his state of the Union message of January 1965. Nor does it provide any indication as to the ultimate fate of the Maritime Administration in light of the proposed merger of the Departments of Commerce and Labor.

My reference to the "quart-sized box with more tissue paper and a prettier ribbon" has to do with the fact that, on its face, it would seem that the total budget request for the Maritime Administration for fiscal year 1968 represents an increase of almost $62 million more than was appropriated by the Congress for fiscal year 1967. However, upon closer examination, it appears that the administration is not quite as kindly disposed toward the industry as the increase might signify, inasmuch as the overall request actually is close to the same general level as that requested for the prior fiscal year which in itself established a new low for budget requests for the Maritime Administration.

The significant items of the Maritime Administration budget request are set forth in the attached table, and the following observations are made concerning these items:

(1) SHIP CONSTRUCTION

Last year, the Congress increased the administration's budget request for this item by $21,685,000 for a total of $106,685,000 to fully fund the construction of 13 ships then proposed by the administration. Therefore, the $143 million requested for fiscal year 1968 for the same number of ships—13—would appear to represent an increase of something more than $36 million over last year's appropriation. For a true comparison, however, the budget request for each of the past 2 years for ship construction is at the same general level because:

First, last year the Maritime Administration reprogramed into new ship construction unobligated funds on hand—for example, for vessel trade-in, retrofitting, and so forth—in the amount of about $30 million in order to fully fund that prior year's ship construction program of 13 ships. A letter from Mr. Alan Boyd dated September 6, 1966, was sent to the chairman of the respective Appropriations Committees in the House and Senate on this matter.

Second, the vessels being considered for construction in the forthcoming fiscal year will involve a greater cost and therefore a greater participation by the Government but will be offset by the potential promise of increased productivity; for example, the lighter-aboard-ship—LASH—of Prudential and the barge-on-ship concept of Lykes Bros.

It should be pointed out, also, that the Department of Defense has requested authorization in fiscal year 1968 to build five fast deployment logistics ships. Presumably, these five FDL ships will be in addition to the two already authorized by the fiscal year 1966 Defense Appropriations Act but which have not been constructed. The estimated cost authorized for the two earlier ships in fiscal year 1966 was $67.6 million—that is, $35.5 million for the lead ship and $32.1 million for the second ship. Therefore, assuming that the five requested for the current fiscal year will cost approximately $32.1 million each, this represents an additional $160.5 million for a total of $228.1 million for the seven ships, or an estimated unit cost of $32.6 million. The contrast in cost to the Government, therefore, between the proposed FDL ship and the somewhat comparable LASH-type ship is on the magnitude of three to one. Where is the McNamara economy in building ships for use in war only at three times the cost of a multipurpose ship?

The current budget request also carries a provision for the conversion of container ships, and presumably this is funding for the two 20-year and 16-knot ships that American Export Isbrandtsen Lines desires to convert. The expenditure is one which is subject to possible question owing to the age and slow speed of the vessels.

As for the acquisition of replaced ships under the ship replacement program, the budget request makes no provision for 1968 and apparently the administration is moving on the assumption that as in the past year the operators will not be trading in their old tonnage. However, this could become an item of cost in the event the world market for ships makes it more attractive to trade the vessels in to the Maritime Administration.

(2) OPERATING DIFFERENTIAL SUBSIDIES

The appropriation to liquidate contract authorization requested for fiscal year 1968 is $200 million representing an increase of $25 million over the request and appropriation for fiscal year 1967. However, it should be pointed out that this increase is the result of the fact that the Maritime Administration apparently erred in estimating the number of ships that would be going off subsidized service to charter with the Department of Defense as a result of Vietnam. It was based upon this earlier estimate that the Maritime Administration requested an appropriation $10 million less than the new obligational authority for fiscal year 1967. The balance of the increase in this item appears to be taken up by increased wage costs as a result of wage costs approved by the Board as being fair and reasonable.

(3) RESEARCH AND DEVELOPMENT

The request of $7,625,000 for fiscal year 1968 represents an increase over the prior fiscal year of only $125,000 which appears to be nominal. However, it is under this account that the experimental nuclear ship *Savannah* is operated by virtue of funds from the vessels operations revolving fund under which—on page 260—there appears the note that the vessel will be laid up in 1967. A Maritime Administration statement on the matter issued January 24, indicates that the operation of the *Savannah* will be discontinued in August 1967.

Since there was no preliminary announcement of this decision and since it was contained in a rather inconspicuous note within the budget, the decision came as somewhat of a surprise to all sectors of the industry, especially in light of press reports as recent as November 1966 indicating that she "has achieved an outstanding record in cargo tonnage and revenue earnings." See Journal of Commerce of November 1, 1966.

The New York Times of January 25 interprets the decisions as follows:

> With her demise go the plans envisaged by the Maritime Administration for a nuclear merchant ship fleet in the near future.

This decision, of course, will leave outstanding the matter of the Government's investment in the Todd Shipyard in Houston, Tex., for example, which is the only yard equipped to handle the nuclear-propelled merchant ship, as well as the investment of the Government in various and sundry training programs for personnel.

(4) SALARIES AND EXPENSE

The $15,947,000 requested for fiscal year 1968 represents a nominal increase of $157,000 over the request and appropriation for the prior fiscal year 1967.

(5) MARITIME TRAINING

The $4,627,000 request for fiscal year 1968 represents a nominal increase of $150,000 over the requested appropriation for fiscal year 1967.

(6) STATE MARINE SCHOOLS

The $1,775,000 requested for this item for fiscal year 1968 represents an increase

of $140,000 over the request and appropriation for fiscal year 1967. The increase is due principally to the need for maintenance and repair of training vessels. Most of these vessels are of World War II construction, and it is to be assumed that like our similar vessels in the active merchant marine these training ships will be encountering ever-increasing maintenance and repair costs owing to their age. This invites a possible investigation into this area if and when the Special House Subcommittee on Maritime Education and Training is reestablished in the 90th Congress.

CONCLUSIONS

Mr. Speaker, from the foregoing, it can be seen that the general level of the budget request for fiscal year 1968 remains at the same general low level of that of the prior fiscal year. Although more new money is being appropriated or requested for ship construction, we will stay at the same level of construction in terms of numbers of ships—13. In terms of our long-range vessel replacement program, which has slightly more than 142 more contracts to be awarded to complete the program, the balance of ships remaining to be constructed contains something less than 130 ships which have reached the end of their economic lives as of September 1, 1966. Accordingly, it is safe to say that the replacement program is presently more than 100 ships behind schedule, and the request for fiscal year 1968 does nothing to alleviate or overcome this problem.

Mr. Speaker, may I emphasize in conclusion that the budget request also points up the desirability of vesting in the Committee on Merchant Marine and Fisheries authority to review the budget request of the Maritime Administration and to recommend authorization legislation thereon.

Hereinafter is a comparative tabulation of the 1966, 1967, and 1968 budgets which bears out what I say when I call this year's request a continued slow strangulation one like the previous year; it is wrapped up in a bigger box, more tissue paper and a prettier ribbon, but on careful study it is not going to add more strength to our national security or comply with the Merchant Marine Act of 1936, as passed by Congress.

I think it is time, Mr. Speaker, that the public took a hand in demanding the rebuilding and restoration of the American Merchant Marine.

U.S. Department of Commerce, Maritime Administration—1966–68 budgets

	Appropriation, 1966	Request, 1967	Appropriation, 1967	Request, 1968	Increase over appropriation of 1967
Ship construction	$132,150,000	$85,000,000	$106,685,000	$143,000,000	$36,315,000
Operating-differential subsidies:					
New obligational authority	(190,000,000)	(185,000,000)	(185,000,000)	(190,000,000)	
Appropriation to liquidate contract authorization	180,000,000	175,000,000	175,000,000	200,000,000	25,000,000
Estimated expenditures	(183,453,000)	(179,000,000)	179,000,000	(200,000,000)	
Research and development	6,500,000	7,500,000	7,500,000	7,625,000	125,000
Salaries and expenses	15,833,000	15,790,000	15,790,000	15,947,000	157,000
Maritime training	3,988,000	4,470,000	4,470,000	4,620,000	150,000
State marine schools	1,600,000	1,635,000	1,635,000	1,775,000	140,000
Grand total, appropriations	340,071,000	289,395,000	311,080,000	372,967,000	61,887,000

AID TO YUGOSLAVIA AND THE FINDLEY AMENDMENT

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. FINDLEY] is recognized for 30 minutes.

Mr. FINDLEY. Mr. Speaker, during December a restrictive provision known as the Findley amendment, enacted as a part of the 1966 appropriation for agriculture and related agencies, became a point of wide discussion and controversy. Because I was the author of the amendment and became somewhat a focal point of the controversy, I am taking this opportunity to present an account of the episode as press reports have of course been fragmentary.

It is especially pertinent because of news developments last weekend. If usually reliable sources are correct, the United States has offered to go ahead with a subsidized credit sale of vegetable oil to Yugoslavia despite the obvious intent of the Findley amendment and a similar amendment which became a part of the law enacted last year extending for 2 years the authority for the Public Law 480 program.

The Government did however drop plans to ship wheat to Yugoslavia and in my view that was a commendable decision.

On April 11, 1966, the United States signed an agreement with Yugoslavia under some cotton as well as vegetable oil would be shipped under the dollar-sale provision of Public Law 480. Credit terms provided a 2-year grace period, and then 10 years to pay at only 3½ percent interest. Commercial firms have been forced to pay nearly twice that interest rate for nearly a year, so the advantage to Yugoslavia of this transaction was obvious.

However, the price of vegetable oil in Europe was at that time considerably below the U.S. price—so much so that Yugoslavia did not ask for a purchase authorization for the vegetable oil. Later that month the House overwhelmingly voted for my amendment which shut off from subsidized credit, deals like this one, to any nation making shipments to North Vietnam.

This amendment was later approved by the Senate and became law when President Johnson signed the appropriation bill. Meanwhile, although the cotton sales had been consummated, Yugoslavia did nothing further to buy the vegetable oil, presumably because of the price situation.

Yugoslavia was, however, keenly interested in buying U.S. wheat under this program because of the multimillion-dollar subsidy it would bring, and the U.S. administration obviously was keenly interested in arranging the deal. It should be noted that Yugoslavia at any time could have purchased any quantity of U.S. wheat through normal commercial channels or through Commodity Credit Corporation, but either course would provide only short term credit and then at the higher interest rates.

As the documents presented below will show, the administration was fully aware of the Findley amendment to the agriculture appropriation bill, and aware also that a similar amendment even more restrictive on Yugoslavia would take effect January 1. Under the latter Yugoslavia would be disqualified from this type of subsidy because it barred nations making shipments to either Cuba or North Vietnam, and Yugoslavia was doing so to both.

An agreement for wheat, unlike for vegetable oil, was never signed and of course the proposed deal was dropped.

Usually reliable sources report that the State Department has offered to issue a purchase order for vegetable oil—$9 million worth—under the subsidized credit terms if Yugoslavia wants it. Whether the Tito regime wants it or not remains to be seen. The price situation still may not be such as to make the deal attractive.

The important question to which this body should give attention is whether the administration has taken reasonable steps to abide by the clear expression of will made by the 89th Congress. The documents below will suggest that the administration sought eagerly to make the wheat deal and dropped the effort only in the face of determined congressional opposition.

It is now clear that the administration is equally eager to make the vegetable oil shipments. It did not taks steps to cancel the April 11 agreement when the Findley amendment became law last fall, nor has it seen fit to do so since then. This could easily have been accomplished in light of Yugoslav reluctance to go further with the deal. The original agreement had lain dormant for months, and Yugoslavia did not show any interest in taking the next step in the procedure—getting a purchase authorization from the Foreign Agricultural Service, Department of Agriculture.

As late as last Friday, Yugoslavia still had not asked for a purchase authorization and the Yugoslav Embassy reported simply the vegetable oil deal was still dormant.

Indeed, Department of Agriculture officials acknowledge that issuing a purchase authorization this long after the original agreement was signed would be unusual, and this alone would give the administration a valid excuse for canceling the original agreement—if it desired to comply fully with the letter and spirit of the Findley amendment.

Now that January 1 date has come and gone, the administration has an additional reason to cancel the agreement—Yugoslavia's trade with Cuba is now a legal bar to subsidized credit through dollar sales under Public Law 480.

If canceling seems too abrupt a step, the administration has a milder way out. It can take its option to delay delivery indefinitely. The right to delay delivery

is clearly the legal right of the United States in transactions like this.

In some respects this Yugoslav affair may be a minor episode, but certainly it illustrates the determination of the executive branch to do what it wants to in foreign policy, even when Congress by law imposes clear restrictions.

Among the incidents which occurred during the episode was an anti-American mob demonstration which included stoning and heavy damage to the U.S. consulate at Zagreb, Yugoslavia.

The stoning climaxed a parade and demonstration in which an estimated 6,000 or more participated. Only token efforts by local police to quell the rioting were observed.

Last Saturday night the Yugoslav Embassy and several Yugoslav consulates in the United States were damaged by explosions in what was obviously a coordinated action. Although hardly parallel to the mob violence directed against the U.S. consulate in Zagreb, the damage was nonetheless regrettable.

Here are the documents and examples of press coverage which provide footnotes to the United States-Yugoslav imbroglio over wheat and vegetable oil credit subsidies:

DEPARTMENT OF STATE,
Washington, D.C., November 9, 1966.

Hon. FRANK M. WOZENCRAFT,
Assistant Attorney General, Office of Legal Counsel, Department of Justice.

DEAR MR. WOZENCRAFT: The Department of Agriculture and Related Agencies Appropriation Act, 1967 (Public Law 89-556) contains a proviso (the Findley Amendment) reading as follows:

Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime."

Since the enactment of this Appropriation Act, we have been considering the possible impact of this provision on existing and future programs for the sale of agricultural commodities. In particular, we have considered the question whether the prohibition applies only to countries the governments of which trade with North Vietnam, or whether it is broader and covers countries whose private citizens trade with North Vietnam.

This question is particularly relevent in the case of Yugoslavia. Purchases of agricultural commodities by that country are of importance in enabling it to proceed with the program of economic reforms, involving decentralization and liberalization, upon which the Yugoslav Government embarked in the summer of 1965.

At the present time, no ships or aircraft under Yugoslav registry are transporting any equipment, materials or commodities to North Vietnam. Moreover, the Government of Yugoslavia is not selling or furnishing any equipment, materials or commodities to North Vietnam.

However, there have been shipments of medicines, bandages and blood, donated by Yugoslav citizens. These shipments are consigned by the Yugoslav Coordinating Committee for Assistance to the Peoples of Vietnam. This organization consists of representatives of the Socialist Alliance, the Trade Union Federation, the Association of Veterans Federations, the Youth Federation, the Yugoslav Red Cross, the Student Union, the Conference for Social Activity of Women, and the Youth League for Peace, Independence, and Equality of Peoples. The organization is not an agency of the Yugoslav Government.

We believe that a proper construction of the Findley Amendment would limit its scope to those cases where the government of a country is selling or furnishing products to North Vietnam. I am attaching a memorandum setting forth our reasons for this conclusion. It is my understanding that the Department of Agriculture, which is also interested in this matter, is forwarding to you a separate statement of its own views.

Sincerely yours,

LEONARD C. MEEKER,
Legal Adviser, Department of State.

MEMORANDUM: INTERPRETATION OF THE FINDLEY AMENDMENT, NOVEMBER 9, 1966

QUESTIONS PRESENTED

The Findley Amendment to the Department of Agriculture and Related Agencies Appropriation Act, 1967 (P.L. 89-556) reads as follows:

"Provided, That no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime."

This memorandum concerns the question whether "nation" as used in the proviso applies only to action by the *government* of a nation and therefore does not comprehend the actions of private persons.

SUMMARY OF CONCLUSION

The Department of State believes that the language and legislative history of the Findley Amendment require an interpretation limiting its scope to countries whose *governments* sell, furnish or permit their ships or aircraft to transport any equipment, materials or commodities to North Vietnam. We believe that a contrary interpretation would read into the Findley Amendment a requirement severely restricting the foreign policy objectives of the Administration and undermining the purposes of P.L. 480.

I. Interpretation of the statute—action by "any nation" means action by the government of a nation

A. The Statutory Provision

The term "nation" as used in the Findley Amendment is not defined at any place in the Appropriation Act nor is it used elsewhere in the Act in a comparable way. However, the language of the Amendment itself strongly impels a construction that would limit its scope to countries whose governments are taking actions among those prohibited. The Amendment would prevent the carrying out of P.L. 480 programs with any nation "which *permits* ships or aircraft under *its* registry" to transport goods to North Vietnam. When one speaks of nations *permitting* actions of ships or aircraft "under its registry", the only reasonable construction for "nation" is "government of a nation". Individuals have no registry of ships, only governments have them. Actions taken towards ships under a country's registry can only be taken by the government of that country. Thus, the portion of the Amendment devoted to transportation is clearly referring only to actions by governments.

There is no indication in the language of the Amendment of any intention that the word "nation" should comprehend something greater when applied to trade than when applied to transportation. A statutory term is normally interpreted to have but one meaning within the context of a single provision of law. The words "sell" and "furnish" are neutral so far as any distinction between a government and its private citizens is concerned. Therefore, since the word "permits" can be read in context only as referring to *government* action, the other two words in the same series should be read the same way.

B. Legislative History of the Proviso

Examination of the legislative history of the proviso does not indicate any Congressional intent to give the word "nation" more than one meaning within the proviso.

There was little debate as to the proviso on the floor of the House, where it originated. Hearings were held on the subject before the Agricultural Subcommittee of the Senate Committee on Appropriations, however, and there was some discussion of the government-private trade distinction. That discussion was as follows:

"Senator HOLLAND. This covers not only government shipments but also private shipments; does it not?

"Mr. MANN. That is not clear, Senator. Our lawyers have construed this, and there is some considerable ground, I think, for debate, to apply it to government-to-government transactions.

"The bill, as it is now worded, the pending amendment, I think, leaves it somewhat unclear.

"Senator HOLLAND. Do you think it ought to be clarified if the amendment be changed in the Senate or by conference so as to make the prohibition applicable to recipients of Public Law 480 aid who ship military strategic goods to North Vietnam in such a way as to cover only government shipments of all kinds whether it is government or private?

"Mr. MANN. I think we would be inclined to say if the amendment were changed so it is limited to strategic and military, that it might apply to all exports to North Vietnam regardless of whether they came from the private sector or the public sector.

"Senator HOLLAND. That would be my opinion also, but I wanted the record clear on that. Maybe there are other questions.

"Mr. MANN. On the other hand, Mr. Chairman, if the committee and the Congress were to give the President discretion, there is some advantage in leaving this a little bit vague because it would be helpful to us in our negotiations with foreign governments to reduce even the private sector trade. We would like to eliminate that, too, if we could." (Supplemental Hearing on "Agricultural Appropriations for Fiscal Year 1967", 89th Cong. 2d Sess. (1966), p. 6.)

This colloquy reflects the normal ambiguity of the term "nation".[1] Mr. Mann recognized that the Amendment was unclear. However, in discussing a clear prohibition on private as well as government shipments, he conditioned his approval on an amendment that would give Presidential discretion or that was limited to strategic and military shipments. Thus, the Congress was aware of the ambiguity of the provision and of the Executive Branch position. Yet, the

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[1] c.f. the following discussion of a synonym for "nation": "The word 'country' in the Internal Revenue Statute expression 'foreign country', is ambiguous. It may be taken to mean foreign territory or a foreign government. . . . When referring more particularly to a foreign government, it may describe a foreign State in the international sense, that is, one that has the status of an international person with the rights and responsibilities under international law of a member of the family of nations; or it may mean a foreign government which has authority over a particular area or subject matter, although not an international person but only a component part, or a political subdivision, of the larger international unit. The term 'foreign country' is not a technical or artificial one, and the sense in which it is used in a statute must be determined by reference to the purpose of the particular legislation." (*Burnet* v. *Chicago Portrait Co.*, 285 U.S. 1, 5-6 (1932))

Amendment was unchanged in this respect between the Subcommittee hearing and final passage.

There was no further discussion of this point in Senate floor debate, the statement of House managers on the conference report, the House debate on the conference report, or the Senate debate on the conference report.

Similar Terms in Other Laws

In these circumstances it is appropriate to look to similar provisions in other legislation for the meaning given in practice and understood by the Congress when it adopted the proviso in PL 89-556.

Since PL 89-556 is the Act appropriating funds for PL 480, we have looked at the use of the term "nation" or "nations" in PL 480. There, these terms are not distinguished from the term "country" or "countries". Thus, for example, sections 101 and 107 provide, in pertinent part, as follows:

SEC. 101—

". . . the President is authorized to negotiate and carry out agreements with friendly nations . . . In negotiating such agreements the President shall—

"(a) take reasonable precaution to . . . assure that sales . . . will not unduly disrupt . . . normal patterns of commercial trade with friendly countries;

"(d) seek and secure commitments from participating countries . . ."

SEC. 107—

"As used in this Act, 'friendly nation' means any country other than . . ."

There is no provision in the current PL 480 that gives any general definition of "nation" or "country". The Food for Peace Act of 1966, however, contains a very similar provision. That provision limits sales agreements to "friendly countries", which are defined to exclude any "nation which sells or furnishes or permits ships or aircraft under its registry to transport . . ."

The two provisions . . . the proviso in the Appropriations Act and new section 103(d)(3) of PL 480 as amended by the Food for Peace Act . . . were authored by Representative Findley. The day before the conference report on the Food for Peace Act came to the House for action, Representative Findley discussed the kinds of transactions his amendment was designed to prevent (CONGRESSIONAL RECORD, vol. 112, pt. 18, pp. 25053-25054). He said, in part:

"Polish trade unions, of course, are an arm of the government, so this is evidence of direct financial support for North Vietnam [referring to raising of money by unions for aid]. * * *

"Dictator Nasser's government is engaged in trade with North Vietnam."

There is nothing in the legislative history of the Food for Peace Act that contradicts the governmental cast ascribed to the amendment by Representative Findley.

We have also looked at provisions in foreign assistance legislation that are comparable, and interpretations there only confirm our view of the Findley Amendment. The pertinent portion of the Amendment is practically identical with language in sections 107 and 116 of the Foreign Assistance and Related Agencies Appropriation Act, 1966 (PL 89-273):

SEC. 107—

"(a) No assistance . . . to any country, which sells, furnishes, or permits any ships under its registry to carry . . .

"(b) No economic assistance . . . to any country which sells, furnishes, or permits any ships under its registry to carry . . ."

SEC. 116—

"No assistance . . . to any country that sells, furnishes, or permits any ships under its registry to carry . . ."

Section 107 was enacted in 1962 and section 116 in 1965. In 1963, the House Appropriations Committee asked the Executive Branch to report on the application of section 107. In a formal statement, several basic points were set forth. The statement reads, in pertinent part, as follows:

"Cuba Shipping: Section 107 of the Foreign Aid and Related Agencies Appropriation Act, 1963.

"This memorandum sets forth a legal analysis of the applicability of section 107 of the Foreign Aid and Related Agencies Appropriation Act, 1963 (Appropriation Act), to the voyages to Cuba undertaken by aid recipient country ships listed in the Maritime Administration Report No. 12. * * *

[While the memorandum is addressed to ships only, the analysis depends upon the word "country" meaning "Government". If it has that meaning for the last part of the series "sells, furnishes * * * or permits", it must have the same meaning for the first part.] * * *

"General conclusion

"All voyages to Cuba by aid recipient country ships listed in the Department of Commerce Maritime Administration Report No. 12 have been analyzed and fall into several categories. The applicability of section 107 to each of these categories is discussed below. On the basis of an analysis of the various categories listed below it is the opinion of the Office of the General Counsel of the Agency for International Development and of the Office of the Legal Adviser of the Department of State that no action to terminate aid or to waive application of section 107 is legally required at this time. * * *

"Where Congress in one statute [referring here to the Battle Act] uses certain descriptive words and then repeats these words in a subsequent statute at the same time referring to the first [section 107 of the Appropriation Act], it must be assumed that the words of the subsequent statute were intended to relate to the same things as the first statute. * * *

"A factor, if not the determining factor, in deciding whether a country permitted a voyage is whether the country took any steps to prevent this voyage. * * * Nothing in section 107—such as provision for indemnification of shipowners [against damages if the owners were forced to breach existing charters]—indicates that Congress intended to depart from this basic principle [of fairness in not penalizing people for contracts entered into before the new legal standard is adopted], and require *aid recipient governments* to take actions exposing their shipowners to substantial liabilities. No such intent, of course, can be attributed to general statements of the congressional desire to terminate aid recipient country shipping to Cuba. * * *

"* * * A substantial number of voyages to Cuba by aid recipient country ships were in fulfillment of charters made before the effective date of the appropriation act. The contract date is important in determining whether the *aid recipient government* permitted the voyages. The governments involved have exhibited a generally cooperative attitude on this issue. * * *

"The Greek Government at the time of [certain] * * * voyages had a general policy against its ships sailing to Cuba. This policy was evidenced by the Greek Government's generally cooperative attitude subsequently verified by its issuance of the royal decree barring Greek ships from trade with Cuba. * * * Accordingly, in the absence of any evidence that the Greek Government specifically acquiesced in these voyages with knowledge that they carried proscribed cargo (i.e., permitted the voyages), the United States Government must conclude that the Greek Government is following its stated policy." (Hearings on "Foreign Operations Appropriations for 1964", 88th Cong. 1st Sess. (1963) Part 4, pp. 2317-2319.)

Both PL 480 and the Foreign Assistance Act are directed at providing economic aid to less developed countries. Certainly, the Findley Amendment and sections 107 and 116 of the Foreign Assistance Appropriation Act are intended to deny this aid in very similar situations. It would be anomalous to construe the Findley Amendment in a way that would cast a significantly wider net than the comparable prohibitions in the Foreign Assistance Appropriation Act.

II. Operation of the statute—A reasonable interpretation requires that "any nation" include only action by the government of a nation

Any statutory interpretation should pay due regard to the purposes of the law. In this case, the Findley Amendment should, if possible, be construed in light of the purposes of PL 480 and of the foreign policy objectives attached to the PL 480 program. We believe that extending the scope of the Findley Amendment to cover private sales to North Vietnam could subvert many of the foreign policy gains achieved by the basic program itself.

A broad interpretation would tie the use of major instruments of United States foreign policy—PL 480 sales and also foreign assistance—to acts of private persons. It is one thing to hold a foreign government responsible for its own actions; it is another to require that government to install a far-reaching system of economic controls to prevent individual private citizens from trading where they want.

Second, if there are very many countries whose governments are unwilling or unable to institute controls of the necessary kind on private trade, the United States will lose a considerable market for its agricultural commodities. This is true because PL 480 not only serves to familiarize foreigners with United States products (a considerable portion of PL 480 local currency resources go for market development), but most PL 480 agreements carry a requirement for additional commercial imports of the same or like products.

A market loss resulting from termination of PL 480 sales would also adversely affect the United States balance of payments. In addition to the longer range benefits of repayment of dollar credits, the PL 480 program generates local currency to use to pay United States obligations abroad, saving the dollar outlay otherwise necessary to purchase foreign currencies for this purpose.

Moreover, there are some developed countries—*e.g.*, Spain, Portugal, Japan, Iran—where the *government* is not eligible for PL 480 purchases because of its favorable foreign exchange position but where PL 480 Title IV *private trade* sales may be in the United States interest. There were some $45 million in such private trade sales in 1965. The Governments concerned are not under very much pressure to qualify local private entities for such purchases, and may be under much more political and economic pressure to permit private trade with North Vietnam, or at least Cuba. These Title IV private trade sales in developed countries are most likely to be lost under a broad application of the Findley-type amendment.

Finally, our efforts to persuade other governments to limit or eliminate trade in strategic or otherwise significant commodities with Cuba and North Vietnam are likely to be unproductive if we insist on the elimination of all private trade. In the case of the developed countries the impact of restrictive provisions in the PL 480 legislation is virtually nil in any event. For the developing countries, acceptance of a ban on *private* trade is likely to be considered too high a political price to pay for foreign assistance. Experience shows there are limits to what the traffic will bear in political conditions on aid.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., December 12, 1966.

Hon. NICHOLAS DEB. KATZENBACH,
Under Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: This letter and attached documents will explain why I believe the Executive is clearly prohibited by law from making Title IV shipments under Public Law 480 to Yugoslavia. Thank you for giving me the opportunity to present this material to you personally today.

I have prepared it after having the benefit of a discussion on December 8 in my office with The Honorable Eugene Rostow, Under Secretary of State for Political Affairs and Ambassador Douglas MacArthur II, Assistant Secretary of State for Congressional Relations, and after examining a Department of State memorandum dated November 9 which Mr. Rostow left with me at that time. As you may know, they visited me at the suggestion of the Honorable Gerald R. Ford, House Minority Leader. I appreciated this courtesy very much and am glad to present my views on this very important foreign-policy question.

The fundamental question is whether a sale of vegetable oil and wheat to Yugoslavia under the subsidized credit terms in Title IV is legal in view of the language of the Findley Amendment to the Agriculture Appropriation Act of 1966.

The question is important for several reasons:

1. It deals with our prosecution of the Vietnam war, and a serious effort on the part of Congress to shorten the war by reducing shipments of all kinds to North Vietnam.

2. It involves a lot of money. At current cost of money, the value of the credit subsidies which would accrue to the Yugoslav government under the proposed shipments would be over $4 million. The subsidies would be financed of course by the U.S. taxpayer.

3. It involves good faith with Congress. In my view, the Congress had a specific objective in mind when it enacted the Findley Amendment, and the Executive should carry out this expressed will. To set it aside through a narrow construction of the Amendment never intended by the Congress would make a mockery of the legislative process and weaken the Constitutional separation of powers.

It is basically a question of aid, not trade. The Findley Amendment has nothing to do with normal commercial transactions. Yugoslavia is free to purchase these commodities from the U.S. on a regular commercial basis.

The Amendment applies only where subsidy is provided through the terms of Public Law 480. These subsidized transactions are prohibited if a nation trades with North Vietnam.

Text of the Findley Amendment:

"Provided, that no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist regime."

Legislative history and other pertinent references:

LEGISLATIVE HISTORY

CONGRESSIONAL RECORD: April 26, 1966, May 31, 1966, July 29, 1966, August 24, 1966, August 30, 1966, October 5, 1966.

Letter from Secretary of State to Speaker of House, September 26, 1966.

CASES

1. Al Abra Silver Mining Co. v. U.S. 175 U.S. 423 (1899)
2. Landrum v. Flannigan, 56 Pac 753 (Kan)
3. Patterson Pure Food Pic Go. v. Industrial Commission 167 NE 86 (111)
4. State v. Navaro 26 Pad 955
5. U.S. v. Ninety Nine Diamonds, 139 Fed 961

OTHER

1. Hoffman, George and Neal, Fred. *Yugoslavia and the New Communism,* New York, 1962
2. Landis, J. M. *"A Note on Statutory Construction"* 43 Harv. L. Rev. 886–893, 1930
3. Robinson, James, *Congress and Foreign Policy Making,* Homewood, Illinois, 1962
4. The Washington Post, December 9

From the Amendment text and legislative history and pertinent references, these facts are clear:

1. The fundamental purpose of the amendment was to shut off trade of all kinds with North Vietnam. No exemptions were intended.

2. As a means toward that end, aid in the form of Title IV transactions (concessional sales) under P.L. 480 was to be denied to any nation trading (or, implicitly, permitting trade) with North Vietnam, or permitting ships or aircraft under its registry to transport any equipment, materials or commodities to North Vietnam.

3. Trade was clearly intended to include transactions originating from non-governmental as well as governmental sources.

4. The conclusion of the Department of State memorandum that "a proper construction of the Findley Amendment would limit its scope to those cases where the government of a country is selling or furnishing products to North Vietnam" is unsound. Legislative history is overwhelmingly to the contrary.

My position is supported by a letter from the Honorable Dean Rusk, Secretary of State, to the Speaker of the House on September 27, in which he expressed a broad and clear interpretation of the Findley Amendment and declared that the proviso would be enforced.

As you know, the proposed Title IV shipments to Yugoslavia would be illegal for an additional reason when the law extending P.L. 480 becomes effective January 1. A new provision would prohibit subsidized credit sales to Yugoslavia because of trade with Cuba.

This means that aid to Yugoslavia was doubly objectionable in the eyes of the 89th Congress; first, because of trade with North Vietnam and secondly, because of trade with Cuba. For the Executive to go ahead with the commodity deal in the closing days of 1966—before the Cuban provision takes effect—would therefore be doubly wrong.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

MEMORANDUM INTERPRETATION OF THE FINDLEY AMENDMENT

(Prepared by Representative PAUL FINDLEY, Republican, of Illinois)

QUESTION PRESENTED

The fundamental question is whether sales to Yugoslavia under the subsidized credit terms of Title I and IV of PL 480 (so-called "dollar sales") are legal in view of the language of the Findley Amendment to the Agriculture Appropriation Act. Involved are two proposed sales, one for 35,000 tons of vegetable oil and the other for 450,000 bushels of wheat. Yugoslavia may purchase these commodities on a cash basis. The Findley Amendment does not restrict this type of transaction, but is applicable to "dollar sale" transactions which provide for very liberal credit terms.

The State Department acknowledges that blood, bandages and medical supplies are being supplied North Vietnam by the Yugoslavia Coordinating Committee for Vietnam. The Department asserts that this is not an official agency of the Yugoslavia government nor is there any official connection between the constituent organizations of the Committee and the government. The Department further asserts that Yugoslavia does not transport or permit the shipment of any other commodities to North Vietnam. In view of these two facts, the Department claims the Findley Amendment is inoperative with respect to these two transactions because the word "nation" in the Findley amendment applies only to action by the *government* of a nation and therefore does not comprehend the actions of private entities, such as the Coordinating Committee.

SUMMARY OF CONCLUSION

The Department of State is mistaken in its interpretation of the word "nation" as used in the Findley Amendment. The legislative history of the amendment and the language is clear: the word "nation" as used in the provision applies not only to actions by the government of a nation, but also includes the actions of private persons residing in the nation or country. This is true because no external commerce occurs without the consent, sanction or regulation of the government. The logical conclusion of the State Department position is that the Findley Amendment would apply only to government to government transactions. Such a conclusion was not the intent of Congress.

It was clearly the intention of the Congress to restrict the foreign policy of the Executive which permitted Yugoslavia to purchase PL 480 commodities under so-called "dollar sales" while shipipng supplies to North Vietnam.

That Congress has the authority to participate in the formulation of foreign policy and can, within Constitutional limits, order a foreign policy contrary to that desired by the Executive is well recognized (James Robinson, Congress and Foreign Policy Making, Homewood, Illinois, 1962, Al Abra Silver Mining Company v U.S. 175 U.S. 423 at 460 (1899); see also statement by Representative Findley, "The House Must Assume a Stronger Role in Foreign Affairs" delivered on the floor of the House under a special order, October 5, 1966). The fact that the Findley Amendment is at odds wtih a foreign policy objective does not make the Amendment inoperative.

I. CONSTRUCTION OF THE STATUTE: ACTION BY "ANY NATION" IS NOT RESTRICTED TO A GOVERNMENT

Since the term "nation" as used in the Findley Amendment is not defined at any place in the Act its correct meaning must be ascertained by determining congressional intent and purpose. It is well settled that in the interpretation of statutes, the intent of the Legislature is important (Crawford, Statutory Construction, p. 245, U.S. v Hartwell 6 Wall 385).

Legislative intent involves purpose as well as meaning (James Landis "A Note on Statutory Construction" 43 Harv L. Rev. 886–893, 1930). In order to determinate the purpose of the Findley Amendment, one should examine the circumstances existing at the time of the Amendment's enactment, the necessity for the amendment and the policy intended to be changed by it, the intended remedy and the consequences of the interpretation urged (U.S. vs. Ninety Nine Diamonds, 139 Fed 961). Thus the interpretation or meaning of the statute can be determined only after the legislative purpose has been determined (Patterson Pure Food Pic. Co. v Industrial Commission 167 NE 86 (111)). The intention is to be sought

in the language employed and the apparent purpose to be served (Landrum v Flannigan, 56 Pac 753 (Kan)). As a Utah court said, "We must be controlled by the evident purpose of the Legislature in view of the objectives sought to be attained" (State v Navaro 26 Pad 955).

Consequently, when construing a statute the reasons for its enactment should be kept in mind and the statute should be construed with reference to its intended scope and purpose (U.S. v Jackson 143 Fed 783).

What was, then, the purpose of the Findley Amendment?

The purpose of the amendment as seen by its sponsor was to "tighten up . . . on shipping" to North Vietnam (CONGRESSIONAL RECORD, vol. 112, pt. 7, p. 8970). On a point of order that the Findley Amendment was not germane, the Speaker overruled the point of order, saying the amendment was proposed as a "limitation on the appropriations."

That the Findley Amendment was designed to restrict third country shipping to North Vietnam by limiting such third country participation under PL 480 is demonstrated by the statement of the amendment's sponsor and the ruling of the Speaker, which clearly held the amendment was imposed as a limitation on the use of the funds.

That it was universally understood to apply not only to the government of a nation, but to private entities as well is clearly evident from a number of sources, including a letter from the Secretary of State, dated September 27, 1966, to the Speaker of the House. In his letter, Mr. Secretary Rusk stated:

"At the same time, the current Agricultural Appropriation Act (Public Law 89-556) in effect prohibits any such sales (referring to PL 480 dollar sale transactions) to countries that sell, *furnish* (emphasis ours) or permit their ships or aircrafts to carry *any* (emphasis theirs) equipment, materials or commodities to North Vietnam . . . it is now the law and *we will enforce it* (emphasis ours).

The letter from the Secretary in which he uses the term "countries" rather than nations shows that he too understood it to include acts of private entities within the country as well as acts of the government.

This position is further underscored by the Secretary's use of the term "any" which is broad enough to include materials furnished by third parties. The Secretary's letter also states the Department will enforce the provisions of the Findley Amendment, which Mr. Rusk obviously understood to apply to acts of private entities, and not just the governments.

Further evidence that the Findley Amendment applied to acts beyond those of a government:

1. In a letter to the Washington Evening Star, dated May 26, 1966, and inserted in the CONGRESSIONAL RECORD of May 31, 1966, I compared my amendment to PL 480 with that attached to the Agricultural Appropriations Act. Insofar as North Vietnam was concerned, I wrote, the amendments are the same. I spoke of the Amendment applying to "countries." Further, I wrote, "To the extent that we can cut off *all* (emphasis ours) supplies to North Vietnam we mercifully shorten the conflict." In my use of the term "all" obviously I was referring to actions beyond the government of a nation and included the actions of private entities as well. Thus, by the use of "all" I meant *all types of equipment or supplies, including medical supplies, from all sources possible, including private entities.*

2. In the House Speech of July 29, 1966 (CONGRESSIONAL RECORD, vol. 112, pt. 13, p. 17696) I spoke of "commerce of recipient countries." Here, by using the term country as a synonym for nation, I was further demonstrating the broad scope of my amendment.

In that same speech I said that countries must choose between purchasing our farm surpluses on subsidized credit terms or permitting trade with North Vietnam.

3. On August 24, 1966 (CONGRESSIONAL RECORD, vol. 112, pt. 15, p. 20372) I said my amendment "certainly shows the determination of the House of Representatives to shut off aid to any country that trades with North Vietnam." Again, by using "country" interchangeably with "nation," I, like Secretary Rusk, showed that my amendment did more than apply only to the government of a nation.

4. I was not alone in my understanding of the amendment's scope. In addition to Secretary Rusk, the Honorable Gerald R. Ford, House Minority Leader, indicated he felt it applied to organizations and persons other than the government of a nation.

For on August 30, 1966, Mr. Ford said (CONGRESSIONAL RECORD, vol. 112, pt. 16, p. 21288),

"The clear intent of Congress on this matter should be followed. The intent of the Amendment is to help cut off further aid and commerce to North Vietnam. Any nation which carries on commerce with North Vietnam should not be the recipient of concessional PL 480 sales programs from the United States . . . Congress also intended that the Amendment should apply to any attempted subterfuge by a PL 480 recipient nation."

At least one other representative, The Hon. Prentiss Walker of Mississippi, also spoke on the effect of the Findley Amendment. On April 26 (CONGRESSIONAL RECORD, vol. 112, pt. 7, p. 8986) Mr. Walker said the effect of the Amendment was to stop aid to "any country which trades or deals with the Communists." Mr. Walker, like the Secretary, used the term "country" interchangeably with "nation." In so doing, he indicated that the Findley Amendment did not apply solely to the government of a nation, but encompassed the activities within the nation, including acts of private entities.

II. YUGOSLAVIA CO-ORDINATING COMMITTEE ASSOCIATION WITH YUGOSLAVIA GOVERNMENT

There is, according to the State Department, no official connection between the Committee that is sending the medical supplies and the government of Yugoslavia. It is a fact so well recognized that it seems unnecessary to repeat it here, but we do so in order that there may be no mistake. In a Communist country, the acts of private entities, especially when they relate to matters that may affect the foreign relations of the government, are regulated or inspired by the government and the Communist Party. The fact that the Socialist Alliance is involved as a constituent member of the Committee is ample evidence of the great interest the government has in this matter. The connection between the Socialist Alliance, the labor unions, and many of the other constituent organizations is fully explored in *Yugoslavia and the New Communism* by George Hoffman and Fred Neal. The Coordinating Committee is in effect a private organization acting with the force of the government. Indeed, as in all Communist countries, the Communist Party and its auxiliaries are often indistinguishable from the government. It is a relationship that need not necessarily be created by statute or constitution. To pretend that in a Communist state such activities as those engaged in by the Committee could be performed without the approval or active support of the government is farfetched. In effect, assuming the correctness of the State Department interpretation, we are asked to believe that the Coordinating Committee is representing the acts of private persons and not those of the government.

That Congress fully intended to cover such activities under the Findley Amendment can be demonstrated in the case of the Trade Unions. The State Department Memo itself points out statements in which I stated that Polish trade unions under the control of the Polish government were aiding North Vietnam. Implicit in my remarks, which occurred during consideration of my amendment to PL 480, is that trade unions are an arm of a Communist government. The trade unions in Yugoslavia, as Hoffman and Neal point out, are influenced greatly by the government. Indeed, they often act for the government. Such is the case with the Yugoslavia Coordinating Committee.

In light of recent news reports, including statements by the Yugoslav vice-premier, we can reasonably question whether shipments to North Vietnam are limited to medical supplies. But the extent of shipments is beside the point. The Executive acknowledges that certain shipments have occurred and therefore Title IV shipments to Yugoslavia are illegal until Yugoslavia bans all shipments to North Vietnam.

Reasonable men may disagree over the wisdom of Congress in enacting the Findley Amendment. That, however, is not the issue here. What is at issue is whether the judgment of Congress, validly exercised under its Constitutional authority, can be set aside by the Executive by circumventing a legislative enactment. Clearly it cannot. If Congress erred, the remedy must be legislative. To permit legislative enactments to be set aside by dubious interpretations when the Congressional purpose is clear is to make a mockery of the legislative process and weaken Constitutional separation of powers.

HOUSE OF REPRESENTATIVES,
Washington, D.C., December 15, 1966.

Hon. ELMER STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: The Executive Branch has under consideration two agreements under which shipments of commodities would be made to Yugoslavia under Title IV of Public Law 480. One would consist of vegetable oil under an agreement signed on or about April 11, 1966 and the other wheat. So far as I know, no agreement has been signed in regard to the wheat, nor has a Purchase Authorization been issued in regard to the vegetable oil.

It seems to me either shipment would be a violation of law, because of the following proviso in the 1966 appropriation act for Agriculture and Related Agencies:

"Provided, that no funds appropriated by this Act shall be used to formulate or administer programs for the sale of agricultural commodities pursuant to titles I or IV of Public Law 480, Eighty-third Congress, as amended, to any nation which sells or furnishes or which permits ships or aircraft under its registry to transport to North Vietnam any equipment, materials or commodities, so long as North Vietnam is governed by a Communist Regime."

Please check on the legality of the proposed shipments and report your findings to me. I attach a copy of a letter on the subject I delivered on December 12 to the Honorable Nicholas Katzenbach, Acting Secretary of State, together with a supporting memorandum.

I add these pertinent items:

1. That the shipments going from Yugoslavia to North Vietnam are not isolated is suggested by a radio broadcast from Belgrade on December 9, as reported in the December 13 issue of the Foreign Broadcast Service, "A coordination committee for assistance to Vietnam has also been formed in Yugoslavia, and so far it has sent 13 shipments of blood plasma, medicines and medical supplies to Vietnam."

2. That the sponsoring coordinating committee is quasi-governmental is strongly suggested not only by the material placed in the attached memorandum, but also by an opinion issued by the United States Supreme Court on Monday of this week. Department

of Employment et al., Appellants v. U.S. et al., Docket No. 78 held that the American Red Cross is actually an instrumentality of the U.S. government. It seems reasonable to assume that the Yugoslav Red Cross would be at least as closely associated with the Yugoslav government as would be the American Red Cross to the U.S. government.

It is probable that the Administration will be forced by circumstances to decide on the shipments within the next two weeks.

I am writing to the Department of State and the Department of Agriculture informing them of the request I am making by this letter and expressing the hope that a final decision on the shipments will be delayed until I receive a report from you. Therefore, everything you can do to expedite the investigation will be very helpful.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

On December 19, I sent the following letter to my colleagues in the House of Representatives:

"DEAR COLLEAGUE: For your convenience I enclose copies of letters I have sent to the Department of State and General Accounting Office in regard to subsidized credit on food shipments to Yugoslavia.

"In the closing days of 1966 the Administration must decide whether to go ahead with the shipments, and you may receive questions about it.

"Because Constitutional principles of great significance are at stake, I have urged the Administration not to go ahead. In my view, to do so would be clearly illegal.

"I oppose the shipments because, in my opinion, they would be a violation of a law passed by the 89th Congress—the one prohibiting subsidized credit to any nation trading with North Vietnam. Whether you voted 'yea' or 'nay' when the measure was passed, I am sure you will agree that the law be enforced.

"At stake is the authority and dignity of Congress, the separation of powers under the Constitution, and the supremacy of law.

"If the Executive gets away with circumventing this law, the practice may become a habit. In those circumstances, Congress could become just a tourist attraction.

"Sincerely yours,

"PAUL FINDLEY,
"Representative in Congress."

[Telegram]

WASHINGTON, D.C.,
December 21, 1966.

Hon. LYNDON B. JOHNSON,
Austin, Tex.

DEAR MR. PRESIDENT: In simple justice to the American men fighting and dying in Vietnam please cancel plans now under consideration in Departments of State and Agriculture under which Yugoslavia would get $29 million in wheat and vegetable oil on terms which amount to a $4 million gift to the Tito regime.

State Department officials wish to make these shipments under Title IV Public Law 480 despite serious questions I have raised concerning the legality of the transaction. Coming in the wake of demonstrative anti-American rioting in Zagreb, Yugoslavia, these shipments would be a grave injustice to our men in Vietnam.

According to press reports a mob of six thousand or more Yugoslavs—with token resistance from local police—hurled a truckload of rocks through the windows of the U.S. Consulate after demonstrating against our military aid to South Vietnam. We cannot of course make Yugoslavia like what we are doing in Southeast Asia but surely we can shut off financial aid to that country. As I have stated in a detailed brief to the Undersecretary of State, I consider the proposed subsidized food shipments to Yugoslavia to be clearly in violation of law, but even if a legal loophole can be found, under present circumstances it must not be used. The gift to Tito would appear to be a reward for anti-American rioting. It will be one of the great ironies of history if the same country that responds violently to our war policy, sends aid to our enemy, damages our property and endangers the lives of our citizens should at the same time be permitted to reach into the United States Treasury.

I am confident you will not permit this to happen.

PAUL FINDLEY,
Member of Congress.

[Press statement issued on Dec. 29, 1966]

With only two business days remaining in 1966, it is obvious that the Executive Branch has quietly dropped its plan to grant aid worth over $4 million to Yugoslavia by means of credit subsidies. These would accrue under proposed wheat and vegetable oil shipments made through the Food-for-Peace program.

It would be almost impossible to complete either of these transactions before January 1 when an additional restriction on aid to Yugoslavia will take effect.

This Executive Branch decision is an important victory for both law and common sense.

It is a victory for Congress in its never-ending struggle to protect its Constitutional authority against Executive encroachment.

The transactions would clearly have violated a law enacted by the 89th Congress. A provision of the 1966 Appropriation Act for Agriculture and Related Agencies, known as the Findley Amendment, prohibits credit subsidies under Food-for-Peace to any nation that makes shipments to North Vietnam. It took effect when the bill was signed by President Johnson on September 8.

An amendment which I helped to attach to a legislative bill extending Food-for-Peace authority takes effect on January 1. It prohibits this type aid to any nation making shipments to either North Vietnam or Cuba.

Yugoslavia is making regular shipments to both Vietnam and Cuba, but the Executive Branch—anxious to aid the Tito regime—tried to split legal hairs on the first amendment and had originally planned to make the wheat and vegetable oil shipments before January 1.

The decision to drop the plans is also a victory for common sense and is mighty good news for our troops in Southeast Asia.

It makes no sense for us to send aid to a country like Yugoslavia that insists on aiding our enemies, stoning our embassies and demonstrating against our war policy.

[Telegram]

WASHINGTON, D.C.,
January 27, 1967.

Hon. DEAN RUSK,
Secretary of State,
Washington, D.C.:

Commodity markets yesterday buzzed with rumors that the government is preparing to ship $9 million in vegetable oil to Yugoslavia under a Public Law 480 agreement signed last April 11.

According to Department of Agriculture officials, a purchase authorization under an agreement dormant that long would be unusual but not illegal solely because of the time elapsed. However, I respectfully call your attention to Subsection 3 of Section 103d of Public Law 480, a provision known as the Findley Amendment which became effective January 1. Under it any nation making shipments to North Vietnam or Cuba is ineligible for concessional sales which of course amount to a considerable monetary advantage. The attractive credit terms of the vegetable oil transaction, for example, are the equivalent of at least $4 million in aid to the Tito regime. Because it makes shipments both to Cuba and North Vietnam, Yugoslavia is doubly disqualified for aid under this provision.

The United States has the option to extend delivery dates indefinitely even on signed agreements and this is precisely what I suggest on this deal. Before we send any additional aid to the Tito regime, we should at least insist that Yugoslavia protect our embassies from mob violence and stop helping our enemies.

PAUL FINDLEY,
Member of Congress.

Mr. Speaker, here are typical editorials commenting on the Yugoslavia shipments:

[From the Indianapolis News, Dec. 15, 1966]

STOP THE TRADE

Congratulations to Rep. Paul Findley, R-Ill., who is moving to halt U.S. subsidized-trade to Communist nations.

The United States is doing a booming business, in terms of trade and aid alike, with the Communist countries of Eastern Europe. These nations are in turn fueling the war effort of North Viet Nam and the Viet Cong, who are industriously engaged in killing Americans in Asia.

Such trade and aid is doubly irrational. It is in violation of all rules of common sense, and it is also in violation of the stated intention of Congress. Findley is digging in to tackle the ruling policy in Washington on both counts.

Findley, according to news reports, is planning to file suit against the government to halt the sale of easy-credit wheat to Yugoslavia. ". . . this proposed extension of long-term, subsidized credit," he says, "would clearly be in violation of the trading-with-Hanoi amendment we passed. And what are the courts for, if not to prevent violation of the law by the Federal government or anyone else?"

Premise for this action is the fact that the Yugoslavs, recipients of healthy portions of U.S. aid, are in turn sending aid along to the North Vietnamese. This is par for the course for the European Communists, including those other beneficiaries of our largess, the Soviets.

Earlier this year, for example, Americans sold Moscow technical data for the construction of three large fertilizer plants while the Soviets in turn where supplying North Viet Nam with upwards of 150,000 tons of fertilizer. We have sold $660,000 worth of platinum pellets, useful in the manufacture of high octane gasoline, to Bulgaria. And we have supplied Romania with electronic equipment to be used in airplanes.

All of these governments are backing the Communists in Vietnam. Soviet MIGs, surface-to-air missiles, trawlers, and other supplies are widely deployed in support of the Viet Cong, and we are helping to pay the bills for all of it. We thus are making a mockery of our own war effort, and violating the laws of the nation along the way.

Such violations of the law and of the national interest have been routinely practiced by Washington diplomatists who seem obsessed with the idea of placating the Communists at any cost. It is about time someone called the turn on them, and we are delighted to see Rep. Findley has taken that task upon himself. We trust he will receive widespread support from other members of Congress and from the American people in general.

[From the Dallas Morning News, Dec. 13, 1966]

RUNAROUND AGAIN?

While Members of Congress are home, the bureaucrats in Washington are busy figuring out how to keep from doing what Congress clearly told them to do.

This isn't the first time it has happened. And we fear it won't be the last. But the elected Representatives and the people who

elected them should resent this and do something about the recurrence of rule by bureaucracy.

Latest example concerns the sale of wheat to Yugoslavia. During the final hectic sessions of the 89th Congress, a ban was spelled out against extending long-term credit for wheat purchases by nations that trade with North Vietnam or Cuba.

Yugoslavia trades with both enemy nations. Hence Yugoslavia obviously isn't entitled to such credit. But our State Department says communist officials in Belgrade are upset. So is our own executive branch, which has been "building bridges" with Iron Curtain countries.

So, the State Department is trying to find a way to beat the ban. Reportedly the administration will assume that this barrier is not yet effective. But Rep. Paul Findley, R-Ill., who sponsored that amendment, says it has been in force for months. And wouldn't you think that the author of the amendment would know?

Another runaround that Congress is getting has to do with cotton planting regulations. This is the well-known skip-row provision. Planting a row of cotton, then skipping some rows, saves moisture and increases the yield. It is good farming. Congress wrote into agricultural legislation provisions to permit this when acreage is curtailed by law. But U.S. Agriculture Department has devised a regulation that revokes the law and prevents this practice.

Many other examples could be cited. Big government in Washington has become a maze of little men who often consider themselves the sole arbiter of what is best for the people of the United States, no matter what Congress and the voters want.

This is dangerous, indeed. Congress should stop it. If loud protests won't work now, Congress can choke off the finances next time to prevent it from happening again.

[From the Manchester (N.H.) Union Leader, Dec. 29, 1966]

A VICIOUS TRIANGLE

Cong. Paul Findley (R.-Ill.) is doing his best to block the State Department which he claims is trying to arrange a $20 million wheat sale to Yugoslavia, despite congressional action cutting off authority for such transactions. Communist Yugoslavia in turn helps Communist Vietnam.

Entirely aside from the law against such transactions, when you realize that we are helping to support Yugoslavia, which in turn is helping the enemy to kill Americans in Vietnam, it simply doesn't make sense. But apparently this doesn't bother our State Department.

[From the Oakland (Calif.) Tribune, Dec. 19, 1966]

TRADE BAN SHOWDOWN

The congressional ban on easy-credit food sales to countries trading with North Vietnam may be put to a test soon.

Rep. Paul Findley, R.-Ill., reports that the State Department is attemping to arrange the sale of 350,000 tons of wheat to Communist Yugoslavia on favorable credit terms. The Illinois congressman contends the sale would violate the ban on such transactions that was approved last year by Congress through an amendment to the Agriculture Department appropriation bill.

A similar prohibition is contained in legislation extending the Food for Peace program and is effective after Jan. 1.

The language of the congressional ban on food shipments to countries trading with North Vietnam was explicit. It was adopted because a majority of the members of Congress do not believe this country should be providing easy credit or any other type of aid to countries which are helping feed the warmaking potential of North Vietnam when that Communist regime is actively engaged in killing U.S. troops.

That attitude made sense then. It still makes sense. But it will be interesting to see which side prevails in a showdown—Congress or the Executive Branch of government. Any attempt to evade the ban would be a direct challenge to the authority of Congress to fix the terms of such agreements.

The Yugoslavian wheat deal may provide a test of whether a congressional directive means anything or may be ignored.

[From the Washington Post, Dec. 12, 1966]

FOOD FOR SPITE?

The Administration ought to find a temporary loophole to let Yugoslavia continue to participate in the Food for Peace program, and it ought to seek permanent remedial legislation next year. The need arises because Congress shut Yugoslavia out of Food for Peace, supposedly a humanitarian program, in spite at its trade with North Vietnam and Cuba. Yugoslav pride understandably prevents it from altering its trade to suit congressional myopia. And in any event, the Administration is persuaded Belgrade ships only medical supplies to Hanoi, and its trade with Cuba is small and nonstrategic.

Neither aid nor local currency is involved. Yugoslavia now pays dollars ($25 million this year) for the food in question. In planning the sweeping, pro-market, economic reforms now being effected, the Yugoslavs counted on buying American grain with the long-term credits of Food for Peace.

Yugoslavia has stretched the meaning of "Communist" so far as to render the word silly as an epithet and virtually meaningless as a description. Consider that just the other day the government of one of its constituent republics resigned because the republic's legislature rejected its health-insurance proposal. The resignation of a "Communist" government? It is not only unprecedented but flabbergasting. Is this the kind of "Communist" behavior Congress really wants to punish?

[From the New York Times, Dec. 18, 1966]

MYOPIA ON YUGOSLAVIA

Defeated on an important vote in Parliament, the Government of the state resigned in the best Western tradition. Where did it happen? In Communist-ruled Yuogslavia. Premier Janko Smole of Slovenia, one of six republics in the Yuogslav federation, refused to reconsider, so the legislature launched the constitutional procedure for electing a new Government.

It was the first time anything like that had happened in President Tito's Yugoslavia, and perhaps it was the first time ever under a Communist regime. But Yugoslavia has scored many such "firsts" among Communist countries and the Slovenian event is unlikely to be the last of its kind.

Yugoslavia is still far from Western democracy, but in recent years, despite notable setbacks, it has evolved fairly steadily toward greater economic and political freedom. American aid and trade have encouraged that evolution.

Now Representative Findley of Illinois says his amendment to the 1965 Agriculture Appropriations Act bars the Administration from selling another 500,000 tons of surplus food to Yugoslavia. The amendment prohibits such sales to any nation furnishing or transporting aid to North Vietnam, A Yugoslav agency has sent medicines, bandages and blood.

The surplus food would facilitate Yugoslavia's economic reform and liberalization. It would implement the Administration policy of trying to improve East-West relations through expanded trade. But the State Department is delaying the transaction in deference to Mr. Findley's protest.

The Illinois Republican doubtless takes satisfaction from this situation, but what it really illustrates all over again is that shortsighted actions by Congress can damage America's best long-run interests.

[From the Chicago Tribune, Dec. 27, 1966]

AID FOR THOSE WHO AID OUR ENEMIES

The last Congress enacted a two year extension of the food for peace program with an amendment designed to shut off trade with North Viet Nam by countries who receive American food aid. The amendment provides that no American government funds shall be used for the sale of agricultural commodities to "any nation" which sells or furnishes to North Viet Nam or which permits ships or aircraft under its registry to transport to that country, any equipment, material, or commodities as long as North Viet Nam is governed by a communist regime. It was sponsored by Rep. Paul Findley, the Illinois Republican who is a member of the House agriculture committee.

Now Rep. Findley is protesting plans by the Johnson administration to send communist Yugoslavia 29 million dollars' worth of wheat and vegetable oil. He says such shipments would be in clear violation of the law authorizing the food for peace program.

The state department, however, interprets the word "nation" in Findley's amendment to apply only to governments. The department contends that the Yugoslavia Coordinating Committee for Viet Nam, which is supplying blood, bandages, and medical supplies to North Viet Nam, is not an official agency of the Yugoslav government and, therefore, the Findley amendment does not apply.

Findley maintains it was the intent of Congress to apply the law to the actions of private citizens in foreign nations, as well as to their governments. Moreover, he points out, cancellation of food aid for Yugoslavia would be "in simple justice to the American men fighting and dying in Viet Nam."

Obviously, the state department's position on this matter is nothing more than a flimsy technicality to get around the law. Even if the Yugoslav committee is a private group, the Yugoslav government could stop it from aiding the North Vietnamese Communists if it wanted to. The government, of course, doesn't want to, and the committee probably is a governmental front.

It is almost inconceivable that the Johnson administration sees no inconsistency in fighting Communists in Viet Nam and aiding Communists in Europe. Yet the administration not only proposes to send food aid to Yugoslavia but has been talking recently of expanding trade in agricultural commodities with the communist countries of eastern Europe.

The administration will find that the great majority of Americans, particularly those with sons and relatives fighting in Viet Nam, wholeheartedly support Rep. Findley's protest.

AMENDMENTS TO THE LIBERTY LOAN ACT—INCREASING THE DEBT CEILING

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Missouri [Mr. CURTIS] is recognized for 60 minutes.

Mr. CURTIS. Mr. Speaker, I shall not take all of the time, but only a part of it. I will submit for the CONGRESSIONAL RECORD today copies of the remarks of the Secretary of the Treasury and of the Director of the Bureau of the Budget made during the hearings the Ways and Means Committee is now conducting on the proposed amendments to the Liberty Loan

Act, which is more popularly known as the debt ceiling.

I believe this is one of the most important things that faces this Congress. Fortunately, it faces us just as we start our sessions, because involved in this issue of the increase in the debt ceiling is the whole question of the expenditure policy of the Federal Government. For this reason I take the time and space in the CONGRESSIONAL RECORD to discuss the fundamental issues involved. In this manner more of the public will be alerted than through just the public hearings that are going on in the Ways and Means Committee. Hopefully, through this RECORD insertion those in the Congress who are interested will have a better opportunity of following the colloquy that is being developed in the Ways and Means Committee before the issue actually comes to the floor of the House for debate and decision.

Hereafter follows the statement of the Honorable Henry H. Fowler, Secretary of the Treasury, before the House Ways and Means Committee on the public debt limit, January 30, 1967, in the committee room, Longworth Building, interspersed with my comments:

Mr. Chairman and Members of the Committee, I would like to thank you for scheduling this hearing so quickly after the submission of the President's Budget in response to our request for prompt action to raise the limit on the public debt. This request is for a $7 billion increase in the temporary debt ceiling, to raise that ceiling level to $337 billion for the balance of fiscal year 1967.

My statement today will vary somewhat from the usual technical explanation of the basis for the figures suggested for the debt limit. In addition, the statement is designed to acquaint, not the knowledgeable members of the Committee who I know are fully aware of their responsibilities in dealing with this question, but other members of Congress, with the realities and consequences of any failure by the Congress to act *favorably* and *promptly* on this request.

Let no one mistake the realities. I am in the position of the treasurer of a business who comes to the Board of Directors for permission to go across the street to the bank and borrow additional monies in order to pay the bills coming due on contracts for goods and services entered into long ago. A vote against additional borrowing under these circumstances is not a vote for economy. It is a vote for a failure to use the credit of the company in timely fashion to pay the company's bills and obligations which have already been incurred. A vote against increasing the ability of that treasurer to borrow at the bank is an irresponsible act of management and should not be considered as anything else. The results of refusing permission to the treasurer to borrow to pay the bills coming due are damage to those who supply and work for the company, damage to the credit of the company, and damage to the company's ability to carry on its activities in an orderly manner.

COMMENT

Mr. Speaker, this is an inappropriate analogy for many reasons. Essentially, however, it disregards the fact that the administration has considerable flexibility over the expenditure levels for the remaining 5 months of fiscal year 1967; namely, February, March, April, May, and June. It is true that some "bills" already incurred are coming due and must be paid if the credit of the company and its ability to carry on its activities are to be preserved. Certainly, paying the monthly salaries of the Federal employees is a necessity. But is it beyond reason that the level of Federal employment cannot be cut during these 5 months at least through the employment termination that occurs routinely each month? Or that contracts in being cannot be stretched out or in some instances terminated, paying, of course, a penalty if a penalty clause exists, although in many instances no penalty clauses would be invoked? The President has said he cut back $3 billion on expenditure levels through stretching out and deferring many programs. He can make it $6 billion if he tries harder.

Of course, the Executive has considerable flexibility over his expenditure levels. Note the monthly expenditures for the months of July through December 1966. They are, in order, $10.3 billion, $11 billion, $11.9 billion, $11 billion, $10.4 billion, and $9.5 billion. There is little question in my mind, but that the lower level for December, namely, $9.5 billion, resulted from the impact of the debt ceiling.

CONTINUATION OF REMARKS BY MR. FOWLER

I stress this simple analogy because we know it is up to the members of this Committee on both sides of the aisle to persuade their colleagues to vote to increase borrowing authority and thereby maintain the credit of the United States. This is not the time or the place for those members of Congress who are interested in casting economy votes to register their protest. That occasion presents itself when various bills come before the Body involving new appropriations or new pay increases. And yet you and I know that there are many who have voted for, and will vote for, appropriations and then take comfort and protection in a vote against extending the debt limit. This is not a responsible act whether the legislator in question has voted for defense appropriations to pay for the war in Vietnam, to pay for Great Society programs, or for established services of the Federal Government.

Let me indicate the broad categories of payments that would be in jeopardy:

Social Security and disability benefits.

Veterans pensions.

Retirement pay, both military and civilian.

COMMENT

Mr. Speaker, the "new appropriations" are only part of the President's power to spend and the "new appropriations" to be considered by the 90th Congress have nothing to do with expenditures for fiscal 1967. They have to do with expenditures for fiscal 1968 which does not begin until July 1, 1967. The supplemental appropriation bill which will be submitted to this Congress does relate to expenditures for fiscal 1967, but relate largely to expenditures the administration has incurred without authority from the Congress. These supplemental appropriation bills are to a large degree "after the fact" appropriations and there is more limitation on what the Congress can do to cut back on them, except to be certain that they, indeed, are after the fact and are not padded as they frequently are with what can be termed "routine appropriations," and not "emergency appropriations."

The other part of the expenditure picture lies in the carryover balances of power to spend, previously granted by the Congress. On July 1, 1967, the President will have to spend according to his budget message, if Congress does give him all he asks for in new power to spend, $269.6 billion—$144 billion comes from the "new appropriations," but $215.6 billion comes from "unspent authorizations enacted in prior years." See table 8, page 49, 1968 budget. According to the 1967 budget beginning on July 1, 1966, the President would have $236.6 billion power to spend; $121 billion coming from "new appropriations" and $114.7 billion "unspent authorizations" enacted in "prior years." See table 8, page 47, of the 1967 budget.

Now the supplemental appropriation to be submitted to the Congress shortly will be an additional $15.7 billion—mostly for defense—for fiscal 1967 expenditure. Add this to the $236.6 power to spend and we get a total of $252.3 billion power to spend for fiscal 1967. But the President in his recent budget message says, "I will spend a total of $126.7 billion and I will leave a balance of $125.6 billion to be spent in fiscal 1968 and later fiscal years."

The point is Congress can if it wishes cut in on the carryover balances to spend by rescission bills, just as the President says he has cut back on the utilization of the power to spend by $3 billion. In other words, a tight debt ceiling can be an economy vote to register not just a protest but a requirement that the President actually cut back on expenditure levels in a considered and orderly fashion.

CONTINUATION OF REMARKS BY MR. FOWLER

Nor should any member of Congress mistake the consequences of failure to act, and act promptly, on this request.

If Congressional authority permitting additional cash borrowing is not provided before the end of February—less than 30 days from today—the Treasury will be in the untenable position of having to reduce outpayments for goods and services approved by the Congress and vital to the nation's well-being.

For the first half of March we will only be able to pay about one half of the total amount of the anticipated bills.

COMMENT

Mr. Speaker, the Secretary is resorting to extremism to prove his untenable case. Certainly, if the Congress granted no increase whatsoever in the debt ceiling of $330 billion, which is contemplated by no one, some real obligations incurred by the Government by March could not be paid. One month is not sufficient time to effect the cutbacks in expenditure levels in as orderly a fashion as might be necessary, but 5 months is. Probably cutbacks were made in December—to attain the $9.5 billion level—in the anticipation that Congress would increase the debt ceiling in January or at the latest in February. This was a risk that the administration took unwisely and recklessly by not asking Congress to increase the debt ceiling in September and October when it was quite clear that the expenditure estimates of $112.8 billion for fiscal 1967 given in January 1966 and unchanged in the May 1966 testimony before the Ways and Means Committee in the debt ceiling hearings were exceeding this rate by a considerable amount. As we now know the rate is projected to be $126.8—$14 billion more than the first unrevised estimates.

CONTINUATION OF REMARKS BY MR. FOWLER

More than 25 million people would be affected in these three categories alone.

Other millions could be affected directly or indirectly, such as those receiving:

Tax refunds;

Federal salaries;

Public assistance benefits;

Payments under the Medicare program;

Unemployment benefits;

Payments to farmers under agricultural programs;

Payments on Government contracts for supplies, services and construction for both military and civilian purposes.

COMMENT

Mr. Speaker, this is demagoguery. The Secretary could have listed foreign aid, highway beautification, rent subsidy, Teachers Corps, space or any other set of programs. Any group can be cut if it became necessary to get expenditures in line with anticipated revenues. If the President cut social security, and retirement pay first—ahead of all the other expenditures programs, it would be because he rated these programs at a lower priority than other programs, which is most unlikely. Actually, social security would not be cut because the Social Security Administration has a contingent fund of $20 billion in Government bonds which it could and would sell off before it cut one dime out of the social security benefits.

CONTINUATION OF REMARKS BY MR. FOWLER

The potential harm to this nation's economy and to our position in the world economy which would result from a failure to honor our legal and contractual obligations is self-evident. Unless the debt limit is increased by the end of February, at which time our outstanding obligations will exceed that which we could legally borrow, the possibility of an economic and monetary rearrangement will be a reality. In view of these critical circumstances, I believe this Committee will act, and act promptly and responsibly.

I hope that what I may say here will enable you to influence your colleagues, whether they be experienced members of the Congress who in the past have indulged themselves with votes against the debt limit or new members who may not have had an opportunity to learn that the place to cut spending is in the appropriations process—and not by the misapplication of the debt limit.

COMMENT

Mr. Speaker, I trust that all Members of Congress will consider the projected expenditure levels recommended by the President for the rest of fiscal 1967 and limit the increase of the debt ceiling to bring about a decrease in this level.

CONTINUATION OF REMARKS BY MR. FOWLER

Because of the short time available we are asking at this time *only* for a revision of the debt limit applicable to the remaining 5 months of this fiscal year 1967. I would prefer, of course, to have sufficient leeway to cover that 5 months and the ensuing fiscal year 1968 but I do not believe I should burden the present request with anything that could delay speedy and favorable action on the immediate need for a higher ceiling.

For that reason, as well as the other reasons referred to, *I believe I am justified in urging and insisting that the Congress in Committee or in floor action not burden the present request with anything that could delay speedy and favorable action by introducing highly controversial amendments or proposals.*

I am aware that there are some aspects of the present state of law and government practice relating to the debt limit and budgetary accounting that many members would like to see the subject of legislative proposals, hearings, and possible changes in law or practice. Many of these proposals are highly controversial. To handle them adequately and with full legislative process would take much time both here and in the other Body.

For example, there have been many members in both Houses who have urged from time to time that the practice of periodic extension of the temporary debt limit be abandoned and that the permanent limit at its present figure of $285 billion should be modified.

It is clear from examination of the record of sessions of this Committee that this is a subject which, if it is to be handled, should not be disposed of in haste and without searching appraisal by the Committee.

We are all aware that there is, and continues to be, a good deal of contention about the way in which the budget is presented. Statements continue to be made about so-called budget gimmickry. A good deal of this attaches to the running dispute about participation certificates and the sale of assets—how they should be treated in the budget presentation. They are now, under standard procedures followed by Administrations for the last twelve years, treated as reductions in expenditures. Some would propose that they be included under the debt limit.

Let me point out the proper approach to this problem. On page 36 of the Budget Message presented last week the President said:

"For many years—under many Administrations—particular aspects of the overall budget presentation, or the treatment of individual accounts, have been questioned on one ground or another.

"In the light of these facts, I believe a thorough and objective review of budgetary concepts is warranted. I therefore intend to seek advice on this subject from a bipartisan group of informed individuals with a background in budgetary matters. It is my hope that this group can undertake a thorough review of the budget and recommend an approach to budgetary presentation which will assist both public and congressional understanding of this vital document."

COMMENT

Mr. Speaker, this, of course, is desirable. However, why was this study not made in a timely and orderly fashion when the Congress studied and considered, and passed the Participation Certificate Sale Act last year? This is certainly no excuse for the Congress not checking a device which the administration has been using as a loophole to get around: First, the debt ceiling; second the 4¼ percent interest ceiling in Government securities with maturities beyond 5 years.

CONTINUATION OF MR. FOWLER'S REMARKS

The establishment of this Commission proposed by the President partly in response to the concern of members of this Committee regarding budgetary practice and partly because it is desirable to seek to improve this part of our governmental operations from a bipartisan point of view, should be an acceptable alternative to efforts to try and reform the budget in connection with this debt limit extension, where timing is a vital factor.

This is equally true of efforts to include the participation certificates under the debt limit. When this question was raised before this Committee last May, the Budget Director observed:

"If we go ahead and include them on the grounds that, essentially these issues have the backing one way or another of the U.S. Treasury, then it seems to me you are faced with the logical necessity to include in the debt limit some $98.5 billion worth of various Federal guarantees and insurance which also have a backup by the Treasury in the same sense. You have to add $7.6 billion of issues by the Federal Home Loan Banks and the Federal National Mortgage Association, quite apart from participations."

COMMENT

Mr. Speaker, this is specious because the participation certificates are by the law creating them an issue "sui generis" and do not partake of the nature of the debt certificates which go to make up the pool. They bear their own interest rate, which is well above the average interest rate of certificates in the pool. By the new law, the differential between the lower interest rate of the certificates in the pool and the new participation certificate is made up by funds coming from the U.S. Treasury. They bear their own maturities which may or may not reflect the average maturities, or have any reference whatever to the maturities, of the certificates in the pool. The participation certificate is backed by the full faith and credit of the United States.

Now the $98.5 billion worth of Federal guarantees—now estimated to be $115 billion by the end of 1968—are entirely different from the participation certificates. Furthermore, this figure includes many types other than the certificates which are authorized to be in the pool. The value of the type securities which are authorized to be considered for the pool is around $33 billion, not $98.5 billion, let alone $115 billion.

CONTINUATION OF MR. FOWLER'S REMARKS

When this Committee or any Committee of Congress undertakes to change the entire character and purpose of the debt limit, thereby affecting manifold operations involving far-flung private lending that is supported by Government guarantees, it should act only after the most careful and studied examination of the debt limit and the purpose it serves, and the feasibility and consequences of including these operations within its scope.

So, members of this Committee, I come back to you urging that you do not use this particular occasion for the handling and disposal of these broad and controversial aspects of government.

I shall be here again later, in the Spring, to ask that the temporary debt limit be extended at least until the end of the next fiscal year. Presumably there will then be more time for the debates and controversies that swirl around this fascinating subject.

Now I should like to move to the question of why we are here today asking for an increase in the debt limit when the Congress acted last May, presumably to take care of this matter for this fiscal year.

Last May, I appeared before this Committee to request a $4 billion increase in the existing $328 billion temporary debt ceiling to a level of $332 billion, to carry through fiscal 1967. Congress reduced that request by $2 billion, voting the current limit of $330 billion. It was pointed out that this reduction cut severely into our margin for contingencies and that, as a result, it might be necessary to return to the Congress for an increase in the limit applicable to this fiscal year.

COMMENT

Mr. Speaker, the Secretary sought to point out that the cut of $2 billion in his request would "cut severely into his margin of contingencies," but he was

reminded forcefully when he made this point that the alternative Congress had in mind was for him to report back to the Director of the Budget and the spending agencies that if they did not cut their expenditure levels, he would have to cut into his margin of contingencies. This margin, by the way, was essentially granted to permit him to have flexibility in managing the Federal debt so that he had some discretion of when it was best to go into the investment market to sell Government securities in order not to be at the complete mercy of the market.

The Secretary's decision to use up his contingencies and other flexibilities to permit continued high rates of spending certainly has proved costly to the Government in higher interest rates and has proven very damaging to the total economy in forcing up interest rates as well as in monetizing the debt to the point that it contributed to the rise in the Consumer Price Index—created inflation.

The alternative, of course, was for the Federal Government to cut its expenditure levels.

CONTINUATION OF MR. FOWLER'S REMARKS

The likelihood that this provision would not be adequate was squarely faced at the time the Congress acted last June. In the report of this Committee it was stated:

"Should a sharp increase in expenditures for Vietnam or some other contingency require a reevaluation of the $330 billion limitation, Congress can take whatever action is necessary."

In presenting the proposal for floor action, Chairman Mills summarized the situation in the following terms:

"Mr. Chairman, if we are not going to spend more money than is projected in the President's budget, delivered to us in January of this year for fiscal year 1967, the Secretary of the Treasury can handle all of his responsibilities under this ceiling.

"Now, Mr. Chairman, if we are going to add a whole lot to it, or if the costs in the Vietnamese situation are to be greater by an appreciable amount than set forth in the budget and predicted for this fiscal year, then this amount of $330 billion may not be enough.

"However, Mr. Chairman, I believe all of us recognize that under such circumstances, $332 billion would likewise not be enough."

COMMENT

Mr. Speaker, this is quite true and being true, why did the administration not come in when it saw that its expenditures resulting from Vietnam were running considerably beyond their January 1966 estimates and ask for the debt ceiling to be increased in September—in October? Everyone but the administration seemed to know the expenditure rates were running way beyond the projected levels of $112.8 billion. Certainly, it was clear in September when the administration and the Secretary of the Treasury testified before this committee requesting the suspension of the investment credit. Yet, in September, the Secretary and the Director of the Budget were unwilling to revise the $112.8 figure. In my judgment, here was irresponsibility and one further reason for the growth of the credibility gap.

CONTINUATION OF MR. FOWLER'S REMARKS

The request last May for a debt ceiling of $332 billion was based on a projected budget deficit in fiscal year 1967 of $1.8 billion. Mainly because of the greater costs of Vietnam, and despite a larger inflow of tax revenues than was projected earlier, we now expect a budget deficit in this fiscal year of $9.7 billion.

Tax revenues are expected to reach $117 billion in this fiscal year, compared with a projected level of $111 billion.

Our expenditure projections, however, now point to a total administrative budget outlay of $126.7 billion, and to this should be added sale of participating certificates and all bonds, compared with the January estimate of $112.8 billion. Of the $13.9 billion difference, $9.6 billion is a direct result of larger defense expenditures, $9.1 billion of it due to Vietnam. Three billion dollars reflects the impact of tight money markets which have raised our interest costs and impeded the sale of financial assets.

COMMENT

Mr. Speaker, the tighter money markets were to a large degree the result of the administration "head-in-the-sand" fiscal policies and certainly the result of its obdurate refusal to relate expenditure levels to revenues.

CONTINUATION OF MR. FOWLER'S REMARKS

Recent trends in our debt and cash balance experience underline the urgency of the present request. The debt subject to limit has in fact remained very close to the statutory ceiling since late November 1966. On December 15, 1966, just before the inflow of quarterly corporate tax receipts, the debt subject to limit was $329,851 million, only $149 million under the $330 billion ceiling. At the same time the Treasury's operating balance (excluding gold) was just $916 million—far shore of the $4 billion level generally considered necessary for prudent cash management purposes, and certainly lower than could be maintained on a continuing basis.

At the end of December 1966 the debt was $329,548 million, having declined a little because of certain trust fund outpayments that entailed the liquidation of special Treasury securities. Meanwhile, with the benefit mainly of corporate tax payments the cash operating balance was up to $4,511 million. And that cash level, incidentally, is less than half a month's expenditures.

I call to your attention, for purposes of comparison, that the projections submitted to this Committee last May involved a debt at the end of calendar year 1966 of $323 billion, with the normal $4 billion cash balance. The *actual* levels, as just indicated, were about $329.5 billion of debt and $4.5 billion of cash. With the "normal" $4 billion cash balance the debt would have been $329 billion at the end of 1966—$6 billion above the projected level.

The $4.5 billion cash balance we enjoyed at the end of 1966 did not stay with us for long. By January 15 it was $2.6 billion, with the debt, also on January 15, at $329.8 billion. If we had held a $4 billion cash balance cash balance on that day, the debt subject to limit would have been $331.2 billion—$1.2 billion over the ceiling. The projections submitted to this Committee last May indicated a debt on January 15 of $325.3 billion assuming the $4 billion cash balance, so we were $5.9 billion above the projected level.

On January 18, the debt subject to limit reached a peak level of $329,925 million, just $75 million short of the limit. Our operating balance that day was $2.5 billion. With a $4 billion cash balance the debt would have been $331.4 billion.

Looking ahead, the situation becomes even tighter. The projected debt level for tomorrow, January 31, is $329.4 billion. While the cash operating balance is expected to be $4.1 billion tomorrow, our cash will drop steadily during February unless we borrow additional funds. By the middle of February, our cash will be down to an estimated $2.5 billion, with the debt still at $329.4 billion.

By the end of February, without additional borrowing above the mid-February level, our usable cash will be exhausted. In order to pay our bills and manage our cash properly, we must borrow additional funds by the end of February.

Using the normal method for projecting minimum debt limit leeway for the balance of this fiscal year—including the usual $4 billion cash balance and $3 billion contingency allowance—we would request a debt ceiling of $339 billion for a month or two away, however, rather than a year away as it is when we normally make these requests, it is possible to plan much more closely and to anticipate that we can get through without the same contingency allowance that would be needed otherwise.

With this kind of close planning, I believe we can operate with a $337 billion limit through this fiscal year. I stress that this will be adequate, but scarcely comfortable or roomy. We have made our calculations carefully, we have provided a minimum margin for safety during the critical period immediately ahead, and we ask that this higher ceiling be approved promptly in this form.

A delay in taking appropriate action would be disastrous. The Government's credit must be maintained by prompt payment of outstanding financial obligations, the trust funds in its charge must be administered properly, and the bills incurred in providing the goods and services for Government programs operating with appropriated funds must be paid. I urge that favorable action on our request be taken without delay.

COMMENT

Mr. Speaker, if a delay now would be disastrous, and it probably would, what possible justification is there for the administration having delayed so long before presenting this matter to the Congress instead of in September or October? I think it is not unreasonable to assume that the delay was to keep this serious fiscal problem from being an issue in the November 1966 elections. If so, not only was the objective not attained, but the country's future was endangered.

The President can still cut his expenditure levels sufficiently to ease the burden the management of the Federal debt is placing upon our economy. I trust the Congress in its wisdom will insist on an expenditure level assumption in the debt ceiling legislation which is below the $126.7 projection. It may be, however, we will find that when we dig further into the matter that, even now, the Congress and the people have not been told the full story and that the level of expenditures is scheduled to go beyond this new projected estimate of $126.7 billion expenditure for this fiscal year.

STATEMENT BY DIRECTOR OF BUDGET

Mr. Speaker, hereafter follows the statement of Charles L. Schultze, Director of the Bureau of the Budget before the House Ways and Means Committee on the public debt and interspersed with my comments:

Mr. Chairman and Members of the Committee: I am pleased to be here to discuss with you the Administration's request for an increase in the statutory debt limit. Secretary Fowler has already explained the financing problem we face and has given you our current estimates of revenues. I will discuss the other factor in the equation by giving you the outlook for expenditures.

In its report accompanying the debt limit extension last June, this Committee stated:

"Should a sharp increase in expenditures for Vietnam or some other contingency require a reevaluation of the $330 billion limitation, Congress can take whatever action is necessary."

Last week the budget submitted by the President to the Congress estimated fiscal 1967 revenues at $117 billion and expenditures of $126.7 billion, for a deficit in the administrative budget of $9.7 billion. The corresponding deficits in the cash and national income accounts budgets measures are significantly smaller—$6.2 and $3.8 billion respectively.

COMMENT

Mr. Speaker, the national income accounts budget has little or no relationship to the problems of the debt ceiling and the cash budget has a relationship only to the extent that the trust funds are in temporary surplus in relation to their obligations and so are available as a captive market for some of the debt. The administrative budget is the crucial budget for the purposes of considering the debt ceiling and expenditure levels in relation to revenues.

Comparison of debt projections of May 23, 1966, with actual results

[In billions]

Fiscal year 1967	Projections of May 23, 1966 [1]		Actual			Difference, col. 5 compared with col. 2
	Operating cash balance (excluding free gold) (1)	Debt subject to limitation (2)	Operating cash balance (excluding free gold) (3)	Debt subject to limitation (4)	Debt subject to limitation after adjusting cash balance to $4,000,000,000 [2] (5)	
1966—June 30	$4	$313.3	$10.8	$320.1	$313.3	----------
July 15	4	316.6	7.2	319.0	315.8	−$0.8
July 31	4	316.8	6.4	319.5	317.1	+.3
Aug. 15	4	318.4	3.6	319.2	319.6	+1.2
Aug. 31	4	320.3	5.6	324.6	323.0	+2.7
Sept. 15	4	323.4	2.1	324.7	326.6	+3.2
Sept. 30	4	318.1	7.2	325.0	321.8	+3.6
Oct. 15	4	321.9	2.3	323.8	325.5	+3.6
Oct. 31	4	322.2	5.0	327.1	326.1	+3.9
Nov. 15	4	324.4	2.3	327.1	328.8	+4.4
Nov. 30	4	324.6	3.3	329.6	330.3	+5.7
Dec. 15	4	327.8	.9	329.9	333.0	+5.2
Dec. 31	4	323.0	4.5	329.5	329.0	+6.0
1967—Jan. 15	4	325.3	2.6	329.8	331.2	+5.9
Jan. 31	4	324.1	[3] 4.1	329.4	329.3	+5.2
			Estimated			
Feb. 15	4	325.2	----------	----------	330.9	+5.7
Feb. 28	4	324.7	----------	----------	332.5	+7.8
Mar. 15	4	328.7	----------	----------	336.3	+7.6
Mar. 31	4	323.5	----------	----------	331.7	+8.2
Apr. 15	4	327.5	----------	----------	334.8	+7.3
Apr. 30	4	318.6	----------	----------	327.8	+9.2
May 15	4	319.8	----------	----------	330.3	+10.5
May 31	4	320.4	----------	----------	330.3	+9.9
June 15	4	324.7	----------	----------	333.6	+8.9
June 30	4	314.9	----------	----------	323.5	+8.6

[1] Used in debt limit hearings: House (May 23); Senate (June 13).
[2] Adjustment to $4,000,000,000 cash balance places data on basis comparable to estimates given on May 23, 1966, as shown in col. 2.
[3] Jan. 31 figures are preliminary.

The national income accounts budget is an excellent tool for economists primarily in relation to long-term economic impact of governmental expenditure policies and has been used by them for years for this purpose. The emphasis on the NIA budget this year by the administration is most untimely when we are confronted with such acute problems in the debt management area.

CONTINUATION OF MR. SCHULTZE'S REMARKS

The increase in the fiscal 1967 administrative budget deficit compared to the estimate of a year ago results from a rise of $13.9 billion in expenditures partially offset by a $6 billion increase in receipts. I do not believe it is generally appreciated that last January's under-estimate of the deficit followed three consecutive years in which the actual budget deficit turned out to be *smaller* than anticipated. If we take all four years together—fiscal 1964 through fiscal 1967—the over- and under-estimates almost exactly cancel each other out.

I would like to discuss with you the expenditure side of the 1967 budget, describing the factors which led to the rise in Federal outlays above last January's estimate and indicate the steps taken to hold that increase to a minimum.

The $13.9 billion expenditure increase can be divided in three parts:

First, and by far the largest, is a $9,650 million increase in military spending—$9,084 in support of our operations in Vietnam, and $566 million primarily from increased military and civilian pay.

COMMENT

Mr. Speaker, why were these increases not anticipated and allowed to develop without disclosure to the Congress and the people in a timely fashion?

CONTINUATION OF MR. SCHULTZE'S REMARKS

Second, an increase of $3.0 billion in Federal outlays as the direct result of stringent monetary conditions in the private sector.

COMMENT

Mr. Speaker, why was this unanticipated? Everyone else knew of the increases in interest rates and in the wholesale and consumer price indexes. The administration continued to deny that inflationary forces were serious and even criticized monetary policy for reacting to check it even though it must have realized that monetary policy alone could not hold these forces without increasing interest rates. Fiscal policy was needed, not alone the possibility of increasing taxes which was much talked about, but even more important the possibility of decreasing expenditure levels to the point where they would take hold. The administration instead, talked of decreasing the levels of increases as if this were an adequate substitute for real decreases.

CONTINUATION OF MR. SCHULTZE'S REMARKS

Third, a net remaining increase of $1.3 billion arising from other re-estimates of fiscal 1967 expenditures, reflecting:

The effect of Congressional action on budgeted spending for civilian programs;

The actions directed by the President to defer and reduce expenditures in fiscal 1967; and

Changed conditions (other than the money market) and more recent program experience which have caused revisions in the estimates for such outlays as public assistance, the postal service, the space program, and general revenue payments for Medicare.

COMMENT

Mr. Speaker, were these all incapable of anticipation?

CONTINUATION OF MR. SCHULTZE'S REMARKS

The effect of congressional action on appropriations and authorizations during the last session of Congress would have raised 1967 administrative budget outlays by some $2.6 billion. However, this increase will be approximately offset by the reductions, deferrals, and postponements ordered by the President as part of the economic program he proposed to Congress last September.

COMMENT

Mr. Speaker, how did the administration bring about "deferrals and postponements" of programs if, indeed, it were true that "nothing can be done about cutting expenditures once Congress has given the President the power to spend"? This process actually results in an item veto by the President. He chooses what programs to defer, postpone, or set aside without consultation of the Congress and without telling Congress specifically where he has cut. The Congress can certainly go over the total power to spend the President has been granted and rescind where it feels programs are of less priority.

CONTINUATION OF MR. SCHULTZE'S REMARKS

I will discuss each of the major elements of the 1967 expenditure revision in turn.

Defense spending

The 1967 estimates were developed in the latter months of calendar 1965, when—

Our buildup in Vietnam was really just beginning.

More than 100,000 men were moved 10,000 miles in 120 days.

Our measurable expenditures for Vietnam were growing explosively—there was a 50-fold increase in such expenditures from 1965 to 1966.

Enemy reaction was uncertain—

To our buildup, which radically altered the military balance.

To major diplomatic initiatives then under way.

In the context of these rapidly changing circumstances, accurate military requirements for the more distant future could not be established. For budgetary planning purposes, military requirements were forecast on the assumption that hostilities would cease on June 30, 1967—then nearly two years away. Precise calculations were impossible. We forecast large increases in expenditures—both absolutely and relatively—for 1966 and 1967. Unpredictable and uncontrollable de-

velopments, however, could make any forecast much too high or much too low.

COMMENT

Mr. Speaker, this completely ignores the point of the need to revise spending estimates. Why was not the midyear revision which this administration and other administrations was accustomed to make not made last year in September—or in October? This administration waited until January of 1967 to revise figures which the Budget Director says were made "nearly 2 years away" from June 30, 1967. And the assumption which was not changed was that hostilities would cease on June 20, 1967. Surely, by September, even the administration knew that this assumption was no longer valid. Encouragingly in the 1967 budget message the President is taking a more realistic approach to the Vietnam war. He now makes the assumption that the war will not end during this fiscal period.

It seems obvious that the more uncertain the picture, the greater the need for more frequent reappraisals based upon developments. Instead, the administration uses the uncertainties as an excuse for not making even the routine revisions.

CONTINUATION OF MR. SCHULTZE'S REMARKS

The many uncertainties in these estimates were stressed in the Budget Message, in other Presidential statements, and in testimony of administration witnesses before Congressional committees, beginning with January 1966. In his appearance before the Senate Armed Services Committee last February, Secretary McNamara outlined the assumptions behind the military budget. He explicitly pointed out that "if it later appears that they [combat operations in Vietnam] will extend beyond this date, it will be necessary to supplement the fiscal year 1967 Budget." On August 1, 1966, the Secretary of Defense advised the Senate Appropriations Committee that a supplemental appropriation request for 1967 was "very likely." Supplemental appropriations for the conduct of a war are, of course, nothing new. During the Korean War, for example, there were seven supplemental appropriation requests, totaling $45.1 billion.

COMMENT

Mr. Speaker, this was obvious to many people in January 1966. Why it took the Secretary of Defense until August 1, 1966, to say that a supplemental appropriation request for 1967 was "very likely" is hard to conceive. Yet, in spite of his warning, the Secretary of the Treasury and the Director of the Budget as late as October 1966, refused to revise upward the January 1 expenditure levels of $112.8 billion.

CONTINUATION OF MR. SCHULTZE'S REMARKS

As the need for a 1967 supplemental became clear, we chose to handle it in the regular 1968 budget and programming process, then under way. The alternative would have been to transmit hurried and partial estimates to the Congress late last year, while attempting to run two budget/program cycles at the same time. Moreover, many of the decisions which were involved in preparing a 1967 supplemental were also involved in preparing the 1968 budget. The 1968 budget, for example, is based upon decisions about the level of troop strength and the nature of their operations. But part of the long lead time procurement and pipeline requirements which are needed for those operations is financed in the 1967 supplemental. Had we gone forward with an amendment or supplemental last fall, it is quite probable that another drastic adjustment would have had to be made in the 1967 financing requests on the basis of decisions taken on the 1968 budget.

It is important to note that—

Our military effort in Vietnam has not suffered in any way from a shortage of funds. We have provided every plane, every gun, and every cartridge needed to support operations in Vietnam.

The most immediate needs have been covered through reprogramming actions, which have been reported to the appropriate committees according to established procedures.

The supplemental now before the Congress will take care of additional needs.

The presentation last year of appropriation requests not based on firm requirements would have been extremely wasteful. In the *first* place it would have courted the danger of the kind of overfunding which occurred during the Korean War when the Defense Department requested far more funds than were actually needed, created a huge unfilled backlog of industrial orders, and ended up with billions of dollars in unneeded materiel and supplies. *Secondly*, it is an exceedingly valuable practice, in military budgeting, to request funds only when justified by specific requirements. This practice is one of the important tools a Secretary of Defense has at his disposal to avoid unnecessary and wasteful spending. To have requested billions in appropriations based on no firm requirements, could, in my view, have risked destroying an effective budgetary control technique, painfully developed over many years.

While there are many uncertainties in our current estimates, we are on much more solid ground than a year ago. Specifically:

We now have more than 18 months of combat experience behind us.

The data base necessary for realistic forecasting is being augmented every day.

Although our buildup continues, the rate is far more gradual—we are no longer doubling our deployments in a period of a few months.

For these reasons it is now possible to determine future needs more accurately. As a consequence, the 1968 defense budget provides for financing Vietnam requirements on a continuing basis, and will assure the availability of long lead time items until fiscal 1969 funds are provided.

The 1967 supplemental, which is now before the Congress, requests $12,276 million for support of our operations in Vietnam. Expenditures for those operations will be $9.1 billion higher than estimated a year ago. Taking into account increases in military and civilian pay and similar items, the total increase in defense spending will be $9.6 billion.

I am attaching, as an exhibit to my statement, the first several pages of Secretary McNamara's statement last week before a joint session of the Senate Armed Services Committee and the Subcommittee on Defense Appropriations. It covers, in somewhat more detail, the points I have made with respect to the 1967 Defense expenditure estimates.

The impact of monetary stringency on the 1967 budget

The condition of the *money market* during this past year has been another major factor in increasing the current expenditure estimate as compared with the original 1967 budget a year ago. We estimate that the increasing shortage of credit funds and rising interest rates experienced last year are adding approximately $3 billion to the Federal budget for fiscal year 1967 as a whole, although monetary conditions are fortunately now easing.

First, interest on the public debt rose by $650 million, mainly on account of a rise in interest rates.

Second, sales of financial assets are now projected for fiscal 1967 at $3.9 billion—$800 million lower than last January's estimate.

Third, a decreasing availability of credit in the private money and credit markets led to additional outlays of $1.5 billion in various Federal credit programs—the major instances of which are as follows:

Large amounts of crop loans under the price support program, normally made by commercial banks with CCC guarantee, will instead have to be made by CCC itself—this is estimated to add $550 million to expenditures.

Sales of properties, acquired by the Federal Housing Administration under its mortgage guarantee program, are normally financed with private mortgages—an additional $500 million in expenditures will occur because these mortgages will be picked up by the Federal National Mortgage Association.

Some $200 million additional disbursements will have to be made by the Export-Import Bank to finance export loans which, under more normal monetary conditions, would have been made by private lenders.

$130 million of additional net budget expenditures will occur as a result of a reduction in the flow of savings into Savings and Loan Institutions which in turn led to lower than estimated payments of advance insurance premiums to the Federal Home Loan Bank Board.

EXPENDITURES RE-ESTIMATES

Finally there is a net increase in expenditures of $1.3 billion—apart from changes in defense outlays and changes stemming from money market conditions. This increase is the net result of three factors: re-estimates in expenditures reflecting changes in workload or program conditions; Congressional changes in the 1967 budget; and Presidentially ordered reductions and deferrals. Although the last two categories—Congressional actions and Presidential deferrals and reductions—roughly offset each other in total, this is not the case for each individual agency.

The most significant re-estimates are for—

The Department of Health, Education, and Welfare, up $0.7 billion. Here the most significant factors are increases for relatively new medical programs in which the estimating experience is so far very limited. The largest single increase is for the medical assistance grants under the public assistance program as State expenditures which earn Federal matching have risen above the level expected last year. In addition, about 2 million more elderly people than expected enrolled in the supplementary medical insurance program under which the Federal Government matches their $3.00 per month premium payment. These two items account for $0.4 billion of the HEW re-estimate.

The National Aeronautics and Space Administration, up $0.4 billion. While the NASA program was not increased, contractors performed work and delivered results at a faster rate than had been anticipated.

The Veterans Administration, up $0.3 billion aside from money market changes. The increase reflects the cost of the GI Bill enacted last session.

The Post Office Department, up $0.3 billion (excluding the cost of last year's pay raise). This increase occurred primarily from the cost of handling and transporting 2 billion more pieces of mail than estimated in the original budget figure for the Department, even though that estimate itself projected an almost record increase in mail volume.

The Agency for International Development up $0.2 billion. This increase reflects a faster spending rate than previously estimated for *program* loans being made in support of broad economic reforms in recipient countries. A shift from slower moving project loans to this type of loan had been taking place in prior years and we underestimated the expenditure consequences of this shift.

The Department of Housing and Urban Development, up $0.2 billion. This re-estimate includes various increases and decreases for specific programs, one of the largest of which is an upward revision in estimated insurance claim payments by the Federal Housing Administration. Recent experience indicates that the total number of units involved in claims will be about 62,150 compared with the 56,750 estimated last year, and that the average cost of the claims will be $13,735 rather than the $12,767 originally anticipated.

The largest decrease estimated is in the Department of Agriculture, for which the re-estimates amount to a reduction of $0.4 billion compared with last year's estimate. The major factors here are lower than estimated production of cotton and increased domestic consumption and exports of feed grains.

United States subscriptions and payments to international financial institutions in 1967 are now also estimated to be $0.4 billion less than we anticipated a year ago. The decrease results chiefly from a change in the method of providing cash to the International Monetary Fund and the Inter-American Development Bank. During 1967 some of the notes previously issued to these agencies were redeemed and the funds redeposited with the Treasury, subject to withdrawal through a letter of credit procedure.

Expenditures of the Federal Aviation Agency, both for the SST and its other operations, are estimated to be almost $0.1 billion less than anticipated last year.

Congressional additions to the 1967 budget

Congressional action on the President's budget requests last year would result in an increase in expenditures during the fiscal year 1967 of about $2.6 billion.

Although there were a variety of ups and downs, the total of *appropriations enacted* was not far from the President's budget recommendations, except for a few instances in which the appropriations covered more liberal legislation than the President has proposed—notably the new GI Bill. However, it is now clear that several appropriation reductions were made in uncontrollable formula programs—such as public assistance and vocational rehabilitation—simply on the basis of workload estimates which cannot be sustained. Such cuts will have to be restored. Allowing for these cases, we estimate an increase of $0.6 billion in expenditures this fiscal year over the amounts originally budgeted. Sixty percent of this increase is for the GI Bill.

The Congress last year also provided new obligational authority in substantive law—that is, *"Backdoor financing"*—not requested by the Administration. Increased expenditures from such authority, particularly for the purchase of mortgages on low cost housing, would amount to $0.6 billion, if the President had not placed some of these funds in reserve.

An increase of $0.2 billion in expenditures results from legislation which would have permitted certain reductions to be made. Examples include user charges for such services as meat and poultry inspection and authority to guarantee private loans to some students who now qualify for direct loans.

Additional 1967 budget costs of $0.7 billion stem from actions fixing benefits or pay rates—such as the advance in the effective date of the military and civilian pay raise to July 1, 1966, instead of January 1, 1967, as proposed, and increases in military medical and veterans' benefits.

Finally, the Congress enlarged program authorizations by an amount which would have added $0.5 billion to 1967 expenditures. The Administration, however, has not and does not intend to seek supplemental appropriations to cover these items. Four-fifths of the amount involved relates to increased authorizations in the Elementary and Secondary Education Act.

1967 program deferrals and reductions

In his September 8 economic message, the President stated his intention of deferring, stretching out, and otherwise reducing contracts, commitments and obligations. He indicated at that time that he had already ordered $1.5 billion of such deferrals and reductions, and estimated that another $1.5 billion would probably be required, for a total program reduction approximating $3 billion. With normal time lags this would have led to expenditure reductions of $1½ to $2 billion for the year.

The actual program reductions which have been undertaken exceed the target set out last fall. Reductions and deferrals in program obligations, commitments, and contracts total $5.2 billion. The expenditure effect of those actions we estimate to be $3 billion. Of that $3 billion, $2.6 billion is reflected in the administrative budget and roughly offsets the effect of Congressional additions to the 1967 budget. The other $400 million is the expenditure reduction, during the 12-month period beginning October 31, which results from the $1.1 billion reduction in highway contracts. It shows up in the trust funds, not in the administrative budget.

In the President's September message, and in my testimony before this Committee on the suspension of the investment credit, three specific means of achieving those reductions and deferrals were outlined:

Requesting appropriations for Federal programs at levels below those authorized by the Congress, where additions to the President's budget were involved,

Withholding appropriations provided above the President's budget recommendation,

Reducing or delaying programs requested by the President in his 1967 budget.

Each of these types of action was undertaken in reaching the $5.2 billion of programs and $3 billion of expenditure reductions.

As the President indicated in his September message and I pointed out in my testimony before this Committee, a very large part of the reductions stems from delays, postponements, and stretchouts in contract awards and program commitments. These contracts will, in most cases, eventually be let. But the delay and deferral of awards were designed to and succeeded in moderating inflationary pressures.

COMMENT

Mr. Speaker, if the President could do this, and, of course, he can, why cannot the Congress insist on even more by limiting the amount of his request for increased debt ceiling?

CONTINUATION OF MR. SCHULTZE'S REMARKS

The Administration is continuing to review 1967 programs with an eye to finding additional areas where stretchouts or postponements can be made. At the same time the delays and reductions already ordered are also being reviewed. If economic conditions should require, some funds that are now being withheld may have to be released. Consequently, the composition of the reductions may and most likely will change as the year progresses.

The attached table summarizes the major types of reductions or deferrals and also gives a list by major Federal agency. These overall summaries are the result of some 150 individual program actions.

At Mr. Byrnes' request I have furnished him, and Chairman Mills, a detailed list of those individual program elements. I would be pleased to discuss them with the Committee.

Illustrative of the kinds of actions involved are:

A reduction of $1.1 billion in obligations under the Highway Trust Fund. These funds will not be lost to the trust fund, but will be available for later obligation as budgetary and economic conditions warrant.

A postponement from 3 to 6 months of every new start in the Corps of Engineers program for fiscal 1967—both the 25 requested by the President and the 33 added by the Congress. To avoid price speculation, we are allowing land acquisition to proceed. These projects are not cancelled, but deferred.

A withholding of $750 million of the $1 billion in housing special assistance provided by the Congress. These funds will remain available. Should conditions require, it may be necessary to release some of these funds at a later date.

A deferral and postponement of 1967 new starts on Federal buildings.

A reduction in P.L. 480 shipments during fiscal 1967.

A reduction in the outflow of loans under various loan programs of the Agriculture Department.

These examples give the flavor of the actions we have taken. As I indicated earlier, we are continuing to search for additional areas in which to stretch out contracts and commitments. Both additions to and subtractions from these presently planned reductions may occur as the year progresses.

Budgetary concepts

Let me add one final point, covering a matter to which Secretary Fowler has already alluded. There has been, and continues to be, controversy over the particular techniques of budget presentation, and in particular the treatment of participation sales.

In the first place, I agree with Secretary Fowler that this is not the occasion for the handling and disposal of this question with its wide-ranging implications.

The rules governing the classification and treatment of various types of Federal expenditures and receipts are not established by law. Rather, they are based upon generally accepted rules of accounting, and upon tradition and precedent. Repayments and other receipts from loan programs which are revolving funds, for example, have always been treated as an offset to expenditures. Only the *net* outflow or inflow of payments is shown in the total budget expenditures. The detailed budget presentation, of course, shows the gross outlays and the inflows in each of these programs.

This practice has been universally followed for many years and applied to regular loan repayments, to sales of individual loans, and to sales of participation certificates or similar instruments. In the case of the participation certificates, for example, they were introduced in 1954, when RFC loans were pooled, "certificates of interest" sold against the pool and the receipts credited against expenditures in the revolving fund. In that same year, fiscal 1954, the Commodity Credit Corporation began issuing "certificates of interest" in pools of commodity loans to commercial banks, and netting the proceeds against gross loan expenditures. In the subsequent 14 years, 1954 through 1967, some $7.9 billion of such certificates have been issued—$3.2 billion in the first half of the period.

My point in citing this history is not to use it as a defense of any particular practice, but simply to indicate that our present procedures follow long-standing rules of budgetary accounting. Changes in those rules should not be made piecemeal, and in the urgency of the present situation. Changes in the treatment of one aspect of budgetary accounting should be consistent with treatment of all other aspects, and not handled as an isolated basis. The bipartisan commission on budgetary concepts which the President intends to establish can review carefully the budget as a whole, and make whatever consistent set of recommendations it deems proper. This approach, I believe, offers a fair and dispassionate means

of dealing with questions of budgetary accounting and presentation.

CONCLUSION

We have, I believe, taken major and difficult steps to defer and reduce expenditures in order to hold the 1967 increase to the lowest possible amount. As Secretary Fowler has explained, an increase in the debt limit is imperative and urgent. Overly restrictive action on the debt limit at this time cannot effect further savings in the costs of Government. It can only lead to chaotic management of the Government's finances and to dislocations and disruptions in the affairs of those who do business with us.

COMMENT

Mr. Speaker, this is the issue. What is "overly restrictive"? Is the figure the President has asked of the Congress, $337 billion, sacrosanct? Is the expenditure level he now projects, $126.7 billion, sacrosanct? Or was the figure he projected in January 1966, $112.6 billion, sacrosanct? No indeed. All of these figures are the result of judgments based, hopefully, upon study. If the Congress in its judgment believes that expenditure levels for fiscal 1967 and 1968 projected in the President's budget are too high it can do two things: First, cut back on the new appropriation requests; second, rescind some of the unused power to spend previously granted to the President. A careful "restrictive" action on the debt ceiling by the Congress can provide the proper context for both of these actions.

1967 budget reductions

[In billions of dollars]

	Program level	Expenditures
Administrative budget:		
From funds appropriated	3.3	2.0
Deferrals within 1967	(.6)	.1
Increased congressional authorizations for which we do not plan to request appropriations	.8	.5
Trust funds (chiefly the highway trust fund)	1.1	.4
Total	5.2	3.0

1967 reductions from appropriated funds

[In millions of dollars]

Agency	1967 program level		1967 expenditures
	Reduction	Deferrals within the year	
Administrative budget:			
Economic assistance	25.0	(260.0)	24.0
OEO	32.0	(127.0)	141.0
Agriculture	424.2		405.1
Commerce	47.2		
Corps of Engineers	437.3		60.0
HEW	385.3	(195.6)	313.6
HUD	999.2		543.0
Interior	193.5		90.0
Transportation	98.8		49.6
Treasury	10.0		8.4
AEC	78.8	(7.6)	31.0
GSA	101.0		31.0
NASA	60.0		30.0
VA	24.1		14.1
NSF	12.0		5.0
SBA	54.0		33.0
TVA	6.0		5.5
Across-the-board absorption of pay raise costs:			
Civilian	240.0		240.0
Military	45.0		45.0
Total, administrative budget	3,273.4	(590.2)	2,069.3

ADDENDUM

STATEMENT OF SECRETARY OF DEFENSE ROBERT S. MCNAMARA BEFORE A JOINT SESSION OF THE SENATE ARMED SERVICES COMMITTEE AND THE SENATE SUBCOMMITTEE ON DEPARTMENT OF DEFENSE APPROPRIATIONS, FISCAL YEAR 1967 SUPPLEMENTAL FOR SOUTHEAST ASIA, JANUARY 23, 1967

Mr. Chairman and Members of the Committee: Last year when I appeared before this Committee in support of the FY 1967–71 program and the FY 1967 Budget I said:

"With regard to the preparation of the FY 1967–71 program and the FY 1966 Supplemental and the FY 1967 Budget, we have had to make a somewhat arbitrary assumption regarding the duration of the conflict in Southeast Asia. Since we have no way of knowing how long it will actually last, or how it will evolve, we have budgeted for combat operations through the end of June 1967. This means that if it later appears that the conflict will continue beyond that date, or if it should expand beyond the level assumed in our present plans, we will come back to the Congress with an additional FY 1967 request."

Throughout the spring and summer of last year in my appearances before various Congressional Committees, I reiterated the fact that the FY 1967 Budget was based on the arbitrary assumption that the conflict would end by June 1967, and that additional funds would be required if the conflict continued. I also repeatedly stated, both before the Congressional Committee and in public statements, that defense spending would rise above the Budget level if we had to take actions to provide for the continuation of the conflict beyond June 30, 1967.

For example, on February 25, 1966, I explained to the Senate Armed Services Committee and the Subcommittee on Department of Defense Appropriations:

"If it later appears that they [i.e., combat operations in Vietnam] will extend beyond that date, it will be necessary to supplement the fiscal year 1967 Budget.

"The reason why that planning assumption [i.e., that the conflict would end June 30, 1967] causes the 1967 total obligation authority to drop below 1966 is that there are long lead items that may have to be used in combat, let's say in the period January-June 1967, which can't be financed in the fiscal year 1967 Budget and be delivered in time. Therefore they must be financed in the fiscal year 1966 Budget, if we are to have them on hand when we need them. That is why the total obligational authority for 1966 is higher than 1967.

"Now, if later this year it appears that combat will extend beyond June of 1967, at high levels, then in the case of similar long lead items it will be necessary for us to come back to the Congress and ask for additional appropriations."

I said a little later:

". . . I think it would be irresponsible for us to come forward, now, today, with a higher figure, because it is extremely difficult to estimate the level of combat operations 18 months in advance, and very wasteful if we are to estimate on the high side, and quite unnecessary because the lead times don't require financing now."

On August 1, 1966, when I appeared before the Senate Subcommittee on Defense Appropriations in support of our appeals on the House action on the FY 1967 Appropriation Bill, I noted again that the FY 1967 Budget was based on the arbitrary assumption that combat operations would terminate June 30, 1967. I went on to say:

"As we get closer and closer to that date, it becomes more and more necessary to plan on the possibility of that not happening. We are considering that possibility. We, at present, however, do have sufficient funds to carry us on for several additional months.

"At the moment I would not recommend a supplemental, although I think one some time during 1967 is very likely. The reason I would not recommend it today . . . is that there are still many uncertainties not only as to the duration of the conflict, but also with respect to the level of operations that needs to be financed."

I pointed out that we had just completed a review of our air ordnance production programs and were reviewing our production plans for ground ordnance and aircraft. I concluded by saying:

". . . To the extent that we can finance our operations with the presently requested funds and push the timing of the submission of a supplemental into the future, I think we will be able to come forward with a more precise estimate of our total requirements . . ."

With regard to the additional $569 million added by the House for active duty military personnel, I pointed out that our military personnel strength estimates were still fluctuating widely. I suggested that rather than coming forward with one personnel estimate today and a different one tomorrow, and constantly changing our funding requirement, we would be better advised to use the special authority we have in the Appropriation Bill to expend whatever funds are necessary for military personnel. I pointed out:

". . . that almost surely we will expend the additional $569 million that the House inserted in the bill."

And I added later:

"More likely it will be higher than that level rather than lower."

What we were trying to do was to avoid the overfunding which occurred during the Korean War when the Defense Department requested far more funds than were actually needed. For example, the Defense Department requested a total of about $164 billion for the three fiscal years 1951–53; the Congress appropriated a total of $156 billion; the amount actually expended was $102 billion; and the unexpended balances rose from $10.7 billion at the end of FY 1950 to $62 billion by the end of FY 1953. It took about five years to work the unexpended balance down to about $32 billion; and we were able to support a defense program of about $50 billion a year during FY 1962–64 with about $30 billion of unexpended balances.

The excessive unexpended balances built up during the Korean War were duly noted by the Appropriations Committees. Mr. Mahon, for example, commented in February 1953:

". . . that will cause our colleagues and the press and the public who have not had a chance to study this to say, 'Are the members of the Appropriations Committee crazy in appropriating $41 billion, more or less, when they already have an unexpended balance of $62 billion?' "

Although we still have no way of knowing when the conflict will end, it is perfectly clear that we must take whatever measures are necessary to ensure our ability to support our forces in the event the conflict does continue beyond June 30, 1967. Indeed, when it became apparent last summer that this was likely to be the case, we continued the build-up of our military personnel strength beyond the level anticipated in the FY 1967 Budget and took action to ensure that deliveries of long lead time items would continue beyond June 30, 1967, without interruption. The Congress was informed of these actions through the reprogramming process and related hearings.

But, while it was clear even last summer that additional funds would be required for FY 1967 if the conflict in Southeast Asia were to continue, the timing and the amount of the additional request posed a problem. With regard to timing, we had essentially two alternatives: (1) request an amendment to the FY 1967 Budget in the summer of 1966, while it was still before the Congress; or (2) wait until early the following year and request a Supplemental appropriation. Each

of these alternatives had certain advantages and disadvantages.

First, we still could not see clearly last summer the full dimensions of our requirements for Southeast Asia. There was at that time a wide range of uncertainty concerning the size of the forces required, their composition, and their tempo of operation. Consequently, we could not determine with any degree of precision how many more men we would need through the balance of the fiscal year, how much more ammunition and other supplies we would consume, how many more aircraft we would lose as a result of enemy action, and how much more construction we would need in Vietnam and elsewhere to support the larger forces that might be required. Without these data, we could only guess the amount of the additional funds which would be needed for the balance of the fiscal year.

Second, many of the decisions which would have been involved in preparing an amendment to the FY 1967 Budget would also have been involved in preparing the FY 1968 Budget, and these decisions could be made with much greater assurance of accuracy later in the year. Indeed, I am convinced that had we gone forward with an amendment last summer, the FY 1967 Budget would have had to undergo still another drastic adjustment because of the decisions made in connection with the FY 1968 Budget. In other words, an FY 1967 Supplemental would have been needed in any event.

The major disadvantage of waiting for a Supplemental has been the need to reprogram, on a rather large scale, available FY 1967 funds to meet our most urgent longer lead time procurement requirements, pending the availability of the additional funds. We recognize that this extensive reprogramming has placed an extra burden not only on the Defense Department but on the Armed Services Committees and the Defense Appropriations Subcommittees as well. Some of these reprogramming actions required the prior approval of this and other interested Committees; all of them have been reported to the Committees concerned. However, in order to facilitate your consideration of the FY 1967 Supplemental request we have prepared a recapitulation of all of the major procurement program adjustments affecting that fiscal year, which will be furnished separately.

Now, with a year and a half of combat experience in Southeast Asia behind us, I believe that we have a much better understanding of our future requirements. In October 1965, when the FY 1967 Budget was being developed, we were in the midst of an explosive build-up in South Vietnam, it was then that we moved over 100,000 men 10,000 miles in less than 120 days. The future was impossible to predict with accuracy. In contrast, in October 1966 at the time of the preparation of the FY 1968 program, we could look ahead to the time when our forces in Southeast Asia could be expected to level off. Moreover, we have acquired a significant amount of data on actual consumption rates for individual items of ground and air munitions and on combat attrition rates for the various types of rotary and fixed-wing aircraft, and we can now project our requirements for these two very important categories of materiel much more accurately than was possible even last summer. And, I might point out that the rates of consumption and attrition actually experienced for many specific items have turned out to be quite different from those we projected last year—lower as well as higher.

Since we can now project our requirements for the conflict in Southeast Asia with far greater confidence than last year, we have changed our basic approach in preparing the FY 1967 supplemental as well as the FY 1968 Budget. Sufficient funds are being requested in both the FY 1967 supplemental and the FY 1968 Budget to protect the production lead time on all combat essential items until FY 1969 funds would become available. For example, in the case of ammunition, which is perhaps the category of materiel most affected by combat operations, we are requesting funds to cover the full production lead time beyond the end of FY 1968. Because ammunition reorder lead time averages about six months, this means that the FY 1968 Budget provides funds to finance ammunition deliveries at rates sufficient to support operations in Southeast Asia through December 1968. Thus, if it later appears that the conflict will continue beyond June 30, 1968, we would be able to use FY 1969 funds to order additional ammunition for delivery after December 1968 and keep the production lines going without interruption.

In the case of aircraft, which have a production lead time of about 18 months, we have included sufficient funds in the FY 1967 Supplemental and the regular FY 1968 Budget to cover deliveries at rates sufficient to offset combat attrition in Southeast Asia to January 1, 1970. If it later appears that all of such aircraft will not be required to replace combat attrition, the production of some might be cancelled and some used to modernize the forces at a faster rate than presently planned.

Similar provisions have been made in the FY 1967 Supplemental and the FY 1968 Budget for other categories of materiel which would be affected by the continuation of combat operations in Southeast Asia beyond June 1968. Accordingly, barring a significant change in the character or scope of the Southeast Asia conflict, or unforeseen contingencies elsewhere in the world, the FY 1967 Supplemental and FY 1968 Budget should be sufficient to cover our requirements until FY 1969 funds become available, even if the conflict continues beyond June 30, 1968.

TAX-SHARING PROPOSAL

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. GOODELL] is recognized for 60 minutes.

Mr. GOODELL. Mr. Speaker, as I stated earlier to the House, I have today introduced a tax-sharing proposal that will provide for the allocation to States and local governments of $2.2 billion. A large number of my Republican colleagues have introduced an identical or very similar proposal. We urge the Congress to hold full hearings and take action this year. Similar proposals have been made by Republicans for many years. A bill was introduced by the gentleman from Wisconsin [Mr. LAIRD] as far back as 1958 to provide for tax sharing.

The President's budget proposes an increase of more than $2 billion in existing Federal grant-in-aid programs for the next fiscal year—from $15.4 to $17.4 billion. A major cutback in these projected expansions could thus provide the money needed for effective tax sharing. In addition, many existing grant-in-aid programs could be phased out as funds from tax sharing became available at the State and local level for education and other purposes.

Our proposal would allocate 3 percent of Federal personal income tax revenue for tax sharing. The 17 poorest States would first receive 10 percent of the total funds as a form of equalization. The other 90 percent would then be divided among all States on the basis of population and a simple tax-effort ratio. Forty-five percent of the funds allocated to a State would have to be passed on to local subdivisions. The other 55 percent would be spent in any way the State desired. States reducing taxes would continue to receive tax-sharing funds, but in a comparably reduced amount.

There are two unique features of this tax-sharing proposal. First, at least 45 percent of the money would go to the local level for education or other municipal expenditures. Second, a new Council on Tax Sharing, with State representation, would administer the program to insure simplified distribution procedures and to preclude any Federal controls. The 10-man bipartisan Council would be appointed by the President and five of them would be State Governors.

State and local governments are now buried under a mass of over 400 Federal aid appropriations for 170 separate aid programs, administered by a total of 21 Federal Departments and agencies, 150 Washington bureaus and 400 regional offices, each with its own way of passing out Federal tax dollars. It is time we moved firmly to restore vital State and local initiative and reinvigorate our federal system. The availability of 2.2 billion dollars would provide the needed revenue for problem solving at the local level without rigid and wasteful Federal forms and control. Even those, who previously proclaimed that proliferation of Federal grant-in-aid programs would solve our Nation's problems, are now raising anguished cries of protest at the resulting administrative chaos.

As our House Republican Leader, the gentleman from Michigan, JERRY FORD, said in his state of the Union appraisal:

> Republicans will give leadership to the dynamic and Constructive Center in Congress.

I believe that tax sharing is an important first step in the new direction for America which was mandated by the voters last November 8. I have been urging such a course since I first came to Congress in 1959.

COUNCIL ON TAX SHARING

To avoid any possibility of Federal administrators imposing conditions, controls or excessive administrative paperwork, the tax-sharing program would be administered by a Council on Tax Sharing appointed by the President. Five members of the Council would be State Governors, with no more than three from the same political party. The Governors would be permitted to appoint alternates to represent them on the Council. No more than three of the other five members of the Council could be members of the same political party. The Council would determine forms and procedures with a requirement that they be kept as simple as possible. Only the Council could withhold funds for failure of State and local officials to comply with established procedures. Any decision to withhold funds would be subject to judicial review in a Federal Circuit Court of Appeals. The Council would also be charged with responsibility for assessing the impact of the tax sharing program and making recommendations to Congress for changes.

EQUALIZATION

Ten percent of the total tax sharing fund would first be distributed to the 17

States with the lowest per capita income. Distribution within the 17 States would be based on population and total personal income in such States.

TAX EFFORT RATIO

The other 90 percent of the tax-sharing funds would be distributed to all States on the basis of population and a simple "tax effort ratio" for each State. The "tax effort ratio" is total taxes collected by the State and its political subdivisions—real, income, sales, and so forth—divided by total personal income in the State.

DISTRIBUTION OF TAX SHARING TO STATE AND LOCAL GOVERNMENTS

First, 50 percent of the funds would go to the States for whatever purpose they wished, including State aid to political subdivisions. Another 5 percent could be used by the State to strengthen administration or could be added to the general fund at the State's sole discretion.

Second, 45 percent of the tax-sharing payment received by a State would be allocated by the State to its political subdivisions. The State would have sole authority to determine the proportion to go to educational subdivisions as distinct from political subdivisions.

State allocation table for tax-sharing bill

[The number in parentheses indicates the State's per capita income ranking. New Jersey and New York share the same rank of 6; Vermont and Utah share the same rank of 32. In order to have the lowest rank equal to the number of States presented, the numbers 7 and 33 are omitted.]

	Basic grant	Supplementary grants	Total grant
Alabama (47)	$32,808,240	$17,826,600	$50,634,840
Alaska (2)	2,174,040		2,174,040
Arizona (35)	18,973,440	10,030,200	29,003,640
Arkansas (49)	18,775,800	9,417,000	28,192,800
California (8)	227,878,920		227,878,920
Colorado (19)	21,938,040		21,938,040
Connecticut (1)	25,100,280		25,100,280
Delaware (3)	4,348,080		4,348,080
District of Columbia [1]	6,324,480		6,324,480
Florida (28)	59,489,640		59,489,640
Georgia (40)	42,294,960	25,338,300	67,633,260
Hawaii (12)	8,103,240		8,103,240
Idaho (35)	8,300,880	4,380,000	12,680,880
Illinois (5)	92,100,240		92,100,240
Indiana (14)	48,817,080		48,817,080
Iowa (24)	31,424,760		31,424,760
Kansas (20)	25,495,560		25,495,560
Kentucky (43)	29,843,640	17,520,000	47,363,640
Louisiana (41)	41,504,400	19,644,300	61,148,700
Maine (37)	10,672,560	6,022,500	16,695,060
Maryland (10)	32,017,680		32,017,680
Massachusetts (9)	53,165,160		53,165,160
Michigan (11)	85,380,480		85,380,480
Minnesota (23)	43,876,080		43,876,080
Mississippi (50)	26,681,400	9,811,200	36,492,600
Missouri (22)	38,342,160		38,342,160
Montana (29)	7,905,600		7,905,600
Nebraska (25)	13,439,520		13,439,520
Nevada (4)	4,545,720		4,545,720
New Hampshire (26)	6,126,840		6,126,840
New Jersey (6)	59,687,280		59,687,280
New Mexico (39)	12,253,680	6,175,800	18,429,480
New York (6)	209,103,120		209,103,120
North Carolina (44)	47,828,880	26,871,300	74,700,180
North Dakota (36)	7,510,320	4,051,500	11,561,820
Ohio (16)	86,171,040		86,171,040
Oklahoma (38)	25,297,920	14,979,600	40,277,520
Oregon (17)	20,159,280		20,159,280
Pennsylvania (18)	106,330,320		106,330,320
Rhode Island (15)	8,893,800		8,893,800
South Carolina (48)	23,914,440	12,614,400	36,528,840
South Dakota (42)	8,696,160	3,898,200	12,594,360
Tennessee (46)	36,365,760	20,651,700	57,017,460
Texas (31)	98,622,360		98,622,360
Utah (32)	11,265,480		11,265,480
Vermont (32)	4,743,360		4,743,360
Virginia (30)	37,156,320		37,156,320
Washington (13)	32,610,600		32,610,600
West Virginia (45)	17,392,320	9,833,100	27,225,420
Wisconsin (21)	50,595,840		50,595,840
Wyoming (27)	3,755,160		3,755,160

[1] The District of Columbia per capita income ($3,673) is the highest in the Nation.

The text of the bill follows:

H.R. 4070

A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cut-back in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures

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 Tax-Sharing Act".

APPROPRIATIONS

SEC. 2. (a) In order to provide for a sharing with the States and their political subdivisions of receipts from Federal income taxes, there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to the Secretary of the Treasury (hereinafter referred to as the "Secretary") for making tax-sharing payments under this Act an amount for the fiscal year ending June 30, 1968, and the succeeding fiscal year, equal to 3 per centum of the total receipts from individual income taxes during the preceding fiscal year, an amount for the fiscal year ending June 30, 1970, equal to 4 per centum of such receipts, and an amount for the fiscal year ending June 30, 1971, equal to 5 per centum of such receipts; except that the amount so appropriated for any year shall not be less than the amount so appropriated for the preceding year.

(b) For purposes of this Act, the term "individual income taxes" means the proceeds of taxes collected from individuals under subtitle A and the taxes collected under chapter 24 of the Internal Revenue Code of 1954. Determinations under this section shall be made pursuant to regulations prescribed by the Secretary, and his determination shall be final.

TAX-SHARING PAYMENTS

SEC. 3. The tax sharing under this Act shall be carried out by the Secretary through payments under section 4 to all qualified States, and through payments under section 5 to low-income States (as defined in section 5(c)). The aggregate of such payments to a State shall be the "tax-sharing payment" for that State.

BASIC TAX-SHARING PAYMENTS

SEC. 4. (a) The Secretary shall each year make a payment to each State which, under section 6, is qualified for a tax-sharing payment in an amount which bears the same ratio to ninety per centum of the amount appropriated for that year under section 2 as the product of—

(1) the population of the State, and

(2) the State's tax-effort ratio (as determined under subsection (b)) bears to the sum of the corresponding products for all the States which are qualified for a tax-sharing payment.

(b) The "tax-effort ratio" for a State shall be the ratio between the sum of all taxes collected in the State by the State and its political subdivisions and the total personal income for the State. Determinations under section 4 and section 5 of this Act shall be made by the Secretary on the basis of population estimates for the preceding calendar year and, in the case of other determinations, for the most recent fiscal year for which satisfactory data are available. His determination shall be final.

EQUALIZATION TAX-SHARING PAYMENTS

SEC. 5. (a) The Secretary shall each year make a payment to each low-income State which, under section 6, is qualified for a tax-sharing payment which bears the same ratio to 10 per centum of the amount appropriated for that year under section 2 as the product of—

(1) the population of the State, and

(2) the State's income index (as determined under subsection (b)), bears to the sum of corresponding products for all the low-income States which are qualified for a tax-sharing payment.

(b) The "income index" for a State shall be the population of the State divided by the aggregate personal income for the State.

(c) For purposes of this section, a State shall be deemed to be a low-income State if it is one of the seventeen States which had the lowest personal income per capita during the most recent fiscal year for which satisfactory data are available.

STATE UNDERTAKINGS

SEC. 6. In order to be qualified for a tax-sharing payment under this Act a State shall undertake—

(1) to assume the same responsibility for the fiscal control of and accountability for tax-sharing payments as it has with respect to State funds derived from its own tax resources;

(2) to distribute 45 per centum of the amount granted to it each fiscal year under sections 4 and 5 to its political subdivisions on the basis of whatever criteria it may select, but with no restrictions imposed on the use thereof which are not applicable to the use of funds which such political subdivision derives from its own tax resources, except that the State may specify the portions thereof which shall be used for educational purposes; but this provision shall not apply to the District of Columbia;

(3) to use 5 per centum of the funds granted it under section 4 for executive management improvement to meet the particular needs of the State for (A) well-staffed State budget offices, (B) qualified executive planning personnel, and (C) salary increases for top-level management personnel; but the State may use such funds for other purposes if it determines, in its sole discretion, that there are areas of greater or more urgent need;

(4) to furnish information and data to the Secretary in accordance with the rules and regulations of the Council on Tax Sharing.

COUNCIL ON TAX SHARING

SEC. 7. (a) There is hereby established a council to be known as the Council on Tax Sharing (hereinafter referred to as the "Council") which shall be composed of ten members appointed by the President without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Of the members of the Council, five shall be persons who are Governors of their respective States, not more than three of whom are from the same political party, and, of the remainder, not more than three shall be of the same political party. The Secretary shall designate a member of the Council as its chairman. Six members of the Council shall constitute a quorum. Each member of the Council who is a Governor may appoint another person to act as his delegatee in carrying out any of his functions under this Act.

(b) (1) It shall be the duty of the Council to prescribe by rule or regulation the information and data to be furnished by the States to the Secretary, and the manner and form in which such information and data shall be provided. In carrying out this duty the Council shall give emphasis to reducing to a minimum the administrative burden on States and their political subdivisions, consistent with the need of the Secretary and the Council for information and data to carry out their duties, and of the Congress to carry out periodic reviews of the general aid grant program. Reports and forms required under this Act shall be kept at an absolute minimum, and in as simplified a form as is practicable.

(2) It shall also be the duty of the Council to prescribe, by rule or regulation, the manner in which computations under sections 4 and 5 shall be made by the Secretary.

(3) It shall also be the duty of the Council to make determinations under section 8 on

withholding tax-sharing payments from States.

(c) The Council may appoint and fix the compensation of a director and such other employees as it may find necessary to carry out its duties. Members of the Council while serving away from their homes or regular places of business may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in Government service employed intermittently.

WITHHOLDING TAX-SHARING PAYMENTS

SEC. 8. Whenever the Council, upon complaint of the Secretary, finds, after reasonable notice and opportunity for hearing to the Governor of a State, that there is a failure to comply substantially with any undertaking required by section 6, the Council shall notify such Governor that further payments under this Act will be withheld until it is satisfied that there will no longer be any failure to comply. Until the Council informs him that it is so satisfied, the Secretary shall make no further payments to such State under this title.

JUDICIAL REVIEW

SEC. 9. (a) If any State is dissatisfied with the Council's final action under section 8, such State may, within sixty days after notice of such action, file with the United States court of appeals for the circuit in which such State is located a petition for review of that action. A copy of the petition shall be forthwith transmitted by the clerk of the court to the Council. The Council thereupon shall file in the court the record of the proceedings on which it based its action as provided in section 2112 of title 28, United States Code.

(b) The findings of fact by the Council, if supported by substantial evidence, shall be conclusive; but the court, for good cause shown, may remand the case to the Council to take further evidence, and the Council may thereupon make new or modified findings of fact and may modify its previous action, and shall certify to the court the record of the further proceedings. Such new or modified findings of fact shall likewise be conclusive if supported by substantial evidence.

(c) The court shall have jurisdiction to affirm the action of the Council or to set it aside, in whole or in part. The judgment of the court shall be subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

ADMINISTRATION

SEC. 10. (a) There shall be in the Department of the Treasury an Administrator of Tax-Sharing who shall be appointed by the President. The Administrator of Tax-Sharing shall have such duties as may be prescribed by the Secretary.

(b) The Council shall make an annual report to the President and to the Congress with respect to the operation of the tax-sharing program provided for in this Act.

REVIEW OF TAX-SHARING PROGRAM

SEC. 11. It is the intention of the Congress to conduct a full and complete study and review of the tax-sharing program during the fourth year of its operation with a view to determining the need for revision therein. To assist the Congress in making such a study and review, the President and the Council shall each submit to the Congress a comprehensive report on the program before the end of the third fiscal year during which the program is carried on.

DEFINITION

SEC. 11. For purposes of this Act, the term "State" includes the District of Columbia.

TAX-SHARING ANALYSIS

This report is based upon a study submitted last summer by Dr. Richard Nathan, an economist now with the Brookings Institution.

The plan calls for sharing a fixed percentage of revenues from the individual Federal income tax with State and local governments for purposes which would be determined by the recipient governments. Beginning at 3 percent of the receipts of the tax, the amount shared would be increased in steps to 5 percent.

Under this proposal 50 percent of the Federal grant would be allotted to the States for purposes determined by the States, 45 percent would be allotted to States for unconditional allotment to local governments, and 5 percent would be devoted to strengthening State administrative machinery and practices. Local government includes local educational agencies.

This proposal seeks to provide for the great public needs of the 1960's and 1970's by equipping State and local governments to meet these needs. It is an alternative to the philosophy of the Great Society which would meet these needs by massive expansion of Federal programs and by further proliferation of narrow categorical grant-in-aid programs that end up in administrative confusion, waste, and centralized control.

Interstate competition for industry limits the revenue-raising potential of the wealthiest States. An inadequate tax base limits the poorer States.

Sharing of Federal revenues offers a means of providing the services required by the American people without reducing State and local governments to administrative subdivisions of the Central Government.

There is urgent need to bring order to the maze of confusing and duplicating Federal programs now in existence, but this is a separate problem.

The Republican message on the state of the Union presented in January 1966, contained the following appraisal of the current state of American federalism:

> Our nation has thrived on the diversity and distribution of powers so wisely embedded in the Constitution. The Administration believes in centralized authority, ignoring and bypassing and undermining State responsibilities in almost every law that is passed. As a result, our constitutional structure is today in dangerous disrepair. The States of the Union form a vital cornerstone of our Federal system and the headlong plunge toward centralization of power in Washington must be halted.

As a major step toward redressing the balance in the American federal system, the message proposed that Congress enact a system of tax sharing, long advocated by Republicans, to return to the States a fixed percentage of personal income without Federal controls. Funds from this source will lighten the load of local taxation, spur solution of vexing problems, and revitalize programs in education, health, and welfare at the local level.

The general principle of this reform has been endorsed by the Republican Governors' Association and by the Republican coordinating committee. In the 89th Congress, more than 30 Republican Members of the Senate and the House of Representatives introduced legislation providing for some form of sharing Federal revenues with State governments with a minimum of Federal direction.

Plans for general and relatively unconditional Federal grants to State and local government are not new. The Presidential Commission on Intergovernmental Relations appointed by President Eisenhower studied this type of reform in 1954–55, although it recommended against its adoption. One hundred and thirty years ago, the Federal Government put into effect a system of revenue sharing on a one-shot basis, by distributing to the States the surplus accumulated in the National Treasury. Foreign nations with a federal system such as Canada and Australia have long provided bloc grants to their political subdivisions. In many of our States, there are systems of tax sharing with local governments analogous to proposals made for adoption at the Federal level.

Recent interest in revenue-sharing proposals was stimulated particularly by a proposal made in 1964 to President Johnson by Walter W. Heller. This proposal was taken up by a Presidential task force headed by Joseph A. Pechman, of the Brookings Institution. The idea has not received a favorable reception from the White House.

The studies, proposals, and actual experience in the field of general aid and revenue sharing have all been taken into account in the formulation of the proposal made in this paper for a system of tax sharing for State and local governments with as few Federal strings as possible.

The proposal made here could—and perhaps should—be considered as part of a broader program to strengthen States and localities which would include not only tax sharing, but tax credits and appropriate measures to simplify and consolidate the complex and highly fragmented array of existing Federal grant-in-aid program.

TAX-SHARING OBJECTIVES

The tax-sharing legislative proposal made in this paper has been designed to achieve certain basic objectives, among them:

First, committing the Federal Government in a substantial and meaningful way to a reinvigoration of our federal system, long a major bulwark of American democracy;

Second, giving recognition to the legitimate claims of local governments to being a part of any tax-sharing program;

Third, placing emphasis on the enhancement of the leadership and overall policy formulation role of State governments in the State-local sector;

Fourth, preserving to States and localities full discretion as to the expenditure of their tax-sharing funds;

Fifth, incorporating a measure of equalization for the poorest States;

Sixth, rewarding with bonuses States and localities which make the greatest tax effort; and

Seventh, making the tax-sharing program sufficiently flexible so that Congress and the executive branch can review and revise it as circumstances require.

Each of these objectives is important. Among the most important is the inclusion of cities in the tax-sharing program.

With the steady increase in metropolitan area growth, many States have recognized the need to make local governments effective political jurisdictions. Home rule in many States permits localities to make major policy decisions on their own. The impressive rise in State aid to localities in many cases has shored up this political authority with needed fiscal resources.

Near the turn of the century—in 1902—total State aid to localities accounted for only 6 percent of local revenues. Twenty-five years later in 1927—just prior to the depression—State aid accounted for 10 percent. In the next decade ending on the eve of World War II, this figure more than doubled, rising from 10 percent of local revenues in 1927 to 23 percent in 1938. In the postwar period, State aid rose still further. During these years, it has consistently accounted for between 28 and 29 percent of local general revenues.[1]

In fiscal 1965, State aid to localities was $14 billion. This was nearly $3 billion more than total Federal aid to States and localities. It was 30 percent of total local general revenues and one-third of total State general revenues.[2] These figures warrant emphasis. In light of recent and steady tax increases in many States, the twin facts that States devote over one-third of their own revenues to State aid for localities and provide 30 percent of total local revenues certainly indicate that cooperative federalism is a working reality at the State-local level.

A new tax-sharing program should be based on a concept of American federalism which accurately reflects present relationships between State and city and which gives appropriate weight to the high costs of public services in cities—particularly the central cities of large metropolitan areas—where concentrations of lower income families often require special educational, employment, rehabilitative and other services.

This State-local tax-sharing proposal is distinguished from most other proposals, including that of Dr. Heller, in that it gives local governments—as well as States—needed additional resources to meet basic and vital tasks of government. As far as the cities are concerned, it should also be noted that this proposal differs markedly from the recent Great Society proposal to pick out a handful of cities, and with Federal funds and Federal inducements spruce up so-called "demonstration areas."

In sum, this proposal, in providing tax sharing to States and localities, rests on a view of American government that is both positive and current. It involves a commitment to a federal system of government, within which innovation can come from all levels, and within which all citizens can participate actively in the democratic processes of government so vital to our Nation. In both these respects—innovation mindedness and an orientation toward active citizen participation at all levels of government—this approach at this time is far preferable to the further enlargement of a Great Society in which innovation can only come from the top and in which active citizen participation is a political principle of very low value.

THREE-PART TAX SHARING

Tax-sharing funds from the Federal Government should be provided to the States to be used as follows: 50 percent for State purposes; 45 percent to be redistributed by the States to local governments unconditionally; and 5 percent to be allocated to the States for executive staff and management purposes as a means of improving the central staffing and management functions of State government if, in its sole discretion, the State wishes to separate funds for that purpose.

FIFTY-PERCENT SHARE FOR THE STATES

The 50-percent share for the States might be expended directly by State agencies or distributed in whole or in part to subdivisions for purposes determinded by the State.

This share for the States, as well as the 45-percent share for localities, should be provided by the Federal Government on an essentially unconditional basis. The only Federal requirements should be those applicable to all Federal aid payments under the Constitution and various Federal statutes, including title VI of the Civil Rights Act of 1964 prohibiting the use of Federal aid funds for programs or activities in which discrimination exists.

Examination of recent State-local expenditure patterns warrants confidence in the ability of State and local governments to utilize effectively general and unconditional Federal aid payments. Joseph A. Pechman, in a 1965 paper on "Financing State and Local Government," showed that in the decade 1953–63, State-local expenditures more than doubled and that additional resources were devoted to what are regarded as "urgent" public service needs. Forty percent of the increase in State-local expenditures over the decade went for education, the fastest growing area of State-local spending. This accounted for $14.6 billion out of a total increase of $37 billion. Besides education, spending also doubled for sewerage and sanitation, natural resources, highways, police and fire protection, and health and hospitals, as shown in table 1:

TABLE 1.—*General expenditure of State and local governments by major function, fiscal years 1953 and 1963*[1]

[Dollar amounts in millions]

Function	Amount		Increase 1953/1963		
	1953	1963	Amount	Percent distribution	Percent increase
Total general expenditures	$27,910	$64,816	$36,906	100.0	132.2
Education	9,390	24,012	14,622	39.6	155.7
Highways	4,987	11,136	6,149	16.7	123.3
Public welfare	2,914	5,481	2,567	6.9	88.1
Health and hospitals	2,290	4,681	2,391	6.5	104.4
Police and fire	1,636	3,468	1,832	5.0	112.0
Natural resources	705	1,588	883	2.4	125.2
Sewerage and sanitation	908	2,187	1,279	3.5	140.8
Housing and community redevelopment	631	1,247	616	1.7	97.6
General control and financial administration	1,263	2,474	1,211	3.3	95.9
Interest on debt	614	2,199	1,585	4.3	258.1
Other	2,572	6,343	3,771	10.2	146.6

[1] Excludes insurance trust, liquor stores, and public utility expenditures. Includes Federal grants-in-aid.

Source: Paper by Joseph A. Pechman, Mar. 26, 1965. Data from U.S. Bureau of the Census.

FORTY-FIVE-PERCENT SHARE FOR LOCALITIES

The 45 percent share for localities should be distributed to governmental subdivisions as general aid. While the State would determine the basis of allocation, it would not prescribe the use to be made of these funds.

FIVE-PERCENT SHARE FOR EXECUTIVE STAFF AND TAX-SHARING FUND

One of the most compelling needs of many States today is improvement of State executive and management functions. Some States have lagged in these fields, often because of a lack of funds. Pressures for higher spending for education, health, welfare, and urban development have overshadowed the development of executive staff machinery and the improvement of State management services.

The 5-percent share proposed here for executive staff and management improvement by the States should be defined as 5 percent of a State's basic tax-sharing allocation, that is exclusive of equalization.

This feature of a tax-sharing plan would put emphasis on the need for active, well-staffed State budget offices; qualified executive planning personnel in such fields as fiscal planning, development planning, and policy formulation and coordination; and sufficiently high salaries for top-level management personnel to attract and hold capable people in State government.

TAX-SHARING FUND

The tax-sharing fund, as proposed in this paper, would initially receive annual revenues equal to 3 percent of Federal individual income tax revenues, with the proviso that in no case shall the amount received by the fund in any given year be less than the amount received in the previous year. The proviso would protect States and localities from a cutback resulting from recession or future Federal individual income tax reductions. Estimated Federal individual income tax payments for fiscal 1968 would mean a transfer of approximately $2.2 billion

[1] Data from U.S. Department of Commerce, Bureau of the Census, *Census of Governments 1962, Historical Statistics on Governmental Finances and Employment*, Vol. VI (Topical Studies) No. 4, p. 49.

[2] *Ibid., Governmental Finances in 1963–64*, p. 31.

to the tax-sharing funds as proposed here.

Over a 4-year period, the percentage of individual income tax revenue distributed should be increased in steps to 5 percent.[3] Each year, revenues of the Fund would be distributed among the States on a quarterly basis by the Administrator of Tax Sharing in the U.S. Department of the Treasury. Ninety percent of these funds should be returned to the States on a population basis, weighted by an index of the tax effort. This part of a State's tax-sharing payment would be referred to as its basic allocation. The remaining 10 percent of the tax-sharing fund would be set aside for equalization purposes.

The tax-sharing fund should not be a separate trust fund in the Federal budget. These expenditures should be included in the administrative budget. Advance estimates of basic tax-sharing allocations should be made public and sent to the Governor of every State at least 90 days before the commencement of the fiscal year.

EQUALIZATION

The 10 percent of the funds reserved for equalization should be allocated among the poorest one-third of the States, defined for these purposes as the 17 lowest States in per capital personal income. The computation of equalization allocations should be based on the most recent State-by-State per capita personal income data available. Equalization allocations should be announced no later than April 1 of the fiscal year prior to the fiscal year to which they apply. Notices of equalization payments should be sent to the Governors of all eligible recipient States by the Administrator of tax sharing.

These various requirements for a one-quarter advance notice of equalization and estimated basic tax-sharing allocations are intended to allow States and localities ample time to incorporate these data into their plans for the utilization of tax-sharing funds.

The computation of equalization payments among the 17 eligible States shall be in proportion to population weighted by the reciprocal of per capital personal income. Figures given below demonstrate the effect of this equalization approach. State per capita income data for 1964 are presented in table 2 with the States divided into thirds.

TABLE 2.—*1964 State per capita income*

TOP 16 STATES	
1. Delaware	$3,460
2. Connecticut	3,281
3. Nevada	3,248
4. New York	3,162
5. Alaska	3,116
6. California	3,103
7. Illinois	3,041
8. New Jersey	3,005
9. Massachusetts	2,965
10. Maryland	2,867
11. Michigan	2,755
12. Ohio	2,646

TABLE 2.—*1964 State per capita income*—Continued

TOP 16 STATES—Continued	
13. Washington	2,635
14. Hawaii	2,622
15. Oregon	2,606
16. Pennsylvania	2,601
MIDDLE 17 STATES	
17. Missouri	2,600
18. Colorado	2,566
U.S. average	2,562
19. Indiana	2,544
20. Rhode Island	2,514
21. Wisconsin	2,490
22. Wyoming	2,441
23. New Hampshire	2,377
24. Iowa	2,376
25. Minnesota	2,375
26. Nebraska	2,349
27. Kansas	2,346
28. Montana	2,252
29. Florida	2,251
30. Virginia	2,239
31. Arizona	2,223
32. Texas	2,188
33. Utah	2,156
BOTTOM 17 STATES	
34. North Dakota	2,133
35. Maine	2,132
36. Vermont	2,119
37. Oklahoma	2,083
38. New Mexico	2,041
39. Idaho	2,020
40. West Virginia	1,965
41. Georgia	1,943
42. North Carolina	1,913
43. South Dakota	1,879
44. Louisiana	1,877
45. Tennessee	1,859
46. Kentucky	1,830
47. Alabama	1,749
48. South Carolina	1,655
49. Arkansas	1,655
50. Mississippi	1,438

Source: U.S. Bureau of the Census, *Compendium of State Government Finances in 1965.*

Using 1967 estimated Federal individual income taxes and current personal income data, the average basic tax sharing allocation in a distribution of 3 percent of Federal individual income taxes would be approximately $8.50 per capita.[4] A 10 percent equalization fund distributed as proposed here would increase the per capita grant to Mississippi—the bottom State—from $8.50 to an estimated $14.50—an increase of $6. North Dakota—the first State among the lowest 17 in 1964 per capita income—would have its share of general aid increased from $8.50 to $12.50. The States in between North Dakota and Mississippi would receive increases in their allocations ranging from $4 to $6 per capita.

TAX EFFORT

As noted above, basic general aid grants should be distributed according to population weighted by a measure of tax effort. Tax effort should be defined for these purposes as State and local taxes combined relative to personal income. Thus, a State's basic general aid grant would be determined by the ratio of State to U.S. average tax effort multiplied by an amount which bears the same ratio to 90 percent of the general aid tax sharing fund as State population bears to the total population of all States.

Table 3 presents U.S. Bureau of the Census data for 1963–64 showing the top and bottom five States in tax effort as defined here.

TABLE 3.—*State and local taxes per $1,000 of personal income: top and bottom quintiles, 1963–64*

Top quintile:	
Wisconsin	$126.07
Minnesota	121.73
California	120.65
Arizona	120.11
Vermont	119.78
U.S. average	103.52
Bottom quintile:	
Virginia	87.75
Missouri	85.69
District of Columbia	[1] 81.92
Delaware	81.68
Alaska	[1] 80.78

[1] Alaska and the District of Columbia also stand out as receiving much larger amounts of Federal aid than other States, partially explaining their lower tax effort standings. In 1963–64, Alaska and the District of Columbia ranked first and fourth, respectively, in per capita Federal aid.

Source: U.S. Bureau of the Census, *Governmental Finances in 1963–64.*

This proposed tax effort adjustment is most easily understood by illustration. The following illustrations assume a general aid plan allocating 3 percent of Federal individual income tax revenues.

The No. 1 State in 1963–64 tax effort is Wisconsin. With a tax effort bonus, Wisconsin would receive approximately $10.00 per capita as its basic tax sharing allocation, compared to $8.50—that is, the amount which would be received by a State with tax effort exactly equal to the national average. This bonus would mean the Wisconsin's total tax sharing grant would be $40 million. Without the tax effort bonus, it would be $33 million. Thus, the bonus increases its grant by $7 million.

The bottom State in tax effort in 1963–64 was Alaska, although there are rather special circumstances involved. One important reason why Alaska's tax effort is so low is the extremely large amount of Federal aid which it receives. Alaska ranked first in per capita Federal aid in fiscal 1964 with aid of $365.54 per capita—$313.27 above the national average of $52.27. With this proposed tax effort adjustment, Alaska would receive $6.65 per capita in basic general aid as compared to a national average of $8.50.

Taking the largest States in the bottom and top quintiles, California—the largest State in the top quintile—would receive $9.85 per capita and would have its general aid basic grant increased by $24 million from $153 million to $177 million as a result of its tax effort bonus. On the other hand, Missouri—the largest State in the bottom quintile—would receive $7.10 per capita, cutting its basic general aid grant from $47 million to $31 million.

Eight States among the 17 lowest per capita income States in 1964 would receive both equalization grants and tax effort bonuses—Idaho, Louisiana, Maine, Mississippi, New Mexico, North Dakota, South Dakota, and Vermont. Taking

[3] A beginning percentage other than 3% could, of course, be selected. For example, legislation could provide that in the first year, 2% of federal individual income tax revenues would be allocated for tax sharing—this percentage rising by 1% every year (or two years) until it reaches 5%.

[4] The tax effort adjustment would mean States with a high tax effort would receive more than $8.50 and States with a low tax effort would receive less. However, the *average* basic grant for all the States would still be $8.50 under the program proposed here.

Mississippi as an illustration, the State would receive a total of $15.20 per capita, broken down as follows:

Per capita equalization grant	$6.00
Tax effort bonus	.70
Basic allocation	8.50
Total	15.20

STATE RESPONSIBILITIES FOR THE ADMINISTRATION OF TAX SHARING

Under this legislative proposal, heavy reliance is placed on the role of the State in that: First, States receive the largest share of tax sharing on an unconditional basis; second, States are responsible for the distribution to localities; and third, a special effort is made to improve the policymaking and policy coordination role of the States through the 5 percent executive staff and management improvement fund.

INCREASE IN FEDERAL GRANTS-IN-AID TO STATE AND LOCAL GOVERNMENTS IN THE PRESIDENT'S BUDGET FOR FISCAL YEAR 1968

The following table, extracted from table J-10, "Special Analyses of the Budget for Fiscal Year 1968," lists the grant-in-aid programs to State and local governments for which the President proposes in fiscal year 1968 to increase spending by $25 million or more above the expected level for fiscal year 1967:

Increases, $25,000,000 to $100,000,000

[In millions of dollars]

Program	Agency	Budgeted expenditure		
		Fiscal year 1967	Fiscal year 1968	Increases
Health manpower	HEW	47.5	138.3	90.8
Urban renewal	HUD	361.3	447.5	86.2
Public assistance	HEW	2,887.6	2,970.2	82.6
Economic development assistance	Commerce	50.6	131.6	81.2
Water pollution control	Interior	92.0	171.0	79.0
Higher education	HEW	170.3	245.3	75.0
Basic water and sewer facilities	HUD	40.0	110.0	70.0
Vocational rehabilitation	HEW	256.8	309.7	52.9
Maternal and child welfare	HEW	154.6	207.3	50.7
Food stamp	Agriculture	131.4	184.0	52.6
Appalachian highways	Commerce	42.1	80.1	38.0
CCC, removal and donation agricultural products	Agriculture	324.5	361.5	37.0
Administration of employment security	Labor	517.5	551.6	34.1
Open space land and urban beautification	HUD	28.5	57.8	29.3
Low rent public housing	HUD	249.1	277.7	28.6
Special milk and school lunch	Agriculture	315.7	343.6	27.9

The President's estimate of total Fed-billion above the level of expenditure
eral expenditure in the form of grants-estimated for fiscal 1967 for programs of
in-aid and shared revenues for fiscalthis type and almost $4.5 billion above
1968 is $17,439 million—more than $2actual expenditure in fiscal 1966.

Increases of over $100,000,000

[In millions of dollars]

Program	Agency	Budgeted expenditure		Increase
		Fiscal year 1967	Fiscal year 1968	
Highway beauty and safety	Transportation	42.8	227.5	184.7
Medical assistance	HEW	1,038.2	1,182.8	144.6
Model city grants	HUD	5.2	147.0	141.8
Elementary and secondary education	HEW	1,324.2	1,456.1	131.9
Community action programs (other than Headstart)	OEO	318.0	436.0	118.0
Headstart	OEO	250.0	360.0	110.0
Adult work training and special impact	OEO	75.0	185.0	110.0
Mental health	HEW	112.4	216.1	103.7
Comprehensive health planning and services	HEW	4.0	105.7	101.7

THE GOSPEL OF REVOLUTION

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Tennessee [Mr. QUILLEN] is recognized for 30 minutes.

Mr. QUILLEN. Mr. Speaker, I am shocked and greatly alarmed by the following article from Barron's, the national business and financial weekly, which reviews the formal statement made at the conclusion of the 1966 Conference on Church and Society which was held in Geneva, Switzerland, by the World Council of Churches.

In view of the recent uprisings throughout the world, it would seem to me that a reinstilling of a respect for law and order is one of our greatest needs. Above all, we do not need a Christian group to come out in favor of eroding our Christian principles. I think this statement is deplorable, and it should be denounced by any American organization that is associated with the World Council of Churches.

Mr. Speaker, I include at this point in my remarks the entire report of the council's statement:

THE GOSPEL OF REVOLUTION—WHAT THE WORLD COUNCIL OF CHURCHES IS PREACHING

(This is an analysis of official documents issued at the 1966 Conference on Church and Society held in Geneva, Switzerland, by the World Council of Churches. It first appeared in the December 9, 1966, issue of U.S.A., a bi-weekly published by Alice Widener.)

The 1966 Conference on Church and Society held by the World Council of Churches took place last July at Geneva, Switzerland. There were participants from 70 countries, including all the Socialist bloc except Albania and Red China.

At the end of the Conference, the participants issued a formal message to thank God for bringing them together, and for granting them "this experience of the world community which is emerging in this age of advanced technology and social revolution."

The word "revolution" was a leitmotif of the Conference, occurring and recurring throughout the various working papers which were only recently released in revised and edited form. Evidently, the World Council of Churches holds gradual evolutionary change to be inadequate in our times and even undesirable.

The participants' message states, "We Christians cannot escape the call to serious study and dynamic action." These are to be directed toward four issues: "Modern technology . . .; The need for accelerated development in Asia, Africa and Latin America . . .; The struggle for world peace . . .; The problem of just political and social order and the changing role of the state."

The first and main document is entitled "Economic Development in a World Perspective." The introduction brands as "a scandal and an offense to God and men" the existing imbalance between rich and poor countries.

In a section dealing with the changing economic and social pattern of the advanced countries, the Conference summarizes "three types" of economic policy . . . Having more or less described capitalism, socialism and communism without the courage to name names, the World Council then goes on to bless all three with the statement that they "have shown themselves capable of rapid economic growth and wide distribution of income."

Not a single word in the Conference document reflects the fact that the Soviet Union and other nations with centrally planned economies have been unable to produce a self-sustaining agriculture, have been forced to adopt some profit and price incentives to rescue their bankrupt economies, and have been unable to develop wide enough distribution of income to permit consumers any but the narrowest choice of goods and services. Not a single line in the document contrasts the low productivity of welfare state economies to the high productivity of the private enterprise ones. Moreover, not a single line refers to the present stagnation of the centrally planned economies which are falling further and further behind the advancing economies of Western European nations, to say nothing of Japan and the U.S.

The World Council of Churches' report on economic development in a world perspective states flatly that all three economic systems—free enterprise, welfare state and centrally planned—can be supported by Christians "not as ends in themselves" but to achieve "ends for which men were made. The role of Christians is to be critical participants in the societies in which they find themselves."

How can Christians be critical participants in anti-Christian Communist societies that forbid criticism? Russian Orthodox Archbishop Alexei, who resides in Moscow, would not have been able to help govern the Conference in Geneva as one of its presidents had he dared to be critical of the Red regime in the USSR. The price of his Christian participation in that society is his absolute obedience to and acquiescence in its tyranny.

The transfer of capital from rich nations to poor ones is the World Council of Churches' main concern in the report on economic development. The Council's aim is set forth as follows:

"One hopeful sign of our times is the growing sense of international responsibility for assisting in the development of the economically less advanced nations. External aid is most helpful when it serves as a catalyst for internal efforts, is related to the mainstream

of a nation's development strategy, and is directed toward its long-term rather than its short-term growth needs.

"Unfortunately the level of government contributions has only rarely been determined in consultation with the receiver. These contributions, even to international agencies, are voluntary, short-term commitments. However, the transfer of capital and skill through governmental channels must be considered as a long-term process, and more formal, medium or long-term arrangements and commitments are becoming increasingly necessary for the efficient operation of these agencies and the carrying out of development programs."

What is the World Council of Churches aiming at? The answer lies in the conclusion to the foregoing argument for long-term transfer of capital. "Eventually," declares the Council's Conference report, "these may lead to an 'international budget' and 'international taxation.'"

Such a budget and such a system of taxation could be accomplished only under a system of World Socialism in which the Marxian doctrine, "from each according to his ability, to each according to his needs," would be supreme.

Inevitably, then, the World Council of Churches' report on economic development stresses "the key role of the state and the public sector" in the process. The Council calls for "gradual imposition of supranational approaches upon national efforts." It also adopts the anti-capitalist doctrine, "The fundamental problem (in the transfer of capital from rich to poor nations) is that the goal of the businessman—to make profits—sometimes conflicts with the goal of governments—to increase the social product and to distribute it equitably."

Purporting to be a Christian document, it fails to point out many of the principal reasons for poverty in many lands—for example, polygamy, the worship of sacred cows and monkeys, the ban on eating pork and the husbandry of plant-destroying, desert-creating goats, the practice of tribal blood rites—and places basic blame on the modern businessman's legitimate and useful search for profits.

Through three dozen pages, the Conference report on economic development moves slowly but surely toward a radical goal, taking utmost care to avoid those words and phrases which might shock an American reader believing in the free system that has made our nation into a fountainhead of benefactions to needy humanity, and might cause such a reader to reject the report as thoroughly alien. Finally, the report lists a series of recommendations closely resembling the old Marxist-Leninist-Stalinist plan for One Socialist World, the plan that was eventually proposed to the United Nations in the Havana Charter of 1947, but was wholly rejected by Congress and President Truman, the plan that still later was presented at the United Nations in 1951 under the name "SUNFED" (Special United Nations Fund for Economic Development) and was again rejected by Congress.

Anyone familiar with the Havana Charter, the SUNFED scheme, and Gunnar Myrdal's "An International Economy" will recognize the similarity between these documents and the World Council of Churches' report on economic development.

It calls for grants instead of loans by rich nations to poor ones and for "rationalization of distribution . . . under the auspices of the United Nations." The report calls for "elimination of the adverse effects of price fluctuations and terms of trade" and also "the establishment of world commodity marketing boards."

The 1966 Conference report then calls for measures that beggar the imagination in trying to conceive of the resulting injustice, suffering and horror, all amounting to a hell paved with good intentions.

Obviously believing that a desired end justifies any means, the Conference, report proposes: "the deliberate transfer of non-capital and non-technical intensive industries to countries with insufficient capital but abundant manpower, and the acceptance of the problems involved in the fundamental restructuring of economies in the developed countries which that entails."

At this point, it must be remembered that a few years ago some Latin American socialists at the United Nations Economic and Social Council actually proposed that the U.S. get out of the textile manufacturing business so that Central and Latin American countries could have a Western Hemisphere monopoly. What would be the fate of thousands of U.S. textile workers was of no concern to the socialist planners.

The Latins' plan was relatively innocuous, however, when compared with that of the World Council of Churches. Its 1966 Conference report declares:

"The fundamental restructuring of the world economy necessarily implies temporary dislocation and possible suffering for a large number of people. The first task of the churches in this situation is to speak to the government or power structure responsible and to insist that prior measures be taken to prevent or at least to minimize and alleviate the difficulties which individuals and groups may have to face. Only after every preventive measure has been taken should the Church prepare people to accept and overcome these problems and impart the vision of a wider world order for which restructuring is a necessary preliminary."

Whew! One must pause and take a deep breath before launching into horrified analysis of what the foregoing really means.

It is hardly an exaggeration to say that nuclear war could not inflict greater suffering on people than the mass restructuring of the world economy, with mass transport of populations and mass transfer of non-capital and non-technical industries from the developed nations to the backward nations with insufficient capital and overpopulation.

Evidently the World Council of Churches—professing to be Christian—has adopted the cold-blooded, blood-curdling cynicism of "humanitarian" Swedish socialist Gunnar Myrdal, who called for redistribution of land (land reform) in India and other underdeveloped nations even though "It will almost always reduce temporarily the marketable surplus of agriculture, and it is easy to imagine cases where sheer starvation in the towns may be the result." ("An International Economy," page 183.)

How many millions of people would be dislocated, ruined, enslaved, tortured and murdered under a World Council of Churches' plan to restructure the world economy, and to redistribute wealth among nations by arbitrarily allocating the right to engage in this or that kind of industrial manufacture? Will it be as many millions as those who perished in the Bolshevisk collectivization of agriculture in Russia or in the establishment of the Red Chinese communes? Was any past crime committed in the name of Christianity during the darkest ages of history of greater magnitude than that contemplated in the World Council of Churches' "Christian" document? Does the organization really believe that millions of employed workers in developed countries will supinely accept abandonment of their industries in favor of poverty-stricken peoples in backward lands?

How could the Church "prepare" people in advanced nations for such suffering? The World Council of Churches' document envisages preparation for such enslavement as establishment of "an ethic of altruism and justice which will make these measures intelligible." The document goes on to state, "In the developed countries this would involve active support by the churches of such specific measures as severance pay, industrial retraining, higher unemployment benefits and mobility subsidies."

Can one really believe that a Swiss worker in an embroidery factory, a Belgian worker in a lace factory, a New England worker in a cotton textile factory, or a French or Italian worker in a vineyard could be persuaded by the Church to forfeit his means of livelihood so that it could be taken over by an African worker in Somalia, a Latin American worker in Guatemala, an Arab worker in Algeria, a Bantu worker in South Africa, a Buddhist worker in Laos?

To effect such redistribution and restructuring of the advanced nations' economies in favor of the backward ones, there would be only one possible way—total enslavement of populations in advanced and backward nations. For this there would be required a world dictatorship, and the reality was recognized by the World Council of Churches which called for a "World Economic Plan" for "the ultimate aim: an international division of labor . . ."

To help bring about such totalitarianism, the 1966 Conference report on economic development calls for replacing the present forms of aid by the rich nations to the poor ones "by a system of international taxation."

Since by far the greatest part of such aid is now rendered by the U.S., the heaviest burden of international taxation would fall on Americans.

To obtain this, the World Council of Churches calls for "church participation in political education" in order "to produce the political will for a world economic and social order compatible with Christian conscience." The Council's 1966 Conference also calls for "social education designed to help society understand and accept the costs of world economic development."

In total disregard of the U.S. Constitution, the American participants in the Council's Conference in Geneva supported without evident dissent or formal protest the participants' recommendation that "the Church" urge governments "to introduce economic, political and social education into national school systems" for support of the Council-proposed measures, including "a diminution of national sovereignty."

If all this is not a call for world socialism, then what is it? The fact that it is made by a handful of "Christians" in the name of "God" is characteristic of the moral decline of the West of its fall into the bottomless pit of revolutionary nihilism of the kind that gave rise to Hitler and Stalin.

Not surprisingly, the Council sanctions violence and civil disobedience in its second Conference document on "The Nature and Function of the State in a Revolutionary Age."

Categorically, the World Council of Churches rejected the concept that it is enough for Christians "to seek to save souls and improve individual characters on the assumption that good people will produce good government." Declaring that Christians must be concerned "for the structure of society" as well as for the moral qualities of individuals, the Conference declared it is "imperative" that Christian involvement in politics "become conscious" and active. There is no reason, states the Conference, why ministers of the Gospel should not play an active political role, although certain church and civil laws limit them.

Evidently the participants in the Conference do not regard these church and civil laws as insurmountable barriers to ministers' political action. The Conference document recognizes there are "special issues of Christian participation" and goes on to state:

"Political involvement at times confronts Christians with especially difficult issues such as the use of constitutional or extra-constitutional methods of political action, the use of violent or non-violent action,

and the rights of minorities or other oppressed groups within the life of a nation."

From this, inevitably, proceeds the following Conference statement: ". . . In many cases where legislation violates an acceptable constitution, and no speedy means of legal relief are available, the Christian may be called to civic disobedience (sit-down strikes, passive disobedience or deliberate violation of laws). In cases in which the constitution itself is inadequate, the Christian is called to work for its amendment in the interest of firmer guarantees of human rights. Where such changes are impossible, the Christian may come to the conclusion that he has no alternative but to violate the constitution in order to make possible a better one. . . . We understand that laws may be defied in the defense of the constitution, and that the constitution may be defied in defense of human rights."

Is it any wonder that law and order are breaking down in Western society in general and in the U.S. in particular? How can laws be defied in defense of a constitution?

Proceeding from relativism to confusion, then to anarchism and nihilism, the Conference document argues that the question often emerges today "whether the violence which sheds blood in planned revolutions may not be a lesser evil than the violence which, though bloodless, condemns whole populations to perennial despair."

The third document issued by the World Council of Churches 1966 conference in Geneva is entitled "Structures of International Cooperation—Living Together in Peace in a Pluralistic World Society." It is a modern gospel for revolution and declares: ". . . the function of the state in God's purpose is to provide, if necessary by lawful coercion, that order which enables men to live in peace and justice with one another. Human experience as well as Holy Scripture shows us that the power of laws is required to compel man to respect the rights of others. While this remains true in our day, many circumstances in the modern world force men to revolution against an unjust established order."

There is no satisfactory explanation of what are the circumstances that "force men to revolution." There is only the sweeping assertion that this is so, and there is no censure of professional anarchists and agitators seeking to foment revolution in even the most prosperous and advanced societies.

In the Conference documents, one generalization follows another in almost unending sequence. Thus there is the unequivocal statement, "War between states results from the present disorganized and unjust political and economic conditions of international society . . ."

To insure peace, social justice, prosperity for all, the equality of men, to decrease tensions and increase cooperation, the Conference proposes "a supranational authority" over "the two major nuclear powers" and calls for the elimination of international trade conducted according to market rules in order to free all people from hunger, misery and poverty. Just how international trade conducted without market rules will achieve Utopia is not explained, but the overall implication is that socialism will solve all human problems.

The World Council of Churches Conference not only recognized the "revolutionary mood" of the most active and influential groups in the "Third World" (meaning Asia, Africa and Latin America) but also endorsed these groups' impatience with any kind of development that is not "rapid." Such rapid change must be achieved—so the Conference says—"if necessary, by violence."

What should Christians do?

Let heads roll. Then help mop up the blood.

Here is the "Christians'" proposal: "No generally valid overall prescription can be given for the ways in which changes in the organization of political and economic power in developing nations should occur and how Christians should respond to such changes. . ."

"There are, however, at least two generalizations which can be made about the approach of Christians to the reorganization of the structures of power in the Third World. One is that wherever small elites rule at the expense of the welfare of the majority, political change toward achieving a more just order as quickly as possible should be actively promoted and supported by Christians. The second is that, in cases where such changes are needed, the use by Christians of revolutionary methods—by which is meant violent overthrow of an existing political order—cannot be excluded a priori. For in such cases, it may very well be that the use of violent methods is the only recourse of those who wish to avoid prolongation of the vast covert violence which the existing order involves."

Mr. Speaker, I fail to see the reasoning that justifies the statements made by the World Council of Churches in support of violence and lawbreaking. Their endorsement of any tactics to justify revolution is startling and appalling. To me, and I am sure to many others, their advocacy is in no way Christian. It is barbaric and ruthless. I believe that every American must disassociate himself from any acceptance of this doctrine.

GENERAL LEAVE TO EXTEND

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in to extend their remarks, following the remarks of the gentleman from Oklahoma [Mr. ALBERT], on the President's message pertaining to the protecting of our national heritage.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

OUR YOUNGER GENERATION

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. RESNICK] 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 Mississippi?

There was no objection.

Mr. RESNICK. Mr. Speaker, it may come as a surprise to some people, but the spirit of idealism and devotion to duty is very much alive in today's youth. It is true that sometimes, in reading particular headlines, we become a little skeptical about the moral fiber of the younger generation. But every once in a while something happens to jolt us back to the realization that our young people are possessed with all—and very likely more—of those virtues that we of an older generation like to believe are exclusively ours.

I wish every American would read a letter sent by Sp4c. Joe Paul Curran to his father, Joe Curran, president of the National Maritime Union. The Currans are residents of Dutchess County in New York's Hudson Valley. I have twice visited our servicemen in Vietnam and have often been asked what our servicemen are thinking of, and what their attitude is about the war and about their country's commitment in that far-off part of the world.

Joe Paul's letter to his father is the most complete and most eloquent answer to that question I have yet seen, and Mr. Curran has given me his kind permission to place it in the CONGRESSIONAL RECORD, to give every American an insight into the mind and spirit of a brave, dedicated young man. Specialist Fourth Class Curran wrote the letter on December 16 from the U.S. base at Niu Ba Den, while sitting on top of a tank—not exactly the place in which you would expect idealism to flower, but then we should learn to expect the unexpected from this new generation of proud young Americans. The letter follows:

AT THE BASE OF NIU BA DEN
ON THE TOP OF A TANK,
December 16, 1966.

DEAR POP AND FLO: Holy Popcorn, Batman, you sure gave the boy wonder hell. I think you can understand that in considering extending my hitch for six months beyond September—when I will have completed two years in Vietnam—I was thinking of other than our own interest. I think it is one of the great tests that one must face to be able to consider ideas without considering his own self interest.

Of course, you are concerned about my being killed here, and this is emphasized all the more by the fact that so many will never see Vietnam at all. But I do not consider them either, it does not disturb me that it's me and not them. I think it most unwise to gear one's action or thoughts to the mob. As for dying itself, I figure it this way: what we are doing here is important; if one dies, he dies for something worthwhile.

The selfish, the small, the cowardly ones who stay behind, who hide from challenge, who never do a noble thing, these are the ones to pity, not the one on the line. I wish what we hope for could be accomplished without war, but unfortunately it is not so.

Someday there will be peace here, then what will there be? If we, and that is all of us, are devoted and altruistic there will be freedom. If not there will be tyranny. The extent of that tyranny will be determined by our resistance to it. No one values "the good life" more than I; but I want it for all, for the Vietnamese as well as the Americans, for our children, as well as ourselves.

Too few people feel this way today, we have become selfish and indifferent, materialistic and petty, but I will not be this way. I value more than myself. Shame on the cowards, no matter how many and how loud they are, let them and the selfish mend their ways.

What we need are not more people who go along with this unfortunate state of affairs, but someone who will oppose, who will say so and set an example. This is what I intend to do and, to the best of my ability, will do.

As to specifically what I will do here, I have been giving it continuous thought. It seems to me that I must make a decision without regard to my personal safety, or enjoyment. I realized before I enlisted, before I volunteered for Vietnam, for the infantry and for a second whole year in Vietnam, that this was no bowl of cherries. I think that you must realize that too and I am not going to quit because it is difficult and hard—if anything that makes it more worthwhile as a challenge and a chance to gain discipline.

What will bring me home is when I believe that "the law of diminishing return" has set in. Actually I think we all realize that that is true. Moreover, I think now that what made me consider taking another six months was just that fact. That is to

say that I feel that even with two years here my knowledge will be limited. Certainly, I know a great deal, but it has been from a very narrow perspective. Now that I think about it, six months more here in the Army wouldn't add much to my knowledge. I would still have the blinders on. As for a contribution for the war effort and the general cause behind it, I also realize that my contribution is very small, and in the Army there seems to be no way to expand that role.

There are only a few men who really make a difference here. A Lodge or a Lansdale cannot so easily be replaced. But I am quite dispensable here, as it seems every infantry trooper is. It would then seem to be a waste for me to stay in the Army over here beyond the end of this year. This still leaves the problem of my two years of limited knowledge. What I think I will do is this: at the end of this tour I will quit, come home for a month, and then come back to Vietnam for a month or two, that is (October, and/or November '67). I will use the time home to organize my papers and generally establish myself. The two months back here, I will get a Vietnamese, hopefully my friend, Khanh, to go with me around the country.

I want to interview people and see other parts of Vietnam before I write my book. After that I will be home for good. I hope this idea meets with your approval. I think it is a good one, all things considered.

Your loving son,

JOE PAUL.

CULVER INTRODUCES LEGISLATION TO PROVIDE SECURITY FOR HOMEOWNERS IN HIGH RISK FLOOD AREAS

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. CULVER] 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 Mississippi?

There was no objection.

Mr. CULVER. Mr. Speaker, I have introduced a measure, H.R. 3243, which would authorize a flood insurance program, operated by private carriers with Government assistance, for homeowners who live in areas with high risks of flooding.

Such a program has never been available because of the difficulty of financing a sound program at reasonable rates. As a result, hundreds of families along the Mississippi River and elsewhere in eastern Iowa, who were flooded out of their homes and suffered heavy property losses during the spring of 1965, were faced with the hard reality that they had no insurance to recover from the water damage to their property.

Fortunately for many, donations and loans from friends, charitable organizations, and Government sources were offered to them, but our experience has indicated the critical importance of providing help through a actuarily sound insurance program.

By making this investment now, we can avoid the need for greater expense in the form of relief and emergency aid, by both the Government and the private sector, when floods occur in the future.

H.R. 3243 properly places the emphasis for such a program on private insurance companies, through contracts between the National Government and individual carriers. The Government would pay the difference between reasonable premium rates and the actuarial costs to the company of providing the insurance, and would make loans to replenish reserves of the companies at times of heavy loss.

Mr. Speaker, I want to emphasize that we are not interested in entering into any kind of competition with private companies, and this bill has been written to protect against that situation. This insurance will be available only if it cannot be obtained from other sources at reasonable premium rates. Furthermore, it will be available only in specifically designated flood hazard areas where risk of damage is particularly high.

In taking this new approach to the problem of flood losses, I very strongly feel that we should begin on a manageable scale, focusing on those individuals who are most in need of this kind of security. It is for this reason that my bill would limit the insurance program to housing for from one to four families. If our experience at this level indicates that expansion would be feasible, we can then investigate the possibilities of extending it to other property.

The program would be integrated into existing private, State, and Federal efforts in disaster relief and flood control, as part of the total effort not only to provide funds for flood victims but to avoid unwise land use in high risk flood areas as well.

Mr. Speaker, I am pleased to note that a number of my colleagues, representing areas with high risks of flooding like the Second District of Iowa, have introduced similar legislation this week. Clearly, we are concerned with a national problem, and I urge prompt action by the House of Representatives so that those individual homeowners who have been victimized by these natural disasters in the past can be prepared to meet them when they occur again.

EASIER MONEY AND HOMEBUILDING

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Louisiana [Mr. BOGGS] 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 Mississippi?

There was no objection.

Mr. BOGGS. Mr. Speaker, the President's economic message gives a full assessment of the state of our economy. Last year was the most prosperous year in history for most Americans. A year when more people worked at better, steadier, higher paying jobs than ever before. It was a year when unemployment reached the lowest level in more than a decade.

The President's message calls attention to the success of economic policy in moderating the growth of demand last year when that was needed because of severe inflationary pressures. But he notes that the restraint imposed by monetary policy placed a heavy burden on construction activity, and, especially, on homebuilding in 1966.

Programs that he proposed and that Congress passed last year helped to ease the financial pressures on homebuilding. Interest rates have begun to decline. Savings have begun to flow into our thrift institutions again.

I am glad that the President has prepared a program which, if implemented, will continue to help the homebuilding industry recover. The home loan bank will be able to provide a billion dollars in advances to savings and loan associations. That will help to bridge the gap until the full effects of an easier monetary policy are felt. Sustained recovery in homebuilding requires a monetary policy which will promote a continued flow of funds to thrift institutions and an ultimate reduction in mortgage interest rates.

NEED TO REVISE SELECTIVE SERVICE SYSTEM—X

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. KASTENMEIER] 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 Mississippi?

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, the selective service defines the term "channeling" as that process through which registrants are influenced to enter and remain in study, in critical occupations, and in other activities in the national health, safety, and interest by deferment or prospect for deferment from military service.

At this point, I would like to produce the selective service paper which deals at great length with the subject of channeling:

CHANNELING

One of the major products of the Selective Service classification process is the channeling of manpower into many endeavors, occupations, and activities that are in the national interest. This function is a counterpart and amplification of the System's responsibility to deliver manpower to the armed forces in such a manner as to reduce to a minimum any adverse effect upon the national health, safety, interest, and progress. By identifying and applying this process intelligently, the System is able not only to minimize any adverse effect but to exert an effect beneficial to the national health, safety, and interest.

The line dividing the primary function of armed forces manpower procurement from the process of channeling manpower into civilian support is often finely drawn. The process of channeling by not taking men from certain activities who are otherwise liable for service, or by giving deferment to qualified men in certain occupations, is actual procurement by inducement of manpower for civilian activities which are manifestly in the national interest.

While the best known purpose of Selective Service is to procure manpower for the armed forces, a variety of related processes take place outside delivery of manpower to the active armed forces. Many of these may be put under the heading of "channeling manpower." Many young men would not have pursued a higher education if there had not been a program of student deferment. Many young scientists, engineers, tool and die makers, and other possessors of scarce skill would

not remain in their job in the defense effort if it were not for a program of occupational deferments. Even though the salary of a teacher has historically been meager, many young men remain in this job, seeking the reward of a deferment. The process of channeling manpower by deferment is entitled to much credit for the large number of graduate students in technical fields and for the fact that there is not a greater shortage of teachers, engineers, and other scientists working in activities which are essential to the national interest.

More than ten years ago, it became evident that something additional had to be done to permit and encourage development of young scientists and trained people in all fields. A million and a half registrants are now deferred as students. One reason the Nation is not in shorter supply of engineers today is that they were among the students deferred by Selective Service in previous years. Similarly, Selective Service student deferments reduced what otherwise would have developed into more serious shortages in teaching, medicine, dentistry, and every field requiring advanced study. The System has also induced needed people to remain in these professions and in industry engaged in defense activities or in the support of national health, safety, or interest.

The opportunity to enhance the national well being by inducing more registrants to participate in fields which relate directly to the national interest came about as a consequence, soon after the close of the Korean episode, of the knowledge within the System that there was enough registrant personnel to allow stringent deferment practices employed during war time to be relaxed or tightened as the situation might require. Circumstances had become favorable to induce registrants, by the attraction of deferment, to matriculate in schools and pursue subjects in which there was beginning to be a national shortage of personnel. These were particularly in the engineering, scientific, and teaching professions.

This was coupled with a growing public recognition that the complexities of future wars would diminish further the distinction between what constitutes military service in uniform and a comparable contribution to the national interest out of uniform. Wars have always been conducted in various ways but appreciation of this fact and its relationship to preparation for war has never been so sharp in the public mind as it is now becoming. The meaning of the word "service," with its former restricted application to the armed forces, is certain to become widened much more in the future. This brings with it the ever increasing problem of how to control effectively the service of individuals who are not in the armed forces.

In the Selective Service System the term "deferment" has been used millions of times to describe the method and means used to attract to the kind of service considered to be most important, the individuals who were not compelled to do it. The club of induction has been used to drive out of areas considered to be less important to the areas of greater importance in which deferments were given, the individuals who did not or could not participate in activities which were considered essential to the defense of the Nation. The Selective Service System anticipates further evolution in this area. It is promoting the process by the granting of deferments in liberal numbers where the national need clearly would benefit.

Soon after Sputnik I was launched it became popular to reappraise critically our educational, scientific, and technological inventory. Many deplored our shortage of scientific and technical personnel, inadequacies of our schools, and shortage of teachers. Since any analysis having any connection with manpower and its relation to the Nation's survival vitally involves the Selective Service System, it is well to point out that for quite some time the System had been following a policy of deferring instructors who were engaged in the teaching of mathematics and physical and biological sciences. It is appropriate also to recall the System's previously invoked practice of deferring students to prepare themselves for work in some essential activity and the established program of deferring engineers, scientists, and other critically skilled persons who were working in essential fields.

The Congress, in enacting the Universal Military Training and Service legislation declared that adequate provsions for national security required maximum effort in the fields of scentific research and development, and the fullest possible utilization of the Nation's technological, scientific, and other critical manpower resources. To give effect to this philosophy, the classifying boards of the Selective Service System defer registrants determined by them to be necessary in the national health, safety, or interest. This is accomplished on the basis of evidence of record in each individual case. No group deferments are permitted. Deferments are granted, however, in a realistic atmosphere so that the fullest effect of channeling will be felt, rather than be terminated by military service at too early a time.

Registrants and their employers are encouraged and required to make available to the classifying authorities detailed evidence as to the occupations and activities in which the registrants are engaged. It is not necessary for any registrant to specifically request deferment, but his selective service file must contain sufficient current evidence on which can be based a proper determination as to whether he should remain where he is or be made available for service. Since occupational deferments are granted for no more than one year at a time, a process of periodically receiving current information and repeated review assures that every deferred registrant continues to contribute to the overall national good. This reminds him of the basis for his deferment. The skills as well as the activities are periodically reevaluated. A critical skill that is not employed in an essential activity does not qualify for deferment.

Patriotism is defined as "devotion to the welfare of one's country." It has been interpreted to mean many different things. Men have always been exhorted to do their duty. But what that duty is depends upon a variety of variables, most important being the nature of the threat to national welfare and the capacity and opportunity of the individual. Take, for example, the boy who saved the Netherlands by plugging the dike with his finger.

At the time of the American Revolution the patriot was the so-called "embattled farmer" who joined General Washington to fight the British. The concept that patriotism is best exemplified by service in uniform has always been under some degree of challenge, but never to the extent that it is today. In today's complicated warfare when the man in uniform may be suffering far less than the civilians at home, patriotism must be interpreted far more broadly than ever before.

This is not a new thought, but it has had new emphasis since the development of nuclear and rocket warfare. Educators, scientists, engineers, and their professional organizations, during the last ten years particularly, have been convincing the American public that for the mentally qualified man there is a special order of patriotism other than service in uniform—that for the man having the capacity, dedicated service as a civilian in such fields, as engineering, the sciences, and teaching constitute the ultimate in their expression of patriotism. A large segment of the American public has been convinced that this is true.

It is in this atmosphere that the young man registers at age 18 and pressure begins to force his choice. He does not have the inhibitions that a philosophy of universal service in uniform would engender. The door is open for him as a student to qualify if capable in a skill badly needed by his nation. He has many choices and he is prodded to make a decision.

The psychological effect of this circumstantial climate depends upon the individual, his sense of good citizenship, his love of country and its way of life. He can obtain a sense of well being and satisfaction that he is doing as a civilian what will help his country most. This process encourage him to put forth his best effort and removes to some degree the stigma that has been attached to being out of uniform.

In the less patriotic and more selfish individual it engenders a sense of fear, uncertainty, and dissatisfaction which motivates him, nevertheless, in the same direction. He complains of the uncertainty which he must endure; he would like to be able to do as he pleases; he would appreciate a certain future with no prospect of military service or civilian contribution, but he complies with the needs of the national health, safety, or interest—or is denied deferment.

Throughout his career as a student, the pressure—the threat of loss of deferment—continues. It continues with equal intensity after graduation. His local board requires periodic reports to find out what he is up to. He is impelled to pursue his skill rather than embark upon some less important enterprise and is encouraged to apply his skill in an essential activity in the national interest. The loss of deferred status is the consequence for the individual who has acquired the skill and either does not use it or uses it in a nonessential activity.

The psychology of granting wide choice under pressure to take action is the American or indirect way of achieving what is done by direction in foreign countries where choice is not permitted. Here, choice is limited but not denied, and it is fundamental that an individual generally applies himself better to something he has decided to do rather than something he has been told to do.

The effects of channeling are manifested among student physicians. They are deferred to complete their education through school and internship. This permits them to serve in the armed forces in their skills rather than in an unskilled capacity as enlisted men.

The device of pressurized guidance, or channeling, is employed on Standby Reservists of which more than 2½ million have been referred by all Services for availability determinations. The appeal to the Reservist who knows he is subject to recall to active duty unless he is determined to be unavailable is virtually identical to that extended to other registrants.

The psychological impact of being rejected for service in uniform is severe. The earlier this occurs in a young man's life, the sooner the beneficial effects of pressured motivation by the Selective Service System are lost. He is labeled unwanted. His patriotism is not desired. Once the label of "rejectee" is upon him all efforts at guidance by persuasion are futile. If he attempts to enlist at 17 or 18 and is rejected, then he receives virtually none of the impulsion the System is capable of giving him. If he makes no effort to enlist and as a result is not rejected until delivered for examination by the Selective Service System at about age 23, he has felt some of the pressure but thereafter is a free agent.

This contributed to establishment of a new classification of I-Y (registrant qualified for military service only in time of war or national emergency). That classification reminds the registrant of his ultimate qualification to serve and preserves some of the benefits of what we call channeling. Without it or any other similar method of categorizing men in degrees of acceptability, men rejected for military service would be left

with the understanding that they are unfit to defend their country, even in wartime.

An unprejudiced choice between alternative routes in civilian skills can be offered only by an agency which is not a user of manpower and is, therefore, not a competitor. In the absence of such an agency, bright young men would be importuned with bounties and pirated like potential college football players until eventually a system of arbitration would have to be established.

From the individual's viewpoint, he is standing in a room which has been made uncomfortably warm. Several doors are open, but they all lead to various forms of recognized, patriotic service to the Nation. Some accept the alternatives gladly—some with reluctance. The consequence is approximately the same.

The so-called Doctor Draft was set up during the Korean episode to insure sufficient physicians, dentists, and veterinarians in the armed forces as officers. The objective of that law as to exert sufficient pressure to furnish an incentive for application for commission. However, the indirect effect was to induce many physicians, dentists, and veterinarians to specialize in areas of medical personnel shortages and to seek outlets for their skills in areas of greatest demand and national need rather than of greatest financial return.

Selective Service processes do not compel people by edict as in foreign systems to enter pursuits having to do with essentiality and progress. They go because they know that by going they will be deferred.

The application of direct methods to effect the policy of every man doing his duty in support of national interest involves considerably more capacity than the current use of indirection as a method of allocation of personnel. The problem, however, of what is every man's duty when each individual case is approached is not simple. The question of whether he can do one duty better than another is a problem of considerable proportions and the complications of logistics in attempting to control parts of an operation without controlling all of it (in other words, to control allocation of personnel without controlling where people eat, where they live, and how they are to be transported) adds to the administrative difficulties of direct administration. The organization necessary to make the decisions, even poor decisions, would, of necessity, extract a large segment of population from productive work. If the members of the organization are conceived to be reasonably qualified to exercise judgment and control over skilled personnel, the impact of their withdrawal from war production work would be severe. The number of decisions would extend into billions.

A quarter billion classification actions were needed in World War II for the comparatively limited function of the Selective Service System at that time. Deciding what people should do, rather than letting them do something of national importance of their own choosing, introduces many problems that are at least partially avoided when indirect methods, the kind currently invoked by the Selective Service System, are used.

Delivery of manpower for induction, the process of providing a few thousand men with transportation to a reception center, is not much of an administrative or financial challenge. It is in dealing with the other millions of registrants that the System is heavily occupied, developing more effective human beings in the national interest. If there is to be any survival after disaster, it will take people, and not machines, to restore the Nation.

JULY 1, 1965.

Mr. Speaker, throughout this publication, the central theme is that certain groups of people are performing services which are vital to the national interest, and therefore should not be required to serve in the Armed Forces. The Selective Service procures the manpower necessary for the maintenance of the national interest through its occupational and student deferment policy. In 1963, General Hershey admitted that the "deferment is that carrot that we have used to try to get individuals into occupations and professions that are said by those in charge of Government to be the necessary ones."

I, however, know of no conscious national decision to define the areas of greater or lesser national interest, much less that a particular goal should be pursued in the management of our Nation's vital human resources—our young men.

It appears that the Selective Service has made such a decision. The club of induction has been used to drive out of areas considered to be less important to the areas of greater importance in which deferments were given, the individuals who did not or could not participate in activities which were considered essential to the defense of the Nation.

The channeling of civilian manpower into certain deferred areas has given the Selective Service System ultimate power over the goals of our society. The unwarranted assumption by the Selective Service System that it can define the best uses for our civilian manpower on such a large and increasing scale calls for a major revision of the draft laws.

EXECUTIVE BRANCH FACES FACTS

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. MONAGAN] 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 Mississippi?

There was no objection.

Mr. MONAGAN. Mr. Speaker, in view of previous actions in December 1966, I wrote to President Johnson restating my concern for and opposition to any further tariff concession on rubber-soled footwear.

Ambassador William M. Roth, Acting Special Representative for Trade Negotiations, has replied to my letter in behalf of the President. I am gratified that Mr. Roth has agreed with my contention that the action of the Department of Treasury on February 7, 1966, concerning the determination of the American selling price as it relates to rubber-soled footwear constitutes a unilateral tariff reduction.

Ambassador Roth's stated recognition of this unilateral tariff reduction on the part of the Treasury Department, and his guarantee that the economic impact will be given full attention are reassuring to those of us who have been working for the security of domestic jobs and industry.

The text of Ambassador Roth's letter follows:

EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF THE SPECIAL REPRESENTATIVE FOR TRADE NEGOTIATIONS,
Washington, D.C., January 23, 1967.

Hon. JOHN S. MONAGAN,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN MONOGAN: Your letter to the President of December 13, 1966, has been referred to this Office for further reply. In your letter, you restate your opposition to any further tariff concessions on rubber-soled footwear. In particular, you urge that account be taken of the effect of adopting the new guidelines with respect to American selling price (ASP) and stress that the future well-being of an industry and its employees turns upon the decision whether or not to eliminate the ASP system.

With respect to the new guidelines, we agree that the decision of the Department of the Treasury concerning the determination of ASP as it relates to rubber-soled footwear constitutes a unilateral tariff reduction. I can assure you that special consideration will be given to this factor before any final decision is made with respect to rubber-soled footwear in the Kennedy Round.

With respect to the well-being of the industry, we have for some time been engaged in an intensive inquiry into the probable economic impact upon the domestic rubber-footwear industry of converting the rate based on ASP to a new equivalent rate based on normal methods of valuation and reducing the new rate by as much as 50%. In making this inquiry, we are using economic data obtained by the Tariff Commission as well as all other pertinent information available to the agencies of the Executive Branch. We have also made a special effort to have periodic meetings with representatives of the domestic industry and their counsel, in order to have the fullest understanding of the rubber-footwear industry.

I would emphasize that we are considering the question of economic impact, which is of understandable concern to you and other members of the Congress, without commitment or prejudgement. We are determined to make as objective and thorough an exploration of this issue as possible before recommending to the President whether or not the United States should offer a concession on the ASP system as it relates to rubber-soled footwear in the Kennedy Round.

I appreciate receiving your views, and I can assure you that they will be fully considered by this Office and the other agencies concerned.

Sincerely yours,

WILLIAM M. ROTH,
Acting Special Representative.

ANNIVERSARY FOR RUSK

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Connecticut [Mr. MONAGAN] 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 Mississippi?

There was no objection.

Mr. MONAGAN. Mr. Speaker, it is 6 years since Dean Rusk assumed the difficult and demanding job of Secretary of State. I think it only fitting that some mention should be made on this anniversary and some expression of appreciation offered for his devoted and dedicated service to our Nation.

A recent news column of Marquis Childs, entitled "Six Years in a Tough

Job," well expresses the sentiment that interested Americans must feel when the extent of Dean Rusk's contribution is considered.

I am happy to append Mr. Child's column to my remarks and at the same time express the hope that the Nation will long have the benefit of the service of Dean Rusk as Secretary of State:

SIX YEARS IN A TOUGH JOB

(By Marquis Childs)

WASHINGTON.—Six years and 652,478 miles after that first meeting in Palm Beach with young President-elect John F. Kennedy, Dean Rusk is still Secretary of State. The enduring qualities he has shown are loyalty, stamina, caution, modesty and a stubborn hold on what he believes to be the fundamentals of America's position of power in the world.

Rusk has been the victim—or the beneficiary, depending on the viewpoint—of peripatetic diplomacy in the pattern set by the late John Foster Dulles. He has long since passed the Dulles' record of 559,988 miles. And President Johnson is about to send him on still another tour of a large segment of the globe.

Early next month Rusk will swing around Asia. While the itinerary has not been finally determined he will go not only to several of the countries that participated in the Manila conference but others as well, including Japan. This will add perhaps another 30,000 miles to his total of 482,060 in foreign travel. The balance of the grand total is within the United States. Although the mileage exceeds that racked up by Dulles, Rusk points out that he has been out of his office fewer days, thanks to the speed of jet travel. President Johnson seems eager to send as many missionaries to Asia as he can, including former President Eisenhower, who almost certainly will not make the trip.

KEEP MOVING

Movement, to some critics it appears to be movement for the sake of movement, is becoming a dominant objective with the President himself. Shortly after his return from his Asian tour he called UN Ambassador Arthur Goldberg to the ranch in Texas for consultation. He urged Goldberg to start off within a day or two for several Western European capitals to present at the highest level the American stand in opposition to a new bombing pause that would leave the Communists free to prosecute their war without hindrance.

Only after considerable persuasion, pointing out that the General Assembly was in session, did Goldberg convince the President that the trip should be postponed. The Assembly is expected to conclude a day or two before Christmas and then presumably Goldberg will start on his rounds with a call on Pope Paul VI high on the priority list.

It is on Rusk that the burden of incessant travel falls most heavily. He shouldn't go running around the world that way, his critics say; he should stay home and direct and formulate the foreign policy of the nation. But if his chief asks him to go on these far-flung missions, then his loyalty and devotion dictate that he go without question.

This gets down to the basic concept of the office. For Rusk it is the agent to carry out policy determined by the Chief Executive as provided in the Constitution of the United States. That was his concept with Kennedy as with Kennedy's successor.

Although dulled by repetition, it is nevertheless true that the office tends to be a thankless one. The Secretary of State is the target for attacks that critics hesitate to aim at the President. He is, in short, a kind of buffer zone where the forces contending over the direction of American policy feel free to operate without restraint.

DEMANDING JOB

The six years have meant for Rusk a drain on his health. In the demands of the office he has spent virtually all the savings he had accumulated during eight years out of government as president of the Rockefeller Foundation. Every Saturday and almost every Sunday see Rusk at his imposing office in the State Dept. keeping appointments and trying to stay abreast of the flood of paper work. The same was true of George W. Ball, who recently resigned as the under secretary, frankly admitting that he was exhausted and without the resiliency the office requires.

Even sympathetic critics have said this must mean somewhere along the line a failure to reorganize the sprawling State Dept. and delegate authority. Again it is in the tradition of the Dulles era when foreign policy was contained in the Secretary's hat.

In his first press conference after returning from Manila the President said with marked acerbity that his travels had not tired him because on his plane he could sleep in a full-size bed and enjoy other advantages denied to his fellow travelers. In part this may be true. But swift changes of time, changes of climate, the constant demands of protocol take their toll.

Rusk joined the President at Manila and went with him on the balance of his tour for what purpose was never clear. Repeatedly the President praised him in extravagant terms as one of the greatest Americans who has ever lived. And that may be the reward for the well-nigh-impossible office he holds.

THE ATTACKS ON YUGOSLAV EMBASSIES AND CONSULATES

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentlewoman from New York [Mrs. KELLY] 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 Mississippi?

There was no objection.

Mrs. KELLY. Mr. Speaker, I am certain that all of us were shocked by this weekend's violent attacks on Yugoslav Embassies and consulates in North America.

The dynamiting of those facilities was a wanton act, completely contrary to everything that our Nation stands for, both at home and abroad.

Acts such as these cannot be condoned by any civilized society. The fact that outrages have been committed in the past against American diplomatic establishments and American personnel abroad does not justify them. This type of violence represents a return to the law of the jungle.

As chairman of the Subcommittee on Europe of the Committee on Foreign Affairs, I have publicly condemned all unprovoked attacks against our embassies and consulates abroad. I have made my views known to officials of countries in which such attacks have occurred. And I am ashamed to find the same type of irrational behavior occurring in my country.

If we are going to bring justice and peace to this world, we will not do it by throwing bombs into buildings occupied by foreign embassies, by organizing stone-throwing demonstrations, or by resorting to similar acts of vandalism.

I would like to express my apologies to the people of Yugoslavia and their Government for what happened here last Sunday. We are indeed distressed by it.

THE UKRAINE'S INDEPENDENCE

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GREEN] 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 Mississippi?

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Speaker, on January 22, 1918, there occurred an event in Eastern Europe which should strike a chord of sympathy in all Americans. On that day representatives of the Ukrainian people proclaimed the independence of their ancient homeland. Profiting from the weakening of the traditional great powers of that part of the world in the First World War, the Ukrainian patriots asserted for all the world to know that their country was once again a member of the family of nations.

Not since the loss of national independence in the 17th century to the rising might of the Russian Empire had there been a free Ukraine. The vulnerable geographic position, the weak defensive nature of the terrain of the Ukraine and its great wealth, had all combined to make it a prey to the ambitions of a stronger power. At that time the principle of might makes right was applied. The Ukraine passed from the international scene until the memorable day in 1918.

The events of that day are quite significant. They showed that the people of the Ukrainian nation had never accepted the principle that power was its own justification. They had never agreed in their hearts that another people should have the right to dominate their lives and try to impose their alien culture simply because the other people belonged to a more powerful nation. The declaration of January 22, 1918, was a gallant reminder that men value their national freedom and identity very highly and that they will take any opportunity to assert their claim to liberty.

This history of the Ukrainian National Republic was short lived. In 2 years a new conqueror had come out of Russia. The regime of Lenin assaulted the Ukrainian nation, and after heroic resistance, destroyed any overt signs of nationalism. The new religion of Marx had been added to the old justification of power to furnish an excuse for the incorporation of the Ukraine into the Soviet Empire.

Since the events of January 1918 showed that a foreign oppressor had not been able to obliterate the national identity of the Ukrainian people, we can assume that the hope of national freedom still exists very strongly in that unfortunate land.

Mr. Speaker, it is for this reason that I am able to say that I am convinced

that someday the people of the Ukraine will again demand that they be given the right to decide their own destiny. The example of 1918 will continue to provide an inspiration and a precedent to emmulate at some future time when the opportunity for national independence will again appear. It is with great respect that I wish today to add my voice to those of many others in commemorating the great day of the declaration of Ukrainian independence.

THE WAR ON POVERTY IS BEING WON

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. GREEN] 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 Mississippi?

There was no objection.

Mr. GREEN of Pennsylvania. Mr. Speaker, Rowland T. Moriarty, writing in the Philadelphia Bulletin on January 8, tells the story of Billy Bergen, a young man who knows for certain that the war on poverty is being won. This is because Billy—William M. Bergen, Jr., of Drexel Hill—is one of 155 young people from the Greater Philadelphia area who have already won a new place in life for themselves through the Job Corps.

Mr. Speaker, 17 months ago Billy Bergen, the eldest of 12 children, was a high school dropout who could not find any sort of steady job and faced a bleak future. Last September Billy graduated from the Parks Job Corps Center in California with honors in electronics and in manufacturing techniques. Today, he is earning $12,500 a year as an electrician's helper in the Philadelphia Navy Yard.

Mr. Speaker, Bill Bergen's amazing success story is no exception. Mr. Moriarty cites the cases of many other young men and women from the Greater Philadelphia area who have found constructive and highly productive lives for themselves through the Job Corps. They are working and earning, and are part of a society already richer because of their Job Corps training. In Billy Bergen's case, his 11 younger brothers and sisters have been tremendously inspired by his Job Corps achievement. Three have already finished high school, and the eight younger Bergen children intend to do so. And Billy is freely giving of his time to encourage and counsel other young people for whom the Job Corps could be the key to the future.

Mr. Speaker, I include Mr. Moriarty's outstanding article at this point in the RECORD, and hope that my distinguished colleagues will give it the very serious consideration it deserves.

The article follows:

JOB CORPS GRADUATES DOING WELL; FOR DROPOUTS—THE SAME OLD STORY

(By Rowland T. Moriarty)

A survey of Job Corps enrollees in the Philadelphia area last week showed that many are doing pretty well, and some—those who dropped out—not well at all.

The picture is an encouraging one for those who stay in. In some cases, they have had astonishing success, winding up with well-paying jobs and with college in the offing.

A case in point is William M. Bergen, Jr., 19, who last week carried home a stout $200.96 paycheck.

That figures out to an annual gross earning clip of $12,500 for young Bergen, oldest of 12 children in a family at 3433 Berkley av., Drexel Hill. He's an electrician's helper at the Navy Yard.

PLANS FOR COLLEGE

Billy happily went to the bank and cashed his check. Most of it stayed in the bank. A sizable sum went to his parents.

His mounting savings will pay for a planned college education. He wants a bachelor's degree in electronics. Then on for his master's. Afterwards, his own business.

Only 17 months ago, Billy Bergen couldn't buy a steady job, at minimum wage rates or even less.

He was a 17-year-old unskilled high school dropout. He had no particular ambition. His interests were those of most teenage dropouts—any $50-to-$60-a-week job. A cheap second-hand car, clothes, dates, maybe a steady girl friend.

LEARNS ABOUT THE JOB CORPS

Then one hot muggy day in July, 1965, Billy hitchhiked in to the Pennsylvania State Employment office in Upper Darby, after a frustrating round of job turndowns.

They had no openings for unskilled high school dropouts. But a kindly interested counselor told him about a new federal program just under way—the Job Corps.

The counselor sold the some-what-reluctant youngster on the potential and the opportunities the Corps offered unskilled teenagers with limited education, and the will to better themselves.

Young Bergen enrolled. He was one of the first from Delaware County.

Last September, he was graduated with honors in electronics and also in manufacturing techniques.

HANDSHAKES AWAIT HIM

He flew here from Pleasanton, Calif. He found employment managers welcoming him with big smiles and hearty handshakes. Now he was a skilled teen-ager with a high school diploma. He chose the job at the Navy Yard.

He's had two raises in four months, and he hopes for a third.

It cost Uncle Sam about $8,000 to train and educate young Billy Bergen. And, like the expanding ripples when a pebble is dropped into a pool, the benefits are aiding the whole Bergen family.

Billy Bergen is one of 155 youngsters from Greater Philadelphia—the city and four suburban counties—who have been graduated so far from the Job Corps. Seven of the graduates are young women.

PLACED IN JOBS, 124

Along with Bergen, some 124 area graduates have been placed in steady jobs. Sixteen have entered the armed services, some passing entrance tests they failed before Job Corps training.

Fourteen local graduates are attending high school or college.

Currently, 506 corpsmen from the five-county area are enrolled in training centers.

There have been 198 area dropouts from the program, most from the first year's operation of the Corps.

Created in late 1964 by Congress, at the request of President Johnson, the Job Corps has been financed by appropriations totaling $740 million through fiscal 1967. Some 82,000 young people, 16 to 21, have enrolled.

GRADUATES, 33,022

There are 33,022 graduates to date. Of this total, about 5,000 have entered the armed services, many from skilled jobs secured for them on their return.

About 3,400 have returned to school and college.

Officials say 95 percent of all graduates have been placed in either blue-collar jobs or white-collar positions at an overall scale of $1.71 an hour. Hourly wages range as high at $3.35 to $3.97—and Billy Bergen is shooting for that.

Billy's success story is paralleled in good part by many other area graduates.

Mercedes Sanchez, 19, of 2055 N. 4th st., is a high school dropout now earning $118.80 a week as a machinist at Yarway Corp., E. Mermaid lane, Chestnut Hill.

OTHER SUCCESS STORIES

Bailey F. Dean, 20, of 4391 Cresswell st., is working as a state liquor store clerk. He has his sights set on a $3-to-$4-an-hour draftsman's job, for which he was trained by the Corps.

George Barnes, 21, of 6203 Morton st., a Germantown High School graduate who completed his corps work with honors, is a $4,500-a-year bookkeeper with the Philadelphia Antipoverty Action Committee. He could earn more in private industry, but feels he can do more for the disadvantaged by working with PAAC.

Roy R. Dunning, Jr., 20, of 168 Duval st., is making more than $2 an hour as a machinist at the William M. Wilson Co., Lansdale. He is leaving for the service soon, but his job will be waiting when he comes back.

Robert Smallwood, 21, of 5822 Larchwood st., earns $110.10 as a meat handler at Cross Bros., 3550 N. Front st., with plenty of overtime available. He learned the meat cutters' trade in the corps.

WOMEN DOING WELL, TOO

Women graduates also provide achievement stories.

Miss Theresa Smith and Miss Diana Whaley are practical nurses at Frankford Hospital. Miss Ethel Curry and Miss Mary Leonard, of Fletcher st. near 26th, learned the operation of PBX and office machines in the Job Corps and are now employed by the Burroughs Co. All were high school dropouts. Miss Leonard, a dropout from Kensington High School, was singled out for honors upon graduation from the Omaha (Neb.) center.

Two area girls have won college scholarships at their centers.

Miss Minnie Walker, 18, of 5352 Webster st., a Bartram High School dropout, is learning library science at the Marquette (Mich.) center and has been speech tutoring without fee. She was given a scholarship to Northern Michigan University.

OUTLOOK BLEAK FOR DROPOUTS

Miss Yvonne Lamar, 19, of 707 N. 19th st., who dropped out of West Catholic High School for Girls, is training at the Poland Springs (Me.) center. She hopes to become a veterinarian's technician, and she has won a scholarship to the University of Maine.

A number of dropouts were interviewed in the course of the survey. Their economic outlook was a melancholy one and there seemed to be no future.

All were back making often-fruitless rounds, trying to get odd jobs or employment even at the most menial and hard occupations.

At best, they earn the going $50-to-$60-a-week for unskilled high school dropouts. Those fortunate enough to have steady work know they are low man on the totem pole, and will be laid off whenever business slacks off.

Many dropouts said homesickness caused them to leave. There were some disciplinary cases—the Job Corps is a no nonsense project, with careful screening and strict regulations.

CURE FOR HOMESICKNESS

Bill Bergen talked about his experience during a lunch break at the Navy Yard. He's working on the U.S.S. McMahan, a destroyer undergoing overhauling. He has another big paycheck going for him.

Bergen was homesick in the Job Corps too. But whenever he got homesick he thought of the job turndowns. "Then I wasn't homesick any more," he said. "And I began to mix with the staff and counselors, many of them college men. I realized what little education I really did have to face the future with.

"Now I can have all the jobs I want. I like it here at the Yard."

Today he's an example for his younger brothers and sisters. Three already have graduated from high school. A sister won a medal for an essay on the Job Corps. The eight younger children are going to finish high school, young Bergen says.

Meantime, Bergen is trying to pay the Job Corps in part for what it did for him. He speaks before youth groups about its advantages. He counsels boys and girls who are interested in enrolling. He does this without a fee.

IMPORTANCE OF THE OCEANS

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Maryland [Mr. GARMATZ] 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 Mississippi?

There was no objection.

Mr. GARMATZ. Mr. Speaker, the President today called the attention of the American people to the importance of the oceans, and I want to congratulate the President for providing a long needed emphasis in this neglected area. The seas are a part of our Nation's origin and our heritage. Yet we often forget their promise. With the enactment last year of the Marine Resources and Engineering Development Act, we now have a clear charter to relate the seas to our national security, economy, health, and welfare.

We have heard for many years of how the living resources of the sea can be tapped more effectively. I am especially gratified that the President proposes to utilize modern technology and capabilities to realize the potential of the seas and to aid our own competitive position.

The Merchant Marine and Fisheries Committee has been responsible during the past 7 years for examining all aspects of the Government-wide program in oceanography. Many Federal departments and agencies are involved, and we have wanted to be sure that neither duplication nor gaps existed in the total effort. I note from the President's budget some new initiatives in this area. Our committee now looks forward to the report that the President will shortly transmit to Congress to amplify and detail the recommendations of this special message. We will promptly review his proposals.

I commend the President for so quickly translating the statutory declaration of policy and objectives to a positive beginning.

FISHERMEN'S PROTECTIVE ACT

Mr. MONTGOMERY. 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 Mississippi?

There was no objection.

Mr. VAN DEERLIN. Mr. Speaker, California tuna fishermen are under attack in Latin America. Fishing boats engaged in operations that would be regarded as perfectly legal in most parts of the world are subject to harassment, seizure, and even hostile gunfire.

Six American vessels have been seized by Ecuador and Peru so far this month. Last year, 17 U.S. boats were the victims of seizures, detentions, and harassment in Latin American waters.

The operators of these vessels have suffered heavy financial losses as the direct result of these incidents.

Our boats are trapped by the claims of six Central and South American countries to exclusive fishing rights up to 200 miles off their coasts.

Most nations, including the United States, claim only a 12-mile limit for fishing rights. Because of the excessive demands of the Latin nations, harassment of American boats 100 miles or more offshore is not uncommon.

I am today introducing legislation to expand substantially the compensation payable under the Fishermen's Protective Act to the boatowners who sustain such damages.

The act now allows the owners to file claims with the State Department for reimbursement for the amount of the fines they are frequently forced to pay by their captors.

But no compensation is provided for the other costs involved in the forced detention of a vessel—license fees, port charges, and the loss stemming from the idleness of the ship.

The bill spells out the additional indemnities that I believe the Federal Government should assume. Besides fines, the Government would be responsible for compensating the boat operators for the actual loss of equipment and income attributable to hostile foreign actions beyond the 12-mile limit. The Government also would be required to indemnify the operators of seized boats for the costs of fees, permits, and licenses that are paid to a foreign government to secure the prompt release of a vessel and its crew.

I am strongly convinced that Congress must act to provide more realistic Federal backing for our own fishermen who, in effect, have become pawns in the internal political power struggles of several of our neighbors to the south.

I do not at this point feel that legislation requiring the reduction of the foreign aid entitlements of offending nations would provide a satisfactory answer to the problem.

Such legislation would limit the State Department's flexibility to use foreign aid as a viable instrument of our foreign policy. In addition, I have just been informed by Under Secretary of State Eugene V. Rostow that the Department will soon propose a specific program for discouraging interference with our boats on the high seas.

I shall, of course, remain open to suggestions by the American Tunaboat Association, in San Diego, and by my colleagues in the House and Senate as to other steps that may be taken to protect more adequately the rights of our fishermen.

A FORWARD-LOOKING CONSERVATION PROGRAM

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. REUSS] 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 Mississippi?

There was no objection.

Mr. REUSS. Mr. Speaker, I enthusiastically endorse the programs for conservation achievement outlined in President Johnson's message to the Congress. I am especially delighted about his request that the 90th Congress take action to establish systems of scenic rivers and trails.

The time is at hand when we should identify and preserve free-flowing stretches of our great scenic rivers before growth and development make their unspoiled beauty a dim memory.

As President Johnson pointed out in his message today, the Senate overwhelming approved a scenic rivers bill last year. I believe that the 90th Congress will give its full approval to the President's recommendation.

It is also time to establish a nationwide system of metropolitan, park, forest, and national scenic trails, as recommended by President Johnson and in a report to Congress by Secretary of Agriculture Freeman and Secretary of the Interior Udall.

The national trails study was requested in the President's natural beauty message. Walking, hiking, and bicycling are pleasures that are within reach of all our citizens. We should proceed to carry out the President's recommendations as rapidly as possible.

We need to make outdoor recreation opportunities available to all income groups. We must be especially concerned with the quality of our natural environment, especially the rivers and streams of our Nation.

The President's recommendations to establish a national scenic rivers system and a nationwide system of trails are of high priority.

The Congress should promptly approve these measures.

THE WATER POSITION OF ED C. JOHNSON

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. ASPINALL] 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 Mississippi?

There was no objection.

Mr. ASPINALL. Mr. Speaker, there is an old saying: "You cannot step into the same river twice." That saying has a poetic meaning to some—a philosophic connotation to others. But to those of

us who live in the vast arid areas of the West, that saying is the very heart of a problem—the solution to which is absolutely vital to the continued growth of seven of our 50 States.

The inexorable flow of the stream and river can literally carry away the means of livelihood and even existence of a people who have never been able to look to the skies to provide the dependable supply of water that they must have.

Someday there will be a magnificent history of the West put to paper that will revolve around man's continuing effort to meet the challenges of that great arid land and to make the mighty Colorado River a servant instead of a master. The theme of that story will not only contain the familiar element of "man against nature," but, perhaps even more importantly, man's relation to his fellow man.

Here was a mighty river with its precious water flowing to the Gulf of California while, over the years, multiplying numbers of people figuratively gathered along its banks from the headwaters to the mouth.

In addition to building the physical works to put the water to beneficial use, the men along the riverbank had to plan, discuss, and negotiate the rights to and the use of that water. Both disappointment and success have been the constant companions of this negotiation, which continues to this day. But it is important to add that both progress and defeat have combined to produce this Nation's greatest and most dedicated water statesmen.

Certainly among the most distinguished is the man who, as a member of the 1923 Colorado Legislature, voted to ratify the Colorado River compact, and today serves as the vice chairman of the Upper Colorado River Commission. I refer to the Honorable Edwin C. Johnson, former Governor of and U.S. Senator from the State of Colorado.

Governor Johnson is known the Nation over for his utter devotion to the principle of protecting the water rights of the people he has served so ably and for so long.

Mr. Speaker, because the very important Colorado River Basin bill has again been introduced in the Congress and again will be the subject of hearings before the House Interior and Insular Affairs Committee, I recommend to my colleagues the outstanding statement recently issued by Governor Johnson:

THE WATER POSITION OF ED C. JOHNSON

"No one knows it all but everyone knows something!" is one of our cherished observations. It has persuaded me to become aggressive with respect to all aspects of H.R. 4671-revised. This bill has been through the mill. It has been kicked around by the water experts of each of the seven Colorado River states for two years. Its provisions have been written and rewritten time without number and altered over and over, to fit it into the requirements of both basins of the Colorado River and each of their seven states. H.R. 4671-revised's intentions were good but it was not a good piece of legislation in the beginning. That is not true today.

Its basic purpose has been and is to expedite and expand the development of the Colorado River drainage area in the use and conservation of the water of the Colorado River. It also contemplates the importation of more than 6 million acre-feet of additional water into the fertile but desert area of the Great Southwest. It does not solve every water problem of this vast area but it proposes to take a long step towards getting the whole Colorado River area on the winning track of expanded and intensive development.

Under current Colorado River procedures the states of Colorado and Wyoming may use somewhere between a third and a fourth of the water which is produced by them in their portion of the Colorado River drainage area. The balance of their water must go down the river to Lee Ferry for the use of the lower basin states. While such an operation is strictly in accord with Supreme Court interpretations of the law respecting interstate stream flow, it should give these states an extra strong voice in the management of the Colorado River.

These interpretations began with "Wyoming v. Colorado," handed down by the Supreme Court on June 5, 1922 and which sustained the new and revolutionary doctrine of priority of water appropriations, *regardless of state boundaries*. Thus in theory California, which produces no Colorado River water at all, would be entitled to whatever Colorado River water California would put to beneficial use, ahead of any and all other states. Under our system of jurisprudence, the Supreme Court's interpretation of the law is the law! So, First in Time, First in Right, regardless of State Boundaries became the law in 1922.

Since California was the only Colorado River state planning huge irrigation projects, the new concept appeared to give her a tremendous advantage which greatly frightened the other six states. However, the cost of water development in the desert is so enormous that even California had to depend upon Federal finances. And here was the rub! California had two senators and her six neighbors had 12, so the use of Federal finances required a Federal joint venture, since California could not go it alone.

California had to have a joint venture and the six other states had to have many years of precious time before thay would be ready for construction, so a Seven State Compact became the solution and remains the solution to this day.

A serious and prolonged effort was made by the negotiators of these states and their technical assistants to divide all the water of the Colorado River System equitably among each of the seven states. But the negotiators who were exceptionally able and dedicated men serving under the greatly respected international engineer, Herbert Hoover, were not able to reach an agreement on the distribution of Colorado River water among these seven states on the basis of each state's entitlement or some other formula. The Supreme Court speaking:

"Participants (in the Compact negotiations) have stated that the negotiations would have broken up but for Mr. Hoover's proposal: that the Commission limit its efforts to a division of water between the upper basin and the lower basin, leaving to each basin the future internal allocation of its share." (Arizona v. California, 373 U.S. 566, June 3, 1963)

The seven negotiators finally adopted the Colorado River Compact, Article I:

"The major purposes of this Compact are to provide for the equitable division and apportionment of the use of the waters of the Colorado River System * * * To these ends the Colorado River Basin is divided into two basins, and an apportionment of the use of part of the water of the Colorado River System is made to each of them with the provision that further equitable apportionments may be made."

There is neither precedent in history nor in human experience similar to this turbulent River of the "Magnificent Southwest." It stands alone in a field of one, as the pioneer. Nature made it the "Mad River" of the Great American Desert and man divided it into two rivers in the hopes he might subdue it one basin at a time. They called the divided river the Upper and Lower basins. One of the basins produces all the water. The other basin thirsts for every drop of it. The total supply of its water compared with what this desert area actually needs is simply "a drop in the bucket."

Title VI of H.R. 4671-revised's bill is the project's very heart and soul. The immediate purpose of Title VI is to outline and provide a simple, effective and equitable method of delivering water produced in the mountains of Colorado and Wyoming to the lower basin states at Lee Ferry. While such an arrangement is easy to imagine, it is very difficult to arrange without terrific hardships and misgivings. Actually it is the most sensitive task imaginable. Yet this function is so vital to both the upper and lower basins that it cannot be overemphasized. The construction of Glen Canyon Reservoir and the creation of Lake Powell costing hundreds of millions of dollars had to be undertaken by the upper basin to make delivery of water to the lower basin orderly and even feasible. Glen Canyon is the vital part of the upper basin's delivery device. It is and it had to be an immense storage facility and at times it must be filled with precious water. It is silly to contend that there can be no storage in the upper basin. From time to time there must be as much as 20,000,000 acre-feet of stored water in the upper basin with most of it in Lake Powell.

In stating the major purposes of the Colorado River Compact Article I emphasizes the storage of Colorado River waters. As a practical matter in the realistic operation and the beneficial use of water for all lawful uses, storage is positively essential. The State of Colorado from the beginning has as have other western states resorted to storage wherever and whenever public water is put to beneficial use. Storage is the vital step of irrigation.

A month ago when I complained to Governor Love, Congressman Aspinall and Director Sparks about the inadequacy of Title VI, Director Sparks appointed a committee of his Advisory Board to meet with me in an effort to improve its provisions. Words fail me to express sufficient tribute to the committee's constructive work. They turned Title VI upside down and revised most of the provisions already in the measure, accepted a few of my suggestions, added some real good ones of their own and came up with a genuine masterpiece. Title VI is now the "Magna Carta" of the Colorado River, the "Declaration of Independence" of the upper basin states and their "Bill of Rights."

I am submitting herewith one additional amendment to H.R. 4671-revised which I deem very necessary. Its primary purpose is to clarify still further procedures in Title VI. We must bear in mind the absolute necessity of protecting in every way possible the certainty of upper basin water availability and we must go to whatever extremes may be required to achieve such results.

Director Sparks on December 30, 1966 said:

"If there is any one thing that the four upper basin states are agreed upon, it is the necessity for Title VI of H.R. 4671."

I am in substantial agreement with the Director's conclusion. But I believe the Supreme Court should name a Master to operate the delivery of water to the lower basin at Glen Canyon instead of employing the Secretary of Interior. He is the Supreme Czar of the lower basin and therefore has a severe conflict of interest in the delivery of water from the upper basin to the lower basin. The Secretary of Interior has a free hand in contracting hundreds of millions of dollars in water and power contracts in the lower basin and most of them are in conflict with the upper basin. The Supreme

Court has singled out the lower basin water users and the Secretary himself to not have any part in the delivery of water at Lee Ferry.

Here is my last proposed amendment. Following the words (any such officer or agency), line 20, page 2, "Sparks Amendment to H.R. 4671-revised," insert this phrase: "including the Secretary of the Interior."

The Secretary of Interior speaks eloquently of the "One River—the Colorado." That is a beautiful concept, but nearly everyone else including the United States Supreme Court identifies the very well established divisions as the upper and lower basins. However, it isn't the picturesque river which is at fault. It is the double talking Colorado River Compact which governs the river that has everyone confused. This compact is being criticized for what it does and more especially for what it does not do. Many contend that the Compact must be taken to the Supreme Court for a judicial interpretation of its alleged contradictions, ambiguities and its blunders.

In fact, H.R. 4671 in addition to clarifying Title VI also reveals the inadequacy of the Colorado River Compact and its basic unfairness. Its overall instructions and directives are to divide the water of the Colorado River equitably between the two basins but it does not do so. In this respect the current interpretation of the Compact by the lower basin is in error. The Secretary of Interior speaks glibly about the Colorado being "One River." That is a beautiful concept but the Colorado River never can return to such a status until the two basins share Colorado River water equally. To award the lower basin 7,500,000 acre-feet annually and the upper basin *what is left* was never the intention of the negotiators of the Compact. To contend that the lower basin is allocated 8,500,000 and the upper basin 7,500,000 is understandable. The lower basin's extra million acre-feet is Gila River Water and that fact was made plain when the Compact was drawn.

The Colorado River Compact has been recognized by the U.S. Supreme Court as the basic law of the Colorado River. Regardless of what individuals may think about it and say about it, we are stuck with its expressed provisions until the Supreme Court of the United States verifies them or modifies them by a down to earth interpretation. However a careful review of Article III (a) of the Colorado River Compact reveals that each basin is apportioned exclusive beneficial use of 7,500,000 acre-feet of water per annum, in perpetuity, from the Colorado River System. Paragraph (g) of Article III clarifies and emphasizes this equitable division formula between the two basins by this supporting and pertinent language:

"In the event of a desire for a further apportionment * * * it shall be the duty of the governors of the signatory states and the President of the United States forthwith, to appoint representatives, whose duty it shall be to divide and apportion *equitably* between the Upper Basin and the Lower Basin the beneficial use of the unapportioned water of the Colorado River System * * *."

Neither the upper basin representatives, the Congress of the United States, nor the Secretary of Interior has the authority and a right to settle for less. Perhaps I am not versed in the Law sufficiently to pass judgment on the venturesome and exclusive Colorado River Compact. But after trying for 44 years to understand it, I feel that many of its provisions are neither just, equitable nor reasonable. In 1922 I was elected to the Colorado Legislature. In 1923 the Colorado General Assembly ratified the "Seven State Colorado River Compact." Arizona speedily rejected it. In 1924 the Colorado General Assembly ratified the "Six State Compact." On February 24, 1944 Arizona realized her mistake of going it alone and ratified the "Seven State Compact."

In 1923 and again in 1925 I, as a freshman member of the Colorado General Assembly, I opposed Article III (d) vigorously. It provided:

"The states of the upper division will not cause the flow of the river at Lee Ferry to be depleted below an aggregate of 75,000,000 acre-feet for any period of 10 consecutive years reckoned in continuing progressive series beginning with the first day of October next succeeding the ratification of this Compact.

My argument was that the water of this extremely erratic river should be divided equally between the upper and lower basins on a year-by-year basis and that the required delivery of 75 million acre-feet on a year-by-year basis in each cycle of 10 years which actually made it a yearly requirement which did not adequately provide credit for overdelivery actually would give the lower basin unfair water priority over the upper basin. Actually that is exactly the way it has operated. Colorado's very able, very honorable, and very convincing Compact Negotiator Delph Carpenter, met my argument with this statement:

"There is no minimum or maximum requirement for any particular year. The Compact is satisfied and so are we, with the aggregate delivery of 75 million acre-feet of water during any 10-year period."

Unfortunately the Colorado Legislature officially went along with Delph Carpenter. He was an esteemed, capable and courageous water authority but he overestimated the flow of the Colorado River and that is the source of all our troubles.

In the desperate and sincere effort to develop Colorado River water numerous tragic errors have crept in. While this fact has been exasperating, yet tremendous progress has been made nevertheless. With the passage of time the conservation and use of water has grown more and still more vital. Apparently there are no limits. Congress has been patient, prudent and determined. We have now and we have had inspired Congressional leadership. The solid truth is our Congressional leadership, and I mean Wayne N. Aspinall, has been simply magnificent.

Striving for near perfection in such complicated and involved efforts as H.R. 4671-revised is a never ending task. It is only natural that differences of opinion occur and that errors may be overlooked. It requires great patience and understanding to handle such matters and we will simply have to fight them out. We must never surrender.

In constructing 4671 brick by brick, errors and mistakes keep coming to the surface. I repeat we have now and we have had in late years inspired Congressional leadership. The solid truth is that our Interior Subcommittee leadership has been terrific.

"Possession is still nine-tenths of the law." At least the greatly respected late chairman of the Compact negotiators, the Honorable Herbert Hoover, placed great stress on possession when he made this statement:

"The upper basin is protected under the Bill (Boulder Canyon Project Bill). The upper basin states have physical control of more than 80% of all of the water of the Colorado River System, therefore if California is bound by the terms of the Compact on any basis, the upper basin is fully protected. Necessarily, before any state in the upper basin could be disturbed in her use of water, a lower basin state would be obliged to be a moving party through the courts."

To me this means that the upper basin does not need to bring suit. All it needs to do under the Hoover common sense procedure is to continue to use our apportioned water and leave it to Secretary Udall, et al, to appeal to the courts. If nature under Article III(a) and (g) does not leave 75 million acre-feet at Lee Ferry, it would be the result of an Act of God and the upper basin could not be singled out for punitive action or correction since it would not be chargeable to the upper basin.

In 1956 when Congress enacted the upper basin storage project Public Law 485 the Southern California power users slipped through Section 7 of S-500. It read:

"The hydroelectric powerplants and transmission lines authorized by this act to be constructed, operated, and maintained by the Secretary shall be operated in conjunction *with other Federal powerplants*, present and potential, so as to produce the greatest practicable amount of power and energy that can be sold at firm power and energy rates, but in the exercise of the authority hereby granted he shall not affect or interfere with the operation of the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, the Boulder Canyon Project Act, the Boulder Canyon Project Adjustment Act and any contract lawfully entered unto under said Compacts and Acts. Subject to the provisions of the Colorado River Compact, neither the impounding nor the use of water for the generation of power and energy at the plants of the Colorado River Storage Project shall preclude or impair the appropriation of water for domestic or agricultural purposes pursuant to applicable state law."

Section 7 has a very narrow application but the Secretary of Interior contends it authorizes him to control the gates of Glen Canyon and open them whenever he wants to create additional energy at Lake Mead. The fact that a million acre-feet of water at Hoover Dam will produce more energy than a million acre-feet at Glen Canyon lends plausibility to his contention. But he overlooks the fact that a million acre-feet of water used at Glen Canyon to produce energy and again at Hoover, will produce more energy than if used at Hoover alone. Anyway, Section 7 is a mischief making arrangement and should be repealed by Congress.

Anyway, Title VI of H.R. 4671-revised, when enacted, will put an end to the Secretary's foolishness.

Section 1 of Public Law 485 does authorize the Secretary of Interior to construct, operate and maintain the Colorado River Storage Project but at no point nor in any degree did Public Law 485 propose, suggest, authorize or direct the Secretary to have anything whatsoever to do with the delivery of one drop of Colorado River water to the lower basin from the upper basin for domestic or agricultural uses.

The authors of Public Law 485 were not asleep at the switch as charged. When Public Law 485 was enacted its potent sections 3, 4, 7 and 9 denied the Secretary all authority to *deliver water from the upper basin to the lower basin* and left that authority undiminished with the Colorado River Compact.

And I repeat, Public Law 485, sections 3, 4, 7 and 9 specifically deny the Secretary of Interior any authority to deliver upper basin water to the lower basin under the Colorado River Compact to be used for domestic or agricultural purposes.

In denying the Secretary of Interior authority to deliver upper basin water to the lower basin for domestic and agricultural purposes, is how Public Law 485 met that responsibility. Here are the four prohibitions:

Section 3 of Public Law 485: "It is not the intention of Congress, * * * to limit, restrict, or otherwise interfere with such comprehensive development as will provide for the consumptive use by states of the Upper Colorado River Basin of waters, the use of which is apportioned to the Upper Colorado River Basin by the Colorado River Compact and to each state thereof by the Upper Colorado River Basin Compact * * *."

Section 4 of Public Law 485: "* * * All units and participating projects shall be subject to the apportionment of the use of water between the upper and lower basins

fixed in the Colorado River Compact * * *."

Section 7 of Public Law 485: "* * * He (the Secretary of Interior) shall not affect or interfere with the operation of the provisions of the Colorado River Compact, the Upper Colorado River Basin Compact, the Boulder Canyon Project Act, and any contract lawfully entered unto under said Compacts and Acts. * * * Subject to the provisions of the Colorado River Compact, neither the impounding nor the use of water for the generation of power and energy at the plants of the Colorado River Storage Project shall preclude or impair the appropriation of water for domestic or agricultural purposes pursuant to applicable state law."

Section 9 of Public Law 485: "Nothing contained in this Act shall be construed to alter, amend, repeal, construe, interpret modify or be in conflict with the provisions of * * * the Colorado River Compact * * *."

Nearly three years ago the Secretary of Interior without consulting any official of the upper basin illegally opened the headgates of the upper basin's new storage reservoir at Glen Canyon and illegally kept Lake Powell from filling to a point where it could produce power from the millions of acre-feet of water per annum which is committed to be released at Lee Ferry. At the time of this illegal action by the Secretary the upper basin was more than 15 million acre-feet ahead of its 75 million in 10 years downstream commitment.

The Secretary grabbed this water to cover up his own failure to handle the water at Lake Mead properly. He had knowledge 10 years previously that the upper basin would start filling Lake Powell in 1964 and that the secretary should be accumulating stored water in Lake Mead but instead he squandered Lake Mead water. He failed to prepare for this crisis and so the upper basin suffered the loss of millions of dollars by his incompetence.

On December 30, 1966 Director Sparks made the following report to his Colorado Water Board:

"After the enactment of the Colorado River Storage Project Act, the Secretary adopted "General principles to govern, and operating criteria for, Glen Canyon Reservoir (Lake Powell) and Lake Mead during the Lake Powell filling period." The upper basin states, and the State of Colorado in particular, objected to the adoption of these principles, upon the following grounds:

"1. That they gave preference to the generation of power at Hoover Dam to the detriment of the Upper Colorado River Basin Fund.

"2. That funds appropriated to the Upper Colorado River Basin Fund were being improperly diverted to the lower basin payment for so-called power deficiencies at Hoover Dam.

"3. That no provision was made to accumulate holdover storage in Glen Canyon which would be necessary to permit us to make our Compact delivery at Lee Ferry while still making our full Compact use of water in the upper basin.

"As a result of our protest, the Secretary did make some modification in the filling criteria. However, this modification, although improving the situation somewhat, did not answer all of our objections. We have bided our time and there is now contained in Title VI of H.R. 4671 provisions for our protection which we have never been able to accomplish heretofore."

Secretary Udall has been opposed to the early development of Colorado, Utah and Wyoming shale oil. It is reported that someday he will make plans to produce shale oil. He is also dragging his feet on the importation of water into the Colorado River Basin. Public power is his passion and politics is his medium of exchange. He isn't for anyone except Stewart Udall. He isn't against anyone except the upper basin.

Every school boy knows that ours is a government of divided powers and that Congress is supposed to assume the exclusive policymaking prerogative, and that the executive branch has been assigned only the administrative function. That is, everyone in Washington knows this, except the Interior Department. Here the politically motivated Secretary and most of his top politically motivated Department colleagues have not been content to confine their attention to administrative activities, leaving policy determinations to the Congress where it belongs. Somehow or other they have gotten the idea that they are the *Government*. It is nothing less than open warfare against our form of government for the Interior Department to attempt to strip and usurp the policymaking powers of Congress. Of course, the Congress ought to have sufficient backbone to resist such an invasion but it is not easy for a congressman to oppose the terrific political power of the Executive Branch.

ED C. JOHNSON,
Vice Chairman, Upper Colorado River Commission.
JANUARY 20, 1967.

FEDERAL MOTOR INSURANCE GUARANTY CORPORATION

Mr. MONTGOMERY. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. FARBSTEIN] 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 Mississippi?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, on Thursday, January 26, together with others of my colleagues, I introduced a bill to establish a Federal Motor Insurance Guaranty Corporation. At the time of introduction, the following release, giving in concise language the purposes of the legislation, was introduced:

Congressman Leonard Farbstein (D-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.

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 by Senator Thomas J. Dodd, and co-sponsored 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 Congressman 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 Congressman expressed the belief that the Federal guaranty and examination system proposed in the bill would be an essential first step in the protection of the public. He 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 Congressman, "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", he said.

Mr. Speaker, in 1944 the Supreme Court ruled that the insurance business was subject to full Federal regulation and taxation under the interstate commerce clause of the Constitution. In 1945 the McCarren-Ferguson Act returned to the individual States the power to regulate and tax the insurance business. This legislative history makes it clear that this was a conditional delegation of power to the States.

In 1966, nearly $9 billion in premiums were paid by approximately 100 million drivers of over 80 million motor vehicles. The Interstate Highway System allows our citizens the opportunity to drive from State to State. They should be able to do so with guaranteed protection from financial loss.

The proposed Guaranty Corporation, however, is not enough by itself. Such other 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, require a thorough probing.

The automobile has become a necessary form of transportation to most American families. Automobile liability insurance is likewise a necessity. To make sure that the general public is fully protected, a good, hard look must be taken to determine whether other Federal legislation is necessary.

A BILL TO AMEND THE MENTAL RETARDATION FACILITIES CONSTRUCTION ACT

Mr. MONTGOMERY. 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 Mississippi?

There was no objection.

Mrs. MINK. Mr. Speaker, I am today introducing a bill to make it possible for Federal funds to be used for special classrooms and facilities for education of the mentally retarded. The bill is designed to amend the Mental Retardation Facilities Construction Act, which at present authorizes grants for facilities used in diagnosis, treatment, and care of the mentally retarded in special institutions. Educational services can be provided in these institutions, but no Federal aid is presently available for construction of classrooms and buildings solely for the education of the mentally retarded.

Of the more than 5 million mentally retarded persons in the United States, the vast majority are educable and do not need institutionalized care. Most of such youngsters could easily be integrated into existing schools, if funds are authorized for their special needs. While many thousands of these children are enrolled in the Nation's schools now, the available facilities are woefully short of meeting the need. With a nationwide shortage of regular classrooms, school administrators are understandably hard put to find the additional space for special services needed by mentally retarded children. Recognizing that most of these children could fit into the regular school environment with little difficulty, I am deeply concerned that we are not at present providing them with the opportunity to be educated.

Mr. Speaker, we are overlooking our obligation as a nation to provide learning experiences for thousands and thousands of individuals, who by our neglect are condemned to the role of passive onlookers in a society whose benefits and challenges they are capable of sharing. Since educators are willing to integrate the mentally retarded into the school community, it becomes a matter of urgent necessity that we do not delay in providing the means whereby this can be accomplished.

THE LATE HONORABLE CHARLES A. BUCKLEY

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

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

There was no objection.

Mr. DULSKI. Mr. Speaker, I join with thousands of my fellow New Yorkers and scores of his former colleagues in this Congress in paying tribute to the memory of Charles A. Buckley, who passed away last week.

It has been said, aptly and truly, that with the death of Mr. Buckley an era in our American political history has ended. His memory will endure, I am certain, for even before his death, researchers and writers in political science, sociology, and the histories of New York and the Nation were delving into his career. These students will discover a virile, fascinating personality that added to the color and legends of our history.

Charles Buckley had his foes and critics as any man in public life must have, if he takes and maintains positions on issues of his time. He was frankly partisan and contributed greatly to the clash of opinion and dialog which must be, if we are to keep a strong, working democracy. He was a practitioner of politics, concerned with "what is," not with "what ought to be."

He came to this House in 1934 when the New Deal was attempting to relieve unemployment and economic distress by a program of public works. Mr. Buckley brought great gifts and talents, and gave immediate and immeasurable advice for these programs. His membership and chairmanship of the Public Works Committee resulted in vast improvements to our country itself. His monuments are everywhere in highways, flood control projects, and conservation.

A more enduring monument is the regard and affection in the minds and hearts of many thousands who were recipients of his charity and wise counsel.

I extend my deepest sympathy to his wife and family.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. RUMSFELD (at the request of Mr. ARENDS), for January 30 and 31, 1967, on account of attendance at the Ditchley Conference in England.

Mr. FRASER (at the request of Mr. ALBERT), for the week of January 30, on account of official business—NATO Conference.

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. ANNUNZIO, for 5 minutes, today; and to revise and extend his remarks.

Mr. PELLY, for 15 minutes, today; to revise and extend his remarks and include extraneous matter.

Mr. FINDLEY, for 30 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. LAIRD, for 1 hour, on Wednesday next, February 8; and to revise and extend his remarks and include extraneous matter.

Mr. CURTIS, for 1 hour, today.

Mr. GOODELL (at the request of Mr. DICKINSON), for 60 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. QUILLEN (at the request of Mr. DICKINSON), for 30 minutes, today; to revise and extend his remarks and to include extraneous matter.

Mr. BATES (at the request of Mr. DICKINSON), for 60 minutes, on February 7; 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:

(The following Members (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. ST. ONGE.
Mr. ROYBAL.
Mr. HOWARD.
Mrs. SULLIVAN.
Mr. EVINS of Tennessee.
Mr. BENNETT.
Mr. WRIGHT.
Mr. YATES.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 56 minutes p.m.), the House adjourned until tomorrow, Tuesday, January 31, 1967, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

286. A letter from the Comptroller General of the United States, transmitting a report on an examination of financial statements of the Federal Crop Insurance Corporation, Department of Agriculture, for the fiscal year ended June 30, 1966, pursuant to the provisions of section 513 of the Federal Crop Insurance Act of 1938, as amended (7 U.S.C. 1513), and the Government Corporation Control Act (31 U.S.C. 850, 851) (H. Doc. No. 46); to the Committee on Government Operations and ordered to be printed.

287. A letter from the Under Secretary of the Air Force, transmitting a draft of proposed legislation to amend title 37, United States Code, to extend the authority to pay basic allowances for quarters and dislocation allowances to members of the uniformed services without dependents; to the Committee on Armed Services.

288. A letter from the Acting Director, Office of Civil Defense, Department of the Army, transmitting a report on property acquisitions of emergency supplies and equipment for the quarter ending December 31, 1966, pursuant to the provisions of subsection 201(h) of the Federal Civil Defense Act of 1950, as amended; to the Committee on Armed Services.

289. A letter from the Acting Secretary of the Navy, transmitting a copy of an agreement between the Department of the Navy and the Standard Oil Co. of California, for the calendar year 1966, pursuant to section 7424(b) of title 10, United States Code; to the Committee on Armed Services.

290. A letter from the Under Secretary of the Navy, transmitting a report showing the number of officers in the grade of lieutenant commander who are entitled to incentive pay, pursuant to 37 U.S.C. 301(g), for the period July to December 1966; to the Committee on Armed Services.

291. A letter from the Deputy Administrator, Veterans' Administration, transmitting a report on the disposal of foreign excess property for the period January 1, 1966, through December 31, 1966; pursuant to the provisions of Public Law 152, 81st Congress, as amended; to the Committee on Government Operations.

292. A letter from the Executive Director, Advisory Commission on Intergovernmental Relations, transmitting the eighth annual report, pursuant to section 5(3) of Public Law 86-380; to the Committee on Government Operations.

293. A letter from the Director, Bureau of Land Management, Department of the Interior, transmitting a report of negotiated sales contracts for disposal of materials, for the period July 1 through December 31, 1966, pursuant to 76 Stat. 587; to the Committee on Interior and Insular Affairs.

294. A letter from the Assistant Attorney General for Administration, U.S. Department of Justice, transmitting a report of the claims paid by the Department through June 30, 1966, pursuant to the Military Personnel and Civilian Employees' Claims Act of 1964, as amended; to the Committee on the Judiciary.

295. A letter from the Director, Administrative Office of the U.S. Courts, a draft of proposed legislation to amend chapter XI of the Bankruptcy Act to give the court supervisory power over all fees paid from whatever source; to the Committee on the Judiciary.

296. A letter from the Federal Bureau of Investigation, U.S. Department of Justice,

transmitting a report with respect to positions in the Federal Bureau of Investigation in grades 16, 17, and 18; pursuant to the provisions of 5 U.S.C. A. 5114; to the Committee on Post Office and Civil Service.

297. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the annual report showing the duties of GS-17 positions, pursuant to section 5114(a), title 5, United States Code, for the year 1966; to the Committee on Post Office and Civil Service.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ROGERS of Colorado:

H.R. 4069. A bill to amend the Sherman Antitrust Act (15 U.S.C. 1 et seq.) to provide that exclusive territorial franchises, under limited circumstances, shall not be deemed a restraint of trade or commerce or a monopoly or attempt to monopolize, and for other purposes; to the Committee on the Judiciary.

By Mr. GOODELL:

H.R. 4070. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. BUTTON:

H.R. 4071. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. CEDERBERG:

H.R. 4072. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. CRAMER:

H.R. 4073. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. GERALD R. FORD:

H.R. 4074. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mrs. MAY:

H.R. 4075. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. MILLER of Ohio:

H.R. 4076. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. ROUDEBUSH:

H.R. 4077. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. STANTON:

H.R. 4078. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. WYDLER:

H.R. 4079. A bill to provide appropriations for sharing of Federal taxes with States and their political subdivisions out of funds derived from a cutback in projected new expansion of grant-in-aid programs and as a substitute for portions of existing grant-in-aid expenditures; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 4080. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mrs. BOLTON:

H.R. 4081. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 4082. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 4083. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. CHAMBERLAIN:

H.R. 4084. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. DUNCAN:

H.R. 4085. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. FINO:

H.R. 4086. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. HARSHA:

H.R. 4087. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. KEITH:

H.R. 4088. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. SCOTT:

H.R. 4089. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. STEIGER of Wisconsin:

H.R. 4090. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. ZION:

H.R. 4091. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. ADDABBO:

H.R. 4092. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. ASHMORE:

H.R. 4093. A bill to amend part B of title XVIII of the Social Security Act to include prescribed drugs among the items and services covered under the supplementary medical insurance program for the aged; to the Committee on Ways and Means.

By Mr. BERRY:

H.R. 4094. A bill to amend title 18 of the United States Code to prohibit travel or use of any facility in interstate or foreign commerce with intent to incite a riot or other violent civil disturbance, and for other purposes; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.R. 4095. A bill to establish a U.S. Committee on Human Rights to prepare for participation by the United States in the observance of the year 1968 as International Human Rights Year, and for other purposes; to the Committee on Foreign Affairs.

H.R. 4096. 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.

H.R. 4097. A bill to amend the Social Security Act to provide for expansion and development of social work manpower training; to the Committee on Ways and Means.

H.R. 4098. A bill to amend title II of the Social Security Act to provide monthly insurance benefits for certain dependent parents of individuals entitled to old-age or disability insurance benefits; to the Committee on Ways and Means.

H.R. 4099. A bill to amend title II of the Social Security Act and the Internal Revenue Code of 1954 to provide that an individual 65 years of age or over may elect to treat services performed by him as noncovered (and exempt from tax) for social security purposes; to the Committee on Ways and Means.

H.R. 4100. A bill to amend title II of the Social Security Act to provide that a survivor beneficiary shall not lose his or her entitlement to benefits by reason of a marriage or remarriage which occurs after he or she attains age 62; to the Committee on Ways and Means.

By Mr. BROOMFIELD:

H.R. 4101. A bill to provide that certain aircraft may travel between the United States and Canada without requiring the owners or operators thereof to reimburse the United States for extra compensation paid customs officers and employees; to the Committee on Ways and Means.

By Mr. BROWN of California:

H.R. 4102. A bill to amend the Railroad Retirement Act of 1937 to provide that an individual's entitlement to retirement benefits under that act or the Social Security Act while he or she is entitled to dependent's or survivor's benefits under the other such act shall not operate to prevent any increases in his or her benefits under the 1937 act which would otherwise result under the so-called social security minimum guarantee provision; to the Committee on Interstate and Foreign Commerce.

By Mr. BYRNE of Pennsylvania:

H.R. 4103. 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 with a period of 1 to 5 years; to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 4104. A bill to amend title XVIII of the Social Security Act to provide payment for optometrists' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

H.R. 4105. A bill to assist small business and persons engaged in small business by allowing a deduction, for Federal income tax

purposes, for additional investment in depreciable assets, inventory, and accounts receivable; to the Committee on Ways and Means.

By Mr. DENNEY:

H.R. 4106. A bill to amend title 38 of the United States Code in order to promote the care and treatment of veterans in State veterans' homes by increasing the amount of the payments which may be made by the Veterans' Administration for the care of certain veterans in State veterans' homes; to the Committee on Veterans' Affairs.

By Mr. DONOHUE:

H.R. 4107. A bill to establish a system for the sharing of certain Federal tax receipts with the States; to the Committee on Ways and Means.

H.R. 4108. A bill to amend the Internal Revenue Code of 1954 to provide an income tax deduction for certain expenses of attending colleges and universities; to the Committee on Ways and Means.

By Mr. EDWARDS of Alabama:

H.R. 4109. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 4110. A bill to make the provisions of section 232(b) of the Trade Expansion Act of 1962 inapplicable to propane gas; to the Committee on Ways and Means.

By Mr. FINO:

H.R. 4111. A bill to amend title 38, United States Code, to increase the amount payable on burial and funeral expenses; to the Committee on Veterans' Affairs.

By Mr. GIBBONS:

H.R. 4112. A bill to improve the payroll administration of the House of Representatives, and for other purposes; to the Committee on House Administration.

By Mr. GONZALEZ:

H.R. 4113. A bill to amend the Disaster Relief Act of 1966 to provide for a Federal program of flood insurance; to the Committee on Public Works.

By Mr. HARRISON:

H.R. 4114. 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. HATHAWAY:

H.R. 4115. A bill to assist the domestic commercial fishing industry through the construction of three advanced-design factory fishing vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. HERLONG:

H.R. 4116. A bill to amend title 38 of the United States Code to provide a special pension for veterans of World War I and their widows; to the Committee on Veterans' Affairs.

By Mr. HOWARD:

H.R. 4117. A bill to establish the Sandy Hook National Seashore in the State of New Jersey, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. JONES of Missouri:

H.R. 4118. A bill to amend section 503 of title 38 of the United States Code so as to provide that certain social security benefits may be waived and not counted as income under that section; to the Committee on Veterans' Affairs.

By Mr. KARSTEN:

H.R. 4119. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

By Mr. KING of New York:

H.R. 4120. A bill to permit an individual to obtain coverage under title II of the Social Security Act on the basis of service which was not covered employment at the time it was performed, if service of that type has since become covered employment and such individual makes payment of the applicable social security taxes; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 4121. A bill to amend title 18 of the United States Code to protect the constitutional rights of mentally incompetent persons committed thereunder, and for other purposes; to the Committee on the Judiciary.

By Mr. McFALL:

H.R. 4122. A bill to establish certain policies with respect to certain use permits for national forest lands; to the Committee on Agriculture.

H.R. 4123. A bill to amend title XVIII of the Social Security Act to provide payment for optometrists' services under the program of supplementary medical insurance benefits for the aged; to the Committee on Ways and Means.

By Mrs. MAY:

H.R. 4124. A bill to provide for a comprehensive review of national water resource problems and programs, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MILLER of California:

H.R. 4125. A bill to reclassify certain positions in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4126. A bill to provide for improved employee-management relations in the Federal service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4127. A bill to promote and foster the development of a modern merchant marine by encouraging the orderly replacement and modernization of merchant vessels, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. MONTGOMERY:

H.R. 4128. A bill to amend the Appalachian Act of 1965; to the Committee on Public Works.

By Mrs. MINK:

H.R. 4129. A bill to amend the Mental Retardation Facilities Construction Act in order to permit the construction of classrooms under that act; to the Committee on Interstate and Foreign Commerce.

By Mr. MORSE of Massachusetts:

H.R. 4130. A bill to provide for the inclusion of certain costs in code enforcement programs undertaken pursuant to section 117 of the Housing Act of 1949 in Lowell, Mass.; to the Committee on Banking and Currency.

By Mr. NATCHER:

H.R. 4131. A bill to amend the Civil Service Retirement Act to provide for the inclusion in the computation of accredited service of certain periods of service rendered States or instrumentalities of States, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4132. A bill to extend certain benefits to persons who served in the Armed Forces of the United States in Mexico or on its borders during the period beginning May 9, 1916, and ending April 6, 1917, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. O'HARA of Illinois:

H.R. 4133. A bill to establish a Commission on Trading Stamp Practices to provide for the regulation of trading stamp companies, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. OLSEN:

H.R. 4134. A bill to adjust the rates of basic compensation of certain employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4135. 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.

By Mr. OTTINGER:

H.R. 4136. A bill to amend the Internal Revenue Code of 1954 to provide for an amortization deduction and an increased tax credit for certain underground electric transmission lines, and for other purposes; to the Committee on Ways and Means.

By Mr. PELLY:

H.R. 4137. A bill to provide for scenic development and road beautification of the Federal-aid highway system; to the Committee on Public Works.

By Mr. PIRNIE:

H.R. 4138. A bill to amend the joint resolution designating June 14 of each year as Flag Day (37 U.S.C. 157) to provide appropriate recognition of the Pledge of Allegiance to the Flag and its author, Francis Bellamy; to the Committee on the Judiciary.

By Mr. REIFEL:

H.R. 4139. A bill to amend the Internal Revenue Code of 1954 to allow an incentive tax credit for a part of the cost of constructing or otherwise providing facilities for the control of water or air pollution, and to permit the amortization of such cost within a period of from 1 to 5 years; to the Committee on Ways and Means.

By Mr. ROBISON:

H.R. 4140. A bill to amend the Communications Act of 1934 to extend and enlarge the program of grants for educational television broadcasting facilities; to the Committee on Interstate and Foreign Commerce.

By Mr. ROGERS of Florida:

H.R. 4141. A bill to authorize a program of research, development, and demonstration of electrically powered vehicles; to the Committee on Interstate and Foreign Commerce.

By Mr. STAFFORD:

H.R. 4142. A bill to provide for a flat fee for services performed in connection with the arrival in, or departure from, the United States of a private aircraft or private vessel, and for other purposes; to the Committee on Ways and Means.

By Mr. ULLMAN:

H.R. 4143. A bill to provide for the payment of debt service construction charges, and increased operation and maintenance charges when irrigable lands are taken for nonagricultural uses under Federal programs; to the Committee on Interior and Insular Affairs.

By Mr. WYATT:

H.R. 4144. A bill to provide that no further sales may be made under the Participation Sales Act of 1966; to the Committee on Banking and Currency.

By Mr. FINO:

H.R. 4145. A bill to amend title III of the National Housing Act to provide that the Federal National Mortgage Association may sell participations only if limited to Federal Housing Administration insured and Veterans' Administration insured or guaranteed mortgages; to the Committee on Banking and Currency.

H.R. 4146. A bill to provide that securities issued under the Participation Sales Act of 1966 shall be obligations guaranteed as to principal and interest by the United States; to the Committee on Banking and Currency.

H.R. 4147. A bill to prohibit the sale of participations to Federal agencies, trust funds, and instrumentalities; to the Committee on Banking and Currency.

H.R. 4148. A bill to prohibit the sale of participations bearing interest rates in excess of one-half of 1 percentage point above the 4¼-percent maximum interest rate specified for long-term bonds of the United States in the first section of the Second Liberty Bond Act (31 U.S.C. 752); to the Committee on Banking and Currency.

By Mr. JONES of Alabama:

H.R. 4149. A bill for the relief of the Colbert County Board of Education; to the Committee on the Judiciary.

By Mr. OTTINGER:

H.R. 4150. A bill to authorize a program of research to determine the effect of overhead

electric transmission lines upon the health and welfare of citizens, community planning and zoning, real estate values and tax revenues, and the natural beauty of our country; to the Committee on Interstate and Foreign Commerce.

H.R. 4151. A bill to authorize a program of research and development to encourage the use of underground transmission of electrical power and to undertake projects to evaluate and demonstrate the economical and technical feasibility of such transmission; to the Committee on Interstate and Foreign Commerce.

By Mr. STAFFORD:

H.R. 4152. A bill to control unfair trade practices affecting producers of agricultural products and associations of such producers, and for other purposes; to the Committee on Agriculture.

By Mr. VAN DEERLIN:

H.R. 4153. A bill to amend the act of August 27, 1954, relating to the seizure of vessels of the United States by foreign countries; to the Committee on Merchant Marine and Fisheries.

By Mr. WRIGHT:

H.R. 4154. 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.

By Mr. BARRETT:

H.J. Res. 225. 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. BELCHER:

H.J. Res. 226. Joint resolution to designate Monday, October 4, 1967 (and each succeeding first Monday in October) as Free Enterprise Day; to the Committee on the Judiciary.

By Mr. BINGHAM:

H.J. Res. 227. Joint resolution to designate Columbus Day, the 12th day of October in each year, a legal holiday; to the Committee on the Judiciary.

By Mr. BROCK:

H.J. Res. 228. 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. DONOHUE:

H.J. Res. 229. 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. HICKS:

H.J. Res. 230. 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. MILLER of California:

H.J. Res. 231. Joint resolution proposing a national education policy; to the Committee on Education and Labor.

By Mr. ST. ONGE:

H.J. Res. 232. Joint resolution proposing an amendment to the Constitution of the United States to provide that the right to vote shall not be denied on account of age to persons who are 18 years of age or older; to the Committee on the Judiciary.

By Mr. WYATT:

H.J. Res. 233. Joint resolution to authorize and direct the Secretary of the Interior to conduct a survey of the coastal and freshwater commercial fishery resources of the United States, its territories and possessions; to the Committee on Merchant Marine and Fisheries.

By Mr. OTTINGER:

H.J. Res. 234. Joint resolution 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; to the Committee on Interstate and Foreign Commerce.

By Mr. KING of New York:

H. Con. Res. 111. Concurrent resolution proposing the recognition of the village of Whitehall, Washington County, N.Y., as the birthplace of the U.S. Navy; to the Committee on the Judiciary.

By Mr. PATMAN:

H. Con. Res. 112. Concurrent resolution providing for printing volumes 1 and 2 of the document, "State and Local Public Facility Needs and Financing"; to the Committee on House Administration.

By Mr. ROGERS of Florida:

H. Con. Res. 113. Concurrent resolution expressing the sense of the Congress with respect to the settlement of the indebtedness of the French Republic to the United States made by the World War Foreign Debt Commission and approved by the President; to the Committee on Ways and Means.

H. Res. 192. Resolution to amend the Rules of the House of Representatives; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally read as follows:

By Mr. ADAIR:

H.R. 4155. A bill for the relief of Mrs. Norma Y. Teixeira, her husband, and their minor unmarried children, and Mrs. Greta Teixeira, her husband, and their minor unmarried children; to the Committee on the Judiciary.

H.R. 4156. A bill for the relief of Ki Ha Shin; to the Committee on the Judiciary.

By Mr. ADDABBO:

H.R. 4157. A bill for the relief of Ruel Longmore; to the Committee on the Judiciary.

H.R. 4158. A bill for the relief of Giuseppe Vivona; to the Committee on the Judiciary.

By Mr. ADDABBO (by request):

H.R. 4159. A bill for the relief of Teresina Fara; to the Committee on the Judiciary.

By Mr. BENNETT:

H.R. 4160. A bill for the relief of Benjamin Visaya Caoile; to the Committee on the Judiciary.

By Mrs. BOLTON:

H.R. 4161. A bill for the relief of Theodora Manafis; to the Committee on the Judiciary.

By Mr. BROWN of California:

H.R. 4162. A bill for the relief of Kyoko Sugita; to the Committee on the Judiciary.

By Mr. BURTON of California:

H.R. 4163. A bill for the relief of Leonardo Capirone and his wife, Tonino Iolanda Capirone; to the Committee on the Judiciary.

H.R. 4164. A bill for the relief of Stavros Constantin Thomaidis and his wife, Helena Stavrov Thomaidis; to the Committee on the Judiciary.

By Mr. CLANCY:

H.R. 4165. A bill for the relief of Alberto Martin (Gomez); to the Committee on the Judiciary.

By Mr. CORMAN:

H.R. 4166. A bill for the relief of Adele Romanelli; to the Committee on the Judiciary.

By Mr. CRAMER:

H.R. 4167. A bill for the relief of Dr. Katerina K. Haka; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 4168. A bill for the relief of Dr. Vali Khairollahi; to the Committee on the Judiciary.

H.R. 4169. A bill for the relief of Mrs. Tomris Zeliha Ozdil and her minor daughter Umit Sükriye Balim; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4170. A bill for the relief of Giuseppe Fico; to the Committee on the Judiciary.

H.R. 4171. A bill for the relief of Gaetano De Simone; to the Committee on the Judiciary.

H.R. 4172. A bill for the relief of Angela Maria Costanza; to the Committee on the Judiciary.

H.R. 4173. A bill for the relief of Antonino Cruciata; to the Committee on the Judiciary.

H.R. 4174. A bill for the relief of Ettore Favazzi; to the Committee on the Judiciary.

H.R. 4175. A bill for the relief of Phyllis Mayers; to the Committee on the Judiciary.

H.R. 4176. A bill for the relief of Francesco Fidelio and Concettina Fidelio; to the Committee on the Judiciary.

H.R. 4177. A bill for the relief of Giorgio Villaraut; to the Committee on the Judiciary.

H.R. 4178. A bill for the relief of Salvatore and Anastasia Li Vigni; to the Committee on the Judiciary.

H.R. 4179. A bill for the relief of Estafano Giannareas; to the Committee on the Judiciary.

H.R. 4180. A bill for the relief of Antonino Asaro; to the Committee on the Judiciary.

H.R. 4181. A bill for the relief of Maria Gambino; to the Committee on the Judiciary.

H.R. 4182. A bill for the relief of Giuseppa Constantino; to the Committee on the Judiciary.

H.R. 4183. A bill for the relief of Natale Grippe; to the Committee on the Judiciary.

H.R. 4184. A bill for the relief of Leonardo Bullaro; to the Committee on the Judiciary.

By Mr. GALLAGHER:

H.R. 4185. A bill for the relief of Wanda Donderowicz; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 4186. A bill for the relief of Vito Barresi; to the Committee on the Judiciary.

H.R. 4187. A bill for the relief of Nicola, Vera, Franco, and Ezio Milella; to the Committee on the Judiciary.

By Mr. HAMILTON:

H.R. 4188. A bill authorizing the President of the United States to award posthumously Congressional Medals of Honor to Lt. Col. Virgil I. Grissom, Lt. Col. Edward H. White, II, and Lt. Comdr. Roger B. Chaffee; to the Committee on Armed Services.

By Mr. HUTCHINSON:

H.R. 4189. A bill for the relief of Sara Khalil Mohamed, Osmand Mohamed, her husband, and Hassan Mohamed, her son; to the Committee on the Judiciary.

By Mr. JONES of Alabama:

H.R. 4190. A bill for the relief of Aaron Bailey; to the Committee on the Judiciary.

By Mr. JONES of North Carolina:

H.R. 4191. A bill for the relief of Hye Huk Paeng; to the Committee on the Judiciary.

By Mr. O'HARA of Illinois:

H.R. 4192. A bill for the relief of Vukosava Nikcevic; to the Committee on the Judiciary.

By Mr. PHILBIN:

H.R. 4193. A bill for the relief of Denbigh T. Hernandez and Mrs. Ruby M. Hernandez; to the Committee on the Judiciary.

By Mr. REES:

H.R. 4194. A bill for the relief of Natan Pupko; to the Committee on the Judiciary.

H.R. 4195. A bill for the relief of Jin-Fu Hwang; to the Committee on the Judiciary.

By Mr. REINECKE:

H.R. 4196. A bill for the relief of Nicola Di Nallo; to the Committee on the Judiciary.

By Mr. ROGERS of Florida:

H.R. 4197. A bill for the relief of Dr. Harry Charles Ruche; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 4198. A bill for the relief of Brussel Folder; to the Committee on the Judiciary.

H.R. 4199. A bill for the relief of Jose Jesus Villalobos; to the Committee on the Judiciary.

H.R. 4200. A bill for the relief of Irfan Mavruk; to the Committee on the Judiciary.

H.R. 4201. A bill for the relief of Joseph Benrubi; to the Committee on the Judiciary.

By Mr. RUPPE:

H.R. 4202. A bill for the relief of James Papadakis; to the Committee on the Judiciary.

By Mr. TEAGUE of California:

H.R. 4203. A bill for the relief of Pedro Velasquez Espinoza; to the Committee on the Judiciary.

By Mr. UTT:

H.R. 4204. A bill for the relief of Eric Azariah; to the Committee on the Judiciary.

H.R. 4205. A bill for the relief of Ozhan (Mike) Simsek, Gungor Simsek, and Omer Simsek; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

19. The SPEAKER presented a petition of the president, National Association for Retarded Children, New York, N.Y., relative to the death of the Honorable John E. Fogarty, which was referred to the Committee on House Administration.

SENATE

MONDAY, JANUARY 30, 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:

Our Father God: Thou dost so fill all things with Thy glory, that earth and sky and sea but thinly veil Thy presence.

For the beauty which covers the earth, for the love which hallows our homes, for the joy which springs from work worthy of our best, we thank Thee—the source of all pure gladness.

As we bow before Thee, open our eyes, we pray, to the faults and failings which mar the life of our Republic. Make us conscious of the evils in ourselves that we so readily condemn in others. Make us tall enough for these testing days. Cast out our pride—national, racial, and personal. Join us to those who labor to bring sense and system to this disordered globe: and grant that our eyes may yet look upon a world that will have found a path leading to the plains of peace, universal and righteous.

In the name of the Prince of Peace, we ask it. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, January 26, 1967, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Jones, one of his secretaries.

AIR POLLUTION, HIGHWAY SAFETY AND BEAUTY, DEVELOPMENT OF RESOURCES, WATER, AND ENDOWMENT OF NATURE—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 47)

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the message from the President on pollution of the air, highway safety and beauty, development of resources, water, and endowment of nature, be jointly referred to the Committee on Public Works and the Committee on Interior and Insular Affairs.

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

The message was referred to the Committee on Public Works and the Committee on Interior and Insular Affairs, jointly, as follows:

To the Congress of the United States:

I. THE POLLUTION OF OUR AIR

THE PROBLEM

Two months ago, a mass of heavily polluted air—filled with poisons from incinerators, industrial furnaces, powerplants, car, bus, and truck engines—settled down upon the 16 million people of Greater New York.

For 4 days, anyone going out on the streets inhaled chemical compounds that threatened his health. Those who remained inside had little protection from the noxious gases that passed freely through cooling and heating systems.

An estimated 80 persons died. Thousands of men and women already suffering from respiratory diseases lived out the 4 days in fear and pain.

Finally, the winds came, freeing the mass of air from the weather trap that had held it so dangerously. The immediate crisis was ended. New Yorkers began to breathe "ordinary" air again.

"Ordinary" air in New York, as in most large cities, is filled with tons of pollutants: carbon monoxide from gasoline, diesel, and jet engines, sulfur oxides from factories, apartment houses, and powerplants; nitrogen oxides, hydrocarbons, and a broad variety of other compounds. These poisons are not so dramatically dangerous most days of the year, as they were last Thanksgiving in New York. But steadily, insidiously, they damage virtually everything that exists.

They aggravate respiratory problems in man—asthma, bronchitis, lung cancer, and emphysema. Emphysema, a lung disease, is one of the fastest growing causes of death in the United States today. And it forces more than a thousand workers into early retirement every month.

Polluted air corrodes machinery. It defaces buildings. It may shorten the life of whatever it touches—and it touches everything.

This is not a problem of our largest cities alone. Weirton, W. Va., and Gary, Ind., are two among many communities that suffer days when the sun seems a pale orange ball hidden in a noxious cloud. Small towns, farmlands, forests—men, animals, and plants—are all affected by the waste we release into the air.

The economic loss from pollution amounts to several billions each year. But the cost in human suffering and pain is incalculable.

This situation does not exist because it was inevitable, nor because it cannot be controlled. Air pollution is the inevitable consequence of neglect. It can be controlled when that neglect is no longer tolerated.

It will be controlled when the people of America, through their elected Representatives, demand the right to air that they and their children can breathe without fear.

WHAT WE ARE DOING NOW

We have proposed and the Congress has enacted three laws since 1963, each representing some forward movement toward cleaner air.

Under these laws, we are spending more than $25 million this year in matching grants to cities and States, and in research and other efforts:

We have helped to create 80 local air pollution programs, and to strengthen 40 others.

We are working in nine areas of the United States—including the New York-New Jersey area—to abate pollution that passes across State lines and is beyond the reach of any single State or city.

We have established a system of national standards for motor vehicles that will become effective with the 1968 models. These will require sharp reductions in pollution from automobile exhausts.

We have begun by Executive order to control the sources of air pollution on Federal installations throughout the country. The experience we gain in carrying out this order will help us develop more effective ways of controlling pollution elsewhere.

We have intensified our research work on sulfur oxide pollution from coal and oil burning, and on pollution from motor vehicles.

WHAT WE MUST DO NEXT

Yet the pollution problem is getting worse. We are not even controlling today's level of pollution. Ten years from now, when industrial production and waste disposal have increased and the number of automobiles on our streets and highways exceeds 110 million, we shall have lost the battle for clean air—unless we strengthen our regulatory and research efforts now.

Federal action alone cannot master pollution. The States, the cities, and private industry must commit themselves more fully, more effectively, and with a new sense of urgency, to America's struggle against poisoned air. Several steps are needed now.

To move forward in our attack against air pollution, I recommend the Air Quality Act of 1967.

First, emission control levels should be set for those industries that contribute heavily to air pollution.

Today, no such levels exist. Industries do not know to what extent they should control their sources of pollution or what will be required of them in the