policy when he sent the proposed East-West Trade Relations Act to Congress in May 1966. In his letter of transmittal he said:

"We are reaffirming in Vietnam—as we have on many earlier battlefields—our determination to aid free and independent nations to defend themselves from destruction by Communist aggression or subversion. But determined resistance to such force is only part of our strategy to maintain a peaceful world.

"It has equally been our purpose to demonstrate to the Communist countries that their best interests lie in seeking the well-being of their peoples through peaceful relations with the nations of the free world. We want the Soviet Union and the nations of Eastern Europe to understand that we will go step-by-step with them as far as they are willing to go in exploring every path toward enduring peace. We require only that our willingness and our actions be genuinely matched by theirs.

"We are confident that this policy is sound even when we are fighting against Communist weapons in Vietnam. Indeed, it is when we are resisting force with force that it is most important to hold open every avenue to peace. We need to make unmistakably clear to all the Communist nations in Eastern Europe that their best interests lie in economic development and peaceful trade, not in support of futile attempts to gain advantage through the use of force."

For additional background, I am enclosing the Report to the President of the Special Committee on U.S. Trade Relations with East European Countries and the Soviet Union, and a State Department publication that includes both the proposed East-West Trade Relations Act and the full letter of transmittal by Secretary Rusk.

If I can be of any further assistance, please let me know.

Sincerely yours,

RAUER H. MEYER,
Director, Office of Export Control.

SENATE

TUESDAY, JANUARY 31, 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, as in reverence we hallow Thy name, so may we hallow our own, keeping our honor bright, our hearts pure, our ideals untarnished, and our devotion to the Nation's weal high and true. Amid the tensions of these terrific days we seek in Thy presence a saving experience of inner quiet and certainty. Unworthy though we are, Thou hast made us keepers of the holy flame of freedom the fathers kindled with their lives.

We would be Thy ministers of abiding peace. By the very opulence of Thy gifts, Thou art saying to us that of those to whom much has been given, much will be required—give us wisdom, give us courage, lest we miss Thy kingdom's goal. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, January 30, 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.

VIETNAM CONFLICT SERVICEMEN AND VETERANS ACT OF 1967—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 48)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, relating to Vietnam conflict servicemen and veterans.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that a message from the President on servicemen and veterans be jointly referred to the Committee on Labor and Public Welfare and the Committee on Finance.

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

The message from the President was referred, jointly, to the Committees on Labor and Public Welfare, and Finance, as follows:

To the Congress of the United States:

On July 28, 1943, in a fireside chat on the progress of the war and plans for peace, President Franklin D. Roosevelt told the Nation:

> . . . the members of the armed forces have been compelled to make greater sacrifices than the rest of us . . . they are entitled to definite action to take care of their special problems.

America has taken that "definite action." It has responded to the needs of the men and women who have carried the banner of liberty in time of danger.

We have not forgotten the veterans of past wars. At Belleau Wood and Chateau Thierry, at Normandy and Midway and at Heartbreak Ridge, these brave men earned an honored place in history. Their sacrifices have brought greater justice and decency to the world.

Today, the members of our Armed Forces are again fighting and giving their lives in the defense of freedom. It is essential that we convey to them—and to all Americans—our full recognition and gratitude for their service in Vietnam and in other troubled areas of the world.

Never have we had more cause to be proud of our Armed Forces. When I visited Cam Ranh Bay last October, I could see that the morale of our men was high for they are determined to succeed. Gen. William Westmoreland, their commander, told me that our troops were the finest the United States had ever placed in the field. We must take "definite action" for them.

Many civilian employees of the Federal Government are also working in the villages of South Vietnam, providing the help that a young nation must have to grow and become strong. These employees are exposed to the hazards and dangers of a war which has no frontline. We must also extend special benefits to them.

I. SERVICEMEN AND VETERANS

In the past 2 years, you in the Congress have enacted and I have signed a series of measures to help honor our commitment to Americans now serving or recently separated from the Armed Forces:

Two military pay raises since August 1965, an average increase of 13.6 percent.

A new cold war GI bill to speed the readjustment of returning servicemen through new education, training, medical and home loan benefits.

An increase in hostile fire pay.

A comprehensive military medicare program.

A $10,000 servicemen's group life insurance program.

A 10-percent average increase in disability compensation and enlarged benefits for surviving children and dependent parents of those who died as a result of a service-connected injury.

We must now take additional steps to fulfill our obligations to those who have borne the cost of conflict in the cause of liberty.

I propose the Vietnam Conflict Servicemen and Veterans Act of 1967. This important legislation has six major objectives:

First. To remove the inequities in the treatment of veterans of the present conflict in Vietnam.

Second. To enlarge the opportunities for educationally disadvantaged veterans.

Third. To expand educational allowances under the GI bill.

Fourth. To increase the amount of servicemen's group life insurance.

Fifth. To increase the pensions now received by 1.4 million disabled veterans, widows, and dependents.

Sixth. To make certain that no veteran's pension will be reduced as a result of increases in Federal retirement benefits, such as social security.

EQUAL BENEFITS FOR VIETNAM VETERANS

Veterans of the Vietnam conflict should receive benefits comparable to those granted to their comrades of World War I, II, and Korea. Prior legislation has equalized many of the benefits. But, because of certain gaps in the law, today's veteran, his family, and his children are ineligible for a number of benefits other war veterans receive.

It is only right that these loopholes be closed. It is a matter of simple fairness that the veteran of the Mekong Delta and Chu Lai be placed on a par with the veteran of Pork Chop Hill and Iwo Jima. The Senate passed—and my administration supported—such a measure last year.

I recommend that the following benefits be extended to veterans who have served on or after August 5, 1964:

Disability compensation at full wartime rates for all veterans.

Disability pensions for veterans and death pensions for widows and children.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Special medical care benefits, including medicines and drugs for severely disabled veterans on the pension rolls.

Sixteen hundred dollars toward the purchase of an automobile by veterans with special disabilities.

EDUCATIONAL OPPORTUNITIES FOR THE VETERAN

Since last June, when the new GI bill went into effect, more than 500,000 veterans have applied for education and training benefits. Thousands more are signing up each week. Today, over one-quarter of a million returning servicemen and women are preparing for the future and learning new skills in universities, colleges, and technical and vocational schools across the Nation. By the end of fiscal year 1968, this number will increase to more than 500,000.

While the new GI bill is less than a year old—and an outstanding success—we can still work to extend and improve it.

Even today, some 20 percent of those separated from the Armed Forces each year—about 100,000 young men—have not completed high school. Many of these young veterans have the ability and desire to better themselves. All too often, they lack the financial means to complete their high school education and enter college.

As a nation, we cannot afford to neglect this valuable manpower resource.

The present GI bill makes no special provision for a returning serviceman who needs to finish high school or take a refresher course before he can enter college. In fact, it works in just the opposite way. For each month the veteran pursues a high school education under the GI bill, he loses a month of eligibility for college benefits under the law.

This situation must be changed. I recommend legislation to provide full GI bill payments to educationally disadvantaged veterans so that they can complete high school without losing their eligibility for follow-on college benefits.

We are taking a further step. In recent months, thousands of men who would have been rejected for military service because of insufficient educational achievement are being accepted; 40,000 men will enter the service in the first year of this new program, and 100,000 each year thereafter. Its purpose is to provide the intensive training needed to make these young men good soldiers. Upon the completion of their military service, they will be better educated and equipped to play productive and useful roles as citizens.

I am directing the Secretary of Defense to find new ways to improve this program.

The time has also come to increase the educational assistance allowance under the GI bill. A single veteran pursuing a full-time course receives $100 a month to help him finance his education. This amount is less than the $130 a month paid to the child of a deceased or disabled veteran who may be taking the same courses at the same school.

The veteran going to school is usually older and may bear heavier responsibilities. I recommend an increase in the monthly educational assistance allowance under the GI bill from $100 monthly to $130 for a veteran.

In accord with the present scale of benefits, a married veteran with children receives $150 monthly under the GI bill, regardless of the number of children he has. To help veterans with families who wish to continue a full-time educational program, I recommend that the monthly payment be increased by $10 a month for the second child and $10 a month for each additional child.

These increases in the educational assistance allowance will benefit the more than 250,000 veterans now enrolled in schools under the GI bill.

LIFE INSURANCE

There can never be adequate compensation for those who suffer the loss of a loved one on the field of battle. We can, however, help ease their financial burden in time of sorrow. Through a combination of social security, dependency and indemnity compensation, and other benefits they are being relieved of much of the economic hardship.

In addition, the 89th Congress enacted a group life insurance program for servicemen. Under this law, a member of the Armed Forces may purchase up to $10,000 in life insurance. The Government pays a large part of the cost.

With the outstanding cooperation of the Nation's insurance firms, this program has worked smoothly and effectively.

We should now raise the limits of coverage. This will provide a further career incentive for the men and women of the Armed Forces as well as added protection for their loved ones.

I recommend an increase in the amount of available serviceman's group life insurance, from a maximum of $10,000 to a minimum of $12,000—with higher amounts scaled to the pay of the serviceman—up to a maximum of $30,000.

This proposal would carry out a recommendation of the Cabinet Committee on Federal Retirement Systems. It is in line with the general principle that the amount of group life insurance should be geared to the amount of salary earned. It will provide a substantial amount of insurance for all members of the Armed Forces. And it will permit servicemen returning to civilian life to continue the insurance at prevailing commercial rates, without regard to their physical condition.

VETERANS OF PAST WARS

The legislation I have proposed above primarily reflects the public concern for the welfare of veterans of the Vietnam conflict. But this administration has not forgotten the veterans, dependents, and survivors of earlier wars.

Today, there are about 94 million Americans who fall into this category—almost one out of every two persons in the Nation.

The last several years have witnessed dramatic improvements in the range and quality of services and benefits available to our veterans and their families.

I have asked for and Congress has approved veterans' appropriation increases of $300 million each year for the past 3 years. Except for the 2 years immediately after World War II, my veterans budget for fiscal 1968 of $6.7 billion is the highest in history.

Those programs for veterans and their families which have been expanded include:

A 10-percent increase in pensions.

A 30-percent increase in subsistence allowance for veterans receiving vocational rehabilitation training.

We are also providing the best medical care a grateful and compassionate nation can offer.

Last year more than 740,000 sick and disabled veterans were patients at VA hospitals. Four new hospitals have been opened in the past 2 years. Five more are scheduled to be completed within the next 8 months. With the modernization of six additional hospitals, over 15,000 new beds will be added for disabled veterans during the coming year.

Special medical research is also being pursued in pioneering areas such as organ transplant, chronic lung disease, and dramatically new methods of fitting artificial limbs. This year I have asked for over $46 million to support this vital work.

Nor have we forgotten the veteran who because of disability and age may be in needy circumstances.

We are helping to meet their needs through wide-ranging improvements in the social security, senior citizens, education, health, and children's programs. I have already submitted a number of those recommendations to the 90th Congress. I will submit others shortly.

Although many of these new proposals will have an important relationship to programs for veterans and their survivors it is important that we do more.

To help meet today's cost of living, we should raise the standard of living for disabled veterans, and the widows and other dependents of deceased veterans receiving pensions.

I propose, effective July 1, 1967, a 5.4-percent increase in the pensions of 1.4 million veterans, widows, and dependents.

Last week I proposed to Congress a 20-percent overall increase in social security payments—representing the greatest increase in benefits since the act was passed in 1935. Although these increases will benefit millions of older Americans, we must make certain they do not adversely affect the pensions paid to those veterans and dependents who are eligible for both benefits.

Accordingly, I propose that the Congress enact the necessary safeguards to assure that no veteran will have his pension reduced as a result of increases in Federal retirement benefits such as social security.

A COMPREHENSIVE STUDY OF COMPENSATION, PENSION, AND OTHER VETERANS BENEFITS

The proposals I have outlined will, I believe, strengthen our veterans' pro-

grams. But we must assure the continuing soundness of these programs.

I am directing the Administrator of Veterans' Affairs, in consultation with leading veterans groups, to conduct a comprehensive study of the pension, compensation, and benefits system for veterans, their families, and their survivors. I have asked him to recommend to me by January 1968 proposals to assure that our tax dollars are being utilized most wisely and that our Government is meeting fully its responsibilities to all those to whom we owe so much.

II. CIVILIANS SERVING IN VIETNAM

Among those engaged in the effort to preserve freedom in southeast Asia are civilian employees of agencies such as the Department of Defense, Department of State, Agency for International Development, and U.S. Information Agency.

There are no front lines in Vietnam. These employees are frequently exposed to hazardous conditions. They have suffered terrorist attacks in hamlets, villages, and even in the larger cities. Despite their status as civilians, many have been killed, seriously wounded, or reported missing.

The laws now governing Federal civilian employment in overseas areas has not kept pace with the times. Civilians who risk their lives in the service of their country are entitled to special benefits.

I recommend that the Congress enact legislation to:

Increase the salary differential for service at hazardous duty posts.

Allow medical benefits to continue beyond the date of his separation for an employee who has been injured or become ill while serving in a hostile area.

Extend similar medical benefits to the employee's family after his separation or death.

Allow special travel expenses for employees after long service in hazardous areas, so they can be reunited with their families.

Authorize up to 1 year's absence without charge to leave as a result of injury or illness due to hostile action.

I have outlined a program shaped to meet the needs of America's servicemen and veterans.

No act of Government, and no legislative proposal can ever repay the Nation's debt to these brave men.

They are away from their families and loved ones, serving the cause of liberty. They serve us all silently and well. And this grateful Nation is in their hands. Whether in a patrol along the wall in Berlin, or walking the 38th parallel, or in the air on a SAC alert, or in a nuclear submarine beneath the seas or on a sweep through a rice paddy in South Vietnam their mission is freedom and their cause is just.

The measures I propose in some small way serve notice to these Americans—in and out of uniform—that we will never let them down. The Congress, the executive branch, and the American people have accepted that obligation of honor to those who have fought and continue to fight in the defense of freedom.

The Congress, I believe, will want to consider and promptly enact this legislation.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1967.*

PRESIDENT JOHNSON PROPOSES SIGNIFICANT STRENGTHENING IN VETERANS' BENEFITS, PROGRAMS—SENATOR RANDOLPH URGES PROMPT CONGRESSIONAL ACTION

Mr. RANDOLPH. Mr. President, today, as on so many occasions in our history, the United States has abundant cause to consider with gratitude the valor and vigilance of members of our armed services. In this time of international tensions and uncertainty it is appropriate that we pause to express a measure of our appreciation to the veteran of armed conflict, and to those men and women who are now bearing that burden on foreign soil.

It is gratifying that the Congress has just received a message from President Lyndon B. Johnson recommending prompt action to broaden and modernize veterans' legislation. As chairman of the Subcommittee on Veterans' Affairs, I look forward to participating in the congressional examination and consideration of these proposals, and am confident that significant advances in benefits can be achieved.

The President has suggested improvements in six general areas: to provide equal recognition and benefits for personnel now serving in Vietnam; to enlarge opportunities for educationally disadvantaged veterans; to expand GI bill educational allowances; to raise amounts for servicemen's group life insurance; to increase pensions for some 1.4 million disabled veterans, widows, and dependents; and, to insure that no veteran's pension is reduced as a result of increases in Federal retirement benefits, such as social security.

The passage of the Vietnam Servicemen and Veterans Act of 1967 will demonstrate that we are mindful of the tremendous achievements of veterans, our servicemen, and the civilians who are exposing themselves to daily hazards of war.

We yearn for a time when the battlefield will cease to be used to settle disputes among men—but until that day dawns, we must stand ready as we have throughout our history. And as we continue to search for world peace, the Armed Forces of our Nation constitute a vital source of strength. They must act as our shield from those who would destroy a way of life based on freedom and responsibility of the individual citizen.

We are engaged in another difficult struggle to insure that aggression will not be rewarded with success, and, as in all of our previous battles, this Nation gives full support for our fighting men. When these men return, we must endeavor to assist them as they once again seek to live normal lives.

I wholeheartedly support the principles of the Vietnam Servicemen and Veterans Act of 1967. The President's proposals are eminently just and responsive. I urge my colleagues to join in assuring that these measures are given prompt and affirmative consideration.

REPORT ON U.S. AERONAUTICS AND SPACE ACTIVITIES, 1966—MESSAGE FROM THE PRESIDENT (H. DOC. NO. 49)

The PRESIDENT pro tempore laid before the Senate a message from the President of the United States, which was referred to the Committee on Aeronautical and Space Sciences, as follows:

To the Congress of the United States:

America's space and aeronautics programs made brilliant progress in 1966. We developed our equipment and refined our knowledge to bring travel and exploration beyond earth's atmosphere measurably closer. And we played a major part in preparing for the peaceful use of outer space.

In December, the United Nations, following this country's lead, reached agreement on the outer space treaty. At that time I said it had "historical significance for the new age of space exploration." It bars weapons of mass destruction from space. It restricts military activities on celestial bodies. It guarantees access to all areas by all nations.

Gemini-manned missions were completed with a final record of constructive and dramatic achievement. Our astronauts spent more than 1,900 pilot-hours in orbit. They performed pioneering rendezvous and docking experiments. They "walked" in space outside their vehicles for about 12 hours.

We orbited a total of 95 spacecraft around the earth and sent five others on escape flights, a record number of successful launches for the period. We launched weather satellites, communications satellites, and orbiting observatories. We performed solar experiments and took hundreds of pictures of the moon from lunar orbiters. Surveyor I landed gently on the moon and then returned over 11,000 pictures of its surroundings for scientific examination.

Major progress was made during the year on the Apollo-Saturn moon program and the manned orbiting laboratory.

These accomplishments—and the promise of more to come—are the fruits of the greatest concerted effort ever undertaken by any nation to advance human knowledge and activity. Space, so recently a mystery, now affects and benefits the lives of all Americans.

Our national investment in space has stimulated the invention and manufacture of a flood of new products. Our new knowledge has made us more secure as a nation and more effective as leaders in the search for peace. This knowledge is hastening the ultimate solution of social and economic problems that combined to obstruct peace.

It is with pride and pleasure that I transmit this record of achievement to you, the Members of Congress. Without

your support, no achievement would be possible.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1967.*

LIMITATION ON STATEMENTS DURING TRANSACTION OF ROUTINE MORNING BUSINESS

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

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the Committee on Foreign Relations was permitted to meet during the session of the Senate today.

On request of Mr. BYRD of West Virginia, and by unanimous consent, the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary was authorized to meet during the session of the Senate today.

RECOGNITION OF SENATOR PROXMIRE AT THE CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that Senator PROXMIRE be permitted to speak for 20 minutes at the conclusion of routine morning business.

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

EXECUTIVE SESSION

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

CONVENTION ON SERVICE ABROAD OF JUDICIAL AND EXTRAJUDICIAL DOCUMENTS IN CIVIL OR COMMERCIAL MATTERS—REMOVAL OF INJUNCTION OF SECRECY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from Executive C, 90th Congress, first session, the convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters, transmitted to the Senate today by the President of the United States, and that the convention, together with the President's message, be referred to the Committee on Foreign Relations, and that the President's message be printed in the RECORD.

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

The message from the President is as follows:

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the convention on the service abroad of judicial and extrajudicial documents in civil or commercial matters, unanimously approved at the 10th session of the Hague Conference on Private International Law, October 7 to 28, 1964, and signed on behalf of the United States of America at The Hague on November 15, 1965.

This convention represents the first tangible result of governmental participation by the United States in the Hague Conference on Private International Law, as authorized by Public Law 88–244 (77 Stat. 775), approved December 30, 1963.

The provisions of the convention are explained in the report of the Secretary of State transmitted herewith. In broad terms, the convention makes no basic changes in the new U.S. practice under Public Law 88–619 (78 Stat. 995), approved October 3, 1964; its ratification would require no amendments to that legislation. On the other hand, the convention makes important changes in the practices of many civil law countries, moving those practices in the direction of our generous system of international judicial assistance and our concept of due process in the service of documents. The convention also insures protection against default judgments which were entered without reasonable efforts to bring the action to the notice of the defendant. It should be noted that service pursuant to the convention does not require the recognition or enforcement in the state addressed of a foreign judgment, decree, or order.

This convention is a notable step in the field of international judicial cooperation and is supported by major legal organizations, including the American Bar Association, the National Conference of Commissioners on Uniform State Laws, and the Judicial Conference of the United States.

I recommend that the Senate of the United States advise and consent to the ratification of the convention as promptly as practicable.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1967.*

EXECUTIVE REPORT OF A COMMITTEE

The following favorable report of a nomination was submitted:

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

Lt. Gen. Joseph J. Nazarro, major general, Regular Air Force, U.S. Air Force, to be assigned to positions of importance and responsibility designated by the President, to serve in the grade of general.

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

DEPARTMENT OF TRANSPORTATION

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

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

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

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

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

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORT ON AGREEMENTS WITH OWNERS AND LESSEES OF LAND INSIDE OR ADJOINING NAVAL PETROLEUM RESERVES

A letter from the Acting Secretary of the Navy, reporting, pursuant to law, on agreements with owners and lessees of land inside or adjoining naval petroleum reserves for conservation in the ground of oil and gas in the reserves, for the calendar year 1966 (with accompanying papers); to the Committee on Armed Services.

REPORT ON FLIGHT PAY

A letter from the Under Secretary of the Navy, reporting, pursuant to law, on flight pay, for the 6-month period ended December 31, 1966; to the Committee on Armed Services.

EXTENSION OF AUTHORITY TO PAY BASIC ALLOWANCES FOR QUARTERS AND DISLOCATION ALLOWANCES TO CERTAIN MEMBERS OF THE UNIFORMED SERVICES

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 (with an accompanying paper); to the Committee on Armed Services.

REPORT ON DEPARTMENT OF DEFENSE PROCUREMENT FROM SMALL AND OTHER BUSINESS FIRMS

A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting, pursuant to law, a report on defense procurement from small and other business firms, for the period July-November 1966 (with an accompanying report); to the Committee on Banking and Currency.

DISTRICT OF COLUMBIA LICENSING PROCEDURES ACT

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to revise and modernize procedures relating to the licensing by the District of Columbia of persons engaged in certain occupations, professions, businesses, trade, and callings, and for other purposes (with an accompanying paper); to the Committee on the District of Columbia.

REPORT OF POTOMAC ELECTRIC POWER CO.

A letter from the President, Potomac Electric Power Co., Washington, D.C., transmitting, pursuant to law, a balance sheet of that company, as of December 31, 1966 (with accompanying papers); to the Committee on the District of Columbia.

REPORT OF THE CHESAPEAKE & POTOMAC TELEPHONE CO.

A letter from the vice president, the Chesapeake & Potomac Telephone Co., Washington, D.C., transmitting, pursuant to law, a statement of receipts and expenditures and a comparative general balance sheet, for the year 1966 (with accompanying papers); to the Committee on the District of Columbia.

AMENDMENT OF SECTION 1011 OF U.S. INFORMATION AND EDUCATIONAL EXCHANGE ACT OF 1948

A letter from the Director, U.S. Information Agency, Washington, D.C., transmitting a draft of proposed legislation to amend further section 1011 of the U.S. Information and Educational Exchange Act of 1948, as amended (with accompanying papers); to the Committee on Foreign Relations.

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of geodetic surveying activities within the Federal Government, dated January 1967 (with any accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of financial statements, fiscal year 1966, Federal Crop Insurance Corporation, Department of Agriculture, dated January 1967 (with an accompanying report); to the Committee on Government Operations.

REPORT OF ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

A letter from the Executive Director, Advisory Commission on Intergovernmental Relations, Washington, D.C., transmitting, pursuant to law, a report of that Commission, dated January 31, 1967 (with an accompanying report); to the Committee on Government Operations.

AMENDMENT OF BANKRUPTCY ACT TO GIVE THE COURT SUPERVISOR POWER OVER ALL FEES PAID FROM WHATEVER SOURCE

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., transmitting 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 (with any accompanying paper); to the Committee on the Judiciary.

REPORT ON POSITIONS IN GRADES GS-16, GS-17, AND GS-18

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18, for the calendar year 1966 (with an accompanying report); to the Committee on Post Office and Civil Service.

A letter from the Director, Federal Bureau of Investigation, Department of Justice, transmitting, pursuant to law, a report on positions in grades GS-16, GS-17, and GS-18, for the calendar year 1966 (with an accompanying report); to the Committee on Post Office and Civil Service.

A letter from the Director, Administrative Office of the U.S. Courts, Washington, D.C., reporting, pursuant to law, on positions in grades GS-16, GS-17, and GS-18, for the calendar year 1966 (with an accompanying paper); to the Committee on Post Office and Civil Service.

SETTLEMENT OF CLAIMS AGAINST RETIRED CIVIL SERVICE EMPLOYEES

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend section 8346 of title 5, United States Code, to permit the recovery by the Government of amounts due the Government in the settlement of claims against retired civil service employees, and for other purposes (with an accompanying paper); to the Committee on Post Office and Civil Service.

JOINT RESOLUTION OF MONTANA LEGISLATURE

The PRESIDENT pro tempore laid before the Senate a joint resolution of the Legislature of the State of Montana, which was referred to the Committee on Public Works, as follows:

SENATE JOINT RESOLUTION NO. 20

A joint resolution of the Senate and House of Representatives of the State of Montana requesting and urging that the Congress of the United States take effective action to restore to the State of Montana the full amount of the funds which were apportioned to the State under the provisions of the Federal Highway Acts of 1964 and 1966

Whereas a presidential order of November, 1966 reduced the amount of federal money available for highway construction purposes in the state of Montana; and

Whereas that order has resulted in a reduction of available federal money to the extent of about eight million dollars ($8,000,000.00) for fiscal year 1967; and

Whereas further reductions in federal monies may be authorized; and

Whereas this reduction seriously curtails the highway construction program in the state of Montana, as well as in the nation, thereby seriously affecting employment and the production and sale of supplies, materials and equipment used for highway construction purposes; and

Whereas any reduction in federal highway construction funds will result in an equivalent reduction of the current Highway Safety Program for eliminating unsafe and hazardous sections of highway, thereby contributing to accidents involving serious injury, loss of life and property damage; and

Whereas the state of Montana has developed long-range highway construction programs based on utilization of the full apportionment of federal funds to the states; and

Whereas a reduction in federal funds for highway improvement has a serious effect on the morale of present engineering employees who are in short supply and further detracts from the recruitment program for obtaining new engineering employees; and

Whereas a reduction in federal funds for interstate highway construction has an especially serious effect on the state of Montana since this state is faced with a major construction program to complete all interstate highways to four-lane standards.

Now, therefore, be it resolved by the Senate and House of Representatives of the State of Montana:

That the congress of the United States is hereby respectfully requested and urged to take effective action to restore to the state of Montana for expenditure the full amount of federal funds authorized by congress in the Federal Aid Highway Acts of 1964 and 1966.

Be it further resolved, that the secretary of state forward a duly certified copy of this resolution to the secretary of the United States Senate and the speaker of the House of Representatives of the United States and to each United States senator and to each member of congress from the state of Montana.

Approved January 28, 1967.

Attest:

FRANK MURRAY,
Secretary of State.

CONCURRENT RESOLUTION OF SOUTH CAROLINA LEGISLATURE

Mr. HOLLINGS. Mr. President, on behalf of myself and my colleague [Mr. THURMOND], I send to the desk a concurrent resolution adopted by the General Assembly of the State of South Carolina expressing their concern over the increase of wool and woolen imports.

I ask that the concurrent resolution be printed in the RECORD, and appropriately referred.

There being no objection, the concurrent resolution was referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

A CONCURRENT RESOLUTION REQUESTING THE MEMBERS OF THE SOUTH CAROLINA CONGRESSIONAL DELEGATION TO INVESTIGATE WOOLEN IMPORTS

Whereas, during the period from 1947 to 1966, the various types of woolen imports have tripled and from reports available it appears that the increase of such imports is continuing; and

Whereas, between 1947 and 1966, some three hundred United States woolen textile establishments went out of business and employment in the industry dropped from one hundred sixty-nine thousand to about sixty-five thousand employees; and

Whereas, in South Carolina, as an example, one organization has ceased to operate a complete shift, resulting in a reduction of approximately one hundred fifty employees; and

Whereas, the adverse effects on the woolen industry in this country will also adversely affect other industries much to the detriment to the people of the United States and in particular to those in South Carolina and to the general economy. Now, therefore,

Be it resolved by the House of Representatives, the Senate concurring:

That the General Assembly of South Carolina go on record as favoring an investigation of the increase in imported wool and urge the members of the Congressional Delegation from South Carolina to take such steps as may be necessary to decrease the importation of wool and wool products.

Be it further resolved that a copy of this resolution be forwarded to each member of the Congressional Delegation from South Carolina and the President of the United States.

STATE OF SOUTH CAROLINA IN THE HOUSE OF REPRESENTATIVES, COLUMBIA, S.C.

I hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the South Carolina House of Representatives and concurred in by the Senate.

[SEAL] INEZ WATSON,
Clerk of the House.

REPORT OF A COMMITTEE

The following report of a committee was submitted:

By Mr. SMATHERS, from the Committee on Finance, with amendments:

S. 16. A bill to provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes (Rept. No. 7).

BILLS INTRODUCED

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

By Mr. CARLSON (for himself, Mr. ALLOTT, Mr. COTTON, Mr. CURTIS, Mr. DOMINICK, Mr. FANNIN, Mr. HICKENLOOPER, Mr. HRUSKA, Mr. LAUSCHE, Mr. MUNDT, Mr. PEARSON, Mrs. SMITH, Mr. SCOTT, Mr. SPARKMAN, Mr. THURMOND, and Mr. BOGGS):

S. 734. A bill to amend the Internal Revenue Code of 1954 to encourage the construction of facilities to control water and air pollution by allowing a tax credit for expenditures incurred in constructing such facilities and by permitting the deduction, or amortization over a period of 1 to 5 years, of such expenditures; to the Committee on Finance.

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

(NOTE.—The above bill was ordered to be held at the desk until February 10, 1967, for additional cosponsors.)

By Mr. SCOTT:

S. 735. A bill to provide for periodic review of Federal programs of grant-in-aid assistance to the States; to the Committee on Government Operations.

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

(NOTE.—The above bill was ordered to be held at the desk until February 10, 1967, for additional cosponsors.)

By Mr. LONG of Missouri (for himself and Mr. SYMINGTON):

S. 736. A bill to amend the act of April 22, 1960, providing for the establishment of the Wilson's Creek Battlefield National Park; to the Committee on Interior and Insular Affairs.

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

By Mr. KENNEDY of Massachusetts:

S. 737. A bill for the relief of Georgios I. Psichogios;

S. 738. A bill for the relief of Jose Soares Figueiredo;

S. 739. A bill for the relief of Pablo Cordero;

S. 740. A bill for the relief of Maria Asuncion Pernas Fanego; and

S. 741. A bill for the relief of Rumiko Samanski; to the Committee on the Judiciary.

By Mr. MONDALE:

S. 742. A bill for the relief of Anthony N. Nicklow;

S. 743. A bill for the relief of Helen Dress;

S. 744. A bill for the relief of Sang-Aroon Choopunta;

S. 745. A bill for the relief of Georgia Papademetriou;

S. 746. A bill for the relief of Augusto Donadel;

S. 747. A bill for the relief of Dr. Earl C. Chamberlayne; and

S. 748. A bill for the relief of William D. Noun; to the Committee on the Judiciary.

By Mr. DOMINICK:

S. 749. A bill to amend the Universal Military Training and Service Act, as amended, in order to provide for the deferment of police officers and firemen from training and service under such act; to the Committee on Armed Services.

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

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

By Mr. BAYH:

S. 750. A bill for the relief of Dr. Adriano A. Agana and Consuelo R. Agana; to the Committee on the Judiciary.

By Mr. MAGNUSON (for himself and Mr. LAUSCHE) (by request):

S. 751. A bill to authorize the Interstate Commerce Commission, after investigation and hearing, to require the establishment of through routes and joint rates between motor common carriers of property, and between such carriers and common carriers by rail, express, and water, and for other purposes;

S. 752. A bill to amend section 203(b)(5) of the Interstate Commerce Act to clarify this exemption with respect to transportation performed by agricultural cooperative association for nonmembers;

S. 753. A bill to amend section 212(a) of the Interstate Commerce Act, as amended, and for other purposes;

S. 754. A bill to amend section 22 of the Interstate Commerce Act;

S. 755. A bill to amend section 5(1) of the Interstate Commerce Act to eliminate the requirement for approval of pooling arrangements between motor common carriers of household goods, and for other purposes;

S. 756. A bill to amend part II of the Interstate Commerce Act, as amended, so as to authorize exemption from the provisions of such part, services and transportation of such nature, character, or quantity as to not substantially impair effective regulation by the Commission, be unjustly discriminatory, or be detrimental to commerce;

S. 757. A bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes; and

S. 758. A bill to amend the Interstate Commerce Act to enable the Interstate Commerce Commission to utilize its employees more effectively and to improve administrative efficiency; to the Committee on Commerce.

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

By Mr. YARBOROUGH:

S. 759. A bill to amend title 5, United States Code, to provide for lump-sum payments for accumulated and accrued sick leave where employees die in service and for such payments or, at the option of the employees, credit for retirement purposes upon separation or retirement; to the Committee on Post Office and Civil Service.

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

By Mr. COOPER (for himself Mr. RANDOLPH, and Mr. MORTON):

S. 760. A bill to increase the investment credit allowable with respect to facilities to control water and air pollution; to the Committee on Finance.

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

(NOTE.—The above bill was ordered to be held at the desk until February 15, 1967, for additional cosponsors.)

By Mr. BIBLE (by request):

S. 761. A bill to amend the act entitled "An act to provide for the annual inspection of all motor vehicles in the District of Columbia," approved February 18, 1938, as amended;

S. 762. A bill to amend the District of Columbia Traffic Act, 1925, as amended;

S. 763. A bill to amend the act approved August 17, 1937, so as to facilitate the addition to the District of Columbia registration of a motor vehicle or trailer of the name of the spouse of the owner of any such motor vehicle or trailer;

S. 764. A bill to amend section 6 of the District of Columbia Traffic Act, 1925, as amended, and to amend section 6 of the act approved July 2, 1940, as amended, to eliminate requirements that applications for motor vehicle title certificates and certain lien information related thereto be submitted under oath;

S. 765. A bill to amend the District of Columbia Traffic Act, 1925, as amended, and the Motor Vehicle Safety Responsibility Act of the District of Columbia, as amended, so as to bring within the provisions of such Acts any person operating a motor vehicle while under the influence of a drug rendering such person incapable to operating the motor vehicle safely;

S. 766. A bill to amend the District of Columbia Traffic Act, 1925, as amended;

S. 767. A bill to amend the Healing Arts Practice Act, District of Columbia, 1928, as amended, and the act for the regulation of the practice of dentistry in the District of Columbia, and for the protection of the people from empiricism in relation thereto, approved June 6, 1892, as amended, to exempt from licensing thereunder physicians and dentists employed by the District of Columbia;

S. 768. A bill to amend the act entitled "An act to provide for compulsory school attendance, for the taking of a school census in the District of Columbia, and for other purposes," approved February 4, 1925;

S. 769. A bill to provide for the registration of names assumed for the purposes of trade or business in the District of Columbia;

S. 770. A bill to amend an act to provide for the establishment of a public crematorium in the District of Columbia; and

S. 771. A bill to amend the act entitled "An act to regulate the practice of podiatry in the District of Columbia," approved May 23, 1918, as amended; to the Committee on the District of Columbia.

By Mr. PEARSON:

S. 772. A bill for the relief of Violeta V. Ortega Brown; to the Committee on the Judiciary.

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

By Mr. TALMADGE:

S. 773. A bill for the relief of certain individuals; to the Committee on the Judiciary.

By Mr. CURTIS (for himself and Mr. HRUSKA):

S. 774. A bill to authorize the Secretary of the Interior to construct, operate, and maintain the Nebraska midstate division, Missouri River Basin project, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. BARTLETT:

S. 775. A bill to permit certain service-connected disabled veterans to use commissary stores operated for military personnel; to the Committee on Armed Services.

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

By Mr. NELSON:

S. 776. A bill for the relief of Ilias Stilianidis; and

S. 777. A bill for the relief of Nunzio Germanotta; to the Committee on the Judiciary.

S. 778. A bill to provide for the establishment of the Apostle Islands National Lakeshore in the State of Wisconsin, and for other purposes; to the Committee on Interior and Insular Affairs.

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

By Mr. HOLLINGS:

S. 779. A bill to assist the States to meet their needs for increased revenues by sharing with them a portion of the revenues derived from the Federal individual income tax; to the Committee on Finance.

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

By Mr. MUSKIE (for himself, Mr. RANDOLPH, Mr. MOSS, Mr. MORSE, and Mr. YARBOROUGH):

S. 780. A bill to amend the Clean Air Act to improve and expand the authority to conduct or assist research relating to air pollutants, to assist in the establishment of regional air quality commissions, to authorize establishment of standards applicable to emissions from establishments engaged in certain types of industry, to assist in establishment and maintenance of State programs for annual inspections of automobile emission control devices, and for other purposes; to the Committee on Public Works.

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

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

By Mr. ANDERSON (for himself and Mrs. SMITH) (by request):

S. 781. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes; to the Committee on Aeronautical and Space Sciences.

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

POLLUTION ABATEMENT INCENTIVE ACT OF 1967

Mr. CARLSON. Mr. President, pollution of air and water resources has been increasing to dangerous levels. Pollution problems are of grave concern to Members of the Senate.

Last July 11, 1966, I introduced S. 3598, the Pollution Abatement Incentive Act of 1966. That measure had 25 sponsors. Mr. President, I send to the desk a bill which is essentially the same as S. 3598 of the 89th Congress. Because of the interest shown by Senators then, and now, I request unanimous consent that this bill be held at the desk of the Vice President for 10 days so that those Senators who desire may add their names to the legislation as cosponsors.

Yesterday, the President of the United States sent Congress a message primarily concerned with problems of air pollution. He indicated the scope of problems facing industry in certain of these areas. He has asked industry to cooperate with government agencies in the abatement of pollution. The President said:

> 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.

One of the most important means of assistance to industry is contained in my bill, which provides a 20-percent tax credit for expenditures in connection with air and water pollution control facilities. Also, under provisions of the legislation, the taxpayer is given an election to take the remaining costs and apply rapid tax amortization, or to take a deduction of the remaining costs of the pollution control facility over a period of time, from 1 to 5 years. These provisions of the bill would become effective upon enactment.

It is my considered opinion that industry must have an incentive to undertake construction of these vitally needed installations.

Last year, the 89th Congress retained in the law the 7-percent investment tax credit for air and water pollution control facilities. The present rate of investment tax credit is insufficient to do the job. Therefore, it is imperative that the rate be increased to provide the necessary impetus to get industry to move ahead on these projects. Without some modest incentive such as an increase in the tax credit rate, pollution control facilities may not be built as rapidly as required by the public's need for clean air, pure water, and restored natural resources.

To my mind, the provisions of my bill will greatly assist industry to take the initiative and build the necessary facilities to control both air and water pollution. Quite simply, the problems in this area have existed for some time, but there has never been sufficient incentive for industry to undertake the needed construction of the facilities to do the job. In most heavy industries faced with pollution problems, the facilities for control or abatement of pollution are high cost charges against corporate earnings and contribute very little to profitmaking. In addition, operating costs of the installation continue for the life of the facility. The equipment for pollution control is available and industry has the technical know-how. Now is the time to get this work underway.

Further neglect of pollution problems will only lead to increased contamination levels of the air we breathe and of water used for domestic purposes. Our future citizens are entitled to enjoy the healthful benefits of pollution-free air and water along with recreational opportunities made possible by conserving our natural resources.

Mr. President, I am hopeful that this legislation will receive prompt consideration by the Finance Committee. Because of the importance of pollution problems, adequate solutions must be found. I believe that the necessary plant facilities will be built if industry can be stimulated to do the necessary construction. This legislation provides the means to achieve a lasting solution of these vexatious pollution problems. The benefits will be cleaner water and air for future generations.

The PRESIDING OFFICER (Mr. BYRD of West Virginia in the chair). The bill will be received and appropriately referred; and, without objection, the bill will lie on the desk for 10 days, as requested.

The bill (S. 734) to amend the Internal Revenue Code of 1954 to encourage the construction of facilities to control water and air pollution by allowing a tax credit for expenditures incurred in constructing such facilities and by permitting the deduction, or amortization over a period of 1 to 5 years, of such expenditures, introduced by Mr. CARLSON (for himself and other Senators), was received, read twice by its title, and referred to the Committee on Finance.

FEDERAL GRANT-IN-AID REVIEW ACT OF 1967

Mr. SCOTT. Mr. President, I introduce for appropriate reference a bill to provide for periodic congressional review of Federal programs of grant-in-aid assistance to the States. My bill is designed to bring order out of the chaos resulting from the proliferation in number, variety, and complexity of Federal grants-in-aid enacted by Congress in recent years.

My bill would:

First. Limit the life of grant-in-aid programs enacted by the 90th or subsequent Congresses to 5 years unless (a), another termination date is specified; or (b), the legislation authorizing such grant-in-aid programs specifically waives the application of this provision to such programs.

Second. Direct each standing committee of Congress, which exercises jurisdiction and oversight over grant-in-aid programs, to review and study each program with a view to ascertaining: (a), the extent to which the purposes for which such grants-in-aid are authorized have been met; (b), the extent to which the purposes for which such program can be carried on without additional Federal financial assistance; (c), the adequacy of such program in meeting the growing and changing needs which it was originally designed to meet; and (d) whether or not any changes in purpose, direction, or administration of the original program should be made.

In the case of grant-in-aid programs enacted by the 90th Congress and subsequent Congresses, the congressional committees exercising legislative oversight over these programs are to undertake their studies at least 1 year before their expiration dates and are to report the results of their studies together with appropriate legislative recommendations no less than 120 days before the termination date.

In the case of existing grants-in-aid, each standing committee exercising legislative jurisdiction and oversight over them is authorized to employ on its professional staff a review specialist appointed by the chairman with prior approval of the ranking monority member. The review specialist is to be responsible for carrying out the review of existing grants-in-aid. Each committee is to submit an annual report on the results of its review of existing grants-in-aid together with any legislative recommendations for improving or terminating such grants-in-aid.

My bill is similar to title III of S. 561, the Intergovernmental Cooperation Act of 1965, which I cosponsored and which passed the Senate unanimously, only to die later in a House subcommittee. It differs in one important respect, however.

Whereas title III of S. 561 dealt with future grants-in-aid only, my bill establishes a procedure for a continuing review of existing grants-in-aid. I believe that this procedure is necessary to end the administrative difficulties resulting from the proliferation of Federal grants-in-aid. As has been pointed out on many occasions over the past several months, there are now more than 170 Federal grants-in-aid to States and local governments; these programs are administered by more than 20 Federal departments and agencies. The one distinguishing feature of all of these grants is that they are narrow, highly specific, categorical grants.

As they now stand, Federal grants-in-aid are amalgams of bits and pieces of an approach to broad problem areas. These fragmentary pieces promote fragmentation at the State and local levels of our federal system through administration on a project-by-project basis. While sharing the common characteristic of narrowness, existing Federal grants-in-aid have different grant or loan formulae, different statutory or administrative requirements, and variable, often unstable funding.

The national objectives which existing grants-in-aid seek to achieve have no overall rationale, either within or between broad, functional problem areas. As a result, the State and local programs supported in part by Federal grants-in-aid are poorly balanced, ill planned, and uncoordinated.

If my bill becomes law, I hope that the congressional committees reviewing existing grants-in-aid will seriously consider departing from the present narrow and piecemeal approach and ponder instead a broader block grant approach. Under this approach, Washington would extend financial assistance to the States in broad, functional areas—such as health, education, highways, and so forth—without pinpointing the precise programs through which these funds would be spent. Each State would then have considerably more flexibility and freedom to solve problems of national importance within the framework of unique local conditions.

The bill I introduce today is one of a series of measures I am proposing to restore balance to our federal system of government and thereby to strengthen the independence of the States and their capacity to meet the needs of their citizens.

I ask unanimous consent that my bill be printed at the end of my remarks and that it remain at the desk for 10 days for cosponsors, should other Senators favor this approach, as, indeed, I hope they will.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD, and will lie at the desk for 10 days, as requested.

The bill (S. 735) to provide for periodic review of Federal programs of grant-in-aid assistance to the States introduced by Mr. SCOTT, was received, read twice by its title, referred to the Committee on Government Operations, and ordered to be printed in the RECORD, as follows:

S. 735

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 Grant-in-Aid Review Act of 1967".

STATEMENT OF PURPOSE

SEC. 2. (a) It is the purpose and intent of this Act to establish a uniform policy and procedure whereby programs, which may be enacted hereafter by the Congress, for grant-in-aid assistance from the Federal Government to the States or to their political subdivisions shall be made the subject of sufficient subsequent review by the Congress to insure that (1) the effectiveness of grant-in-aid programs as instruments of Federal-State-local cooperation is improved and enhanced; (2) grant-in-aid programs are revised and redirected as necessary to meet new conditions arising subsequent to their original enactment; and (3) grant-in-aid programs are terminated when they have substantially achieved their purpose.

(b) It is further the purpose and intent of this Act to provide for a continuing review by Congress of existing Federal programs for grant-in-aid assistance to the States or their political subdivisions with a view to developing legislation terminating those grant-in-aid programs whose purposes clearly have been achieved and revising or redirecting all other existing grant-in-aid programs to improve and enhance their effectiveness as instruments of Federal-State-local cooperation or to meet new conditions arising subsequent to their original enactment.

EXPIRATION OF GRANT-IN-AID PROGRAMS

SEC. 3. Whenever any Act of Congress enacted in the Ninetieth or any subsequent Congress authorizes any program for grant-in-aid assistance to two or more States or to political subdivisions of two or more States and there is no termination date otherwise specified for such authority, the authority to make any grant-in-aid under such Act to any State, political subdivision, or other beneficiary from funds not theretofore obligated shall, unless the provisions of this section are specifically excepted from application to such program, expire not later than June 30 of the fifth calendar year which begins after the calendar year in which the effective date of such Act occurs.

COMMITTEE STUDIES OF GRANT-IN-AID

SEC. 4. (a) Whenever any Act of Congress enacted in the Ninetieth or any subsequent Congress authorizes the establishment of any program for grant-in-aid assistance over a period of three or more years to two or more States or to political subdivisions of two or more States, each standing committee of the Senate and House of Representatives which exercises legislative jurisdiction and oversight with respect to such program shall, during the period beginning not later than twelve months immediately preceding the date on which the authority by such program is to expire, separately or jointly, conduct studies and appraisals of such program. Each such committee shall report the results of its study and appraisal to its respective House, together with recommendations for such legislation as it deems appropriate, not later than one hundred and twenty days before the authority for such program is due to expire.

(b)(1) In the case of any existing statute authorizing the establishment of any program for grant-in-aid assistance over a period of three or more years to two or more States or to political subdivisions of two or more States, each standing committee of the Senate and House of Representatives which exercises legislative jurisdiction and oversight over such program shall review and study, on a continuing basis the application, operation, administration, and execution of such program.

(2) to assist it in carrying out this review and study function, each standing committee of the Senate and House of Representatives is entitled to employ a review specialist as a member of the professional staff of such committee in addition to the number of members of such professional staff to which such committee otherwise is entitled. Such review specialist shall be selected and appointed by the chairman of such committee, with the prior approval of the ranking minority member, on a permanent basis, without regard to political affiliation, and solely on the basis of fitness to perform the duties of the position.

(3) Each standing committee of the Senate and House of Representatives shall submit, not later than March 31 of each year, to the Senate and House of Representatives, respectively, a report on its activities under this subsection during the immediately preceding calendar year.

(c) The studies referred to in subsections (a) and (b) with respect to any program of grant-in-aid assistance shall be conducted by each standing committee of the Senate and House of Representatives involved with a view to ascertaining, among other matters of concern, the following:

(1) The extent to which the purposes for which such grants-in-aid are authorized have been met;

(2) The extent to which the purposes for which such program can be carried on without additional financial assistance from the United States;

(3) The extent to which such program is adequate to meet any growing and changing needs related to the purposes for which it was originally designed; and

(4) Whether or not any changes in purpose, direction, or administration of the original program, or in procedures and requirements applicable thereto, should be made.

DEFINITIONS

SEC. 4. As used in this Act—

(a) the term "State" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State, but does not include any political subdivision of a State;

(b) the term "political subdivision of a State" means any local unit of government of a State, including, but not limited to, a county, parish, municipality, city, town, township, village, or school or other special district created by or pursuant to State law; and

(c) the term "grant-in-aid" means money, or property provided in lieu of money, paid or furnished by the United States under a fixed annual or aggregate authorization—

(1) to a State; or

(2) to a political subdivision of a State; or

(3) to a beneficiary under a State-administered plan or program which is subject to approval by a Federal agency if such authorization (A) requires such State or political subdivision to expend non-Federal funds as a condition for the receipt of money or property from the United States; or (B) specifies directly, or establishes by means of a formula, the amounts which may be paid or furnished to such State or political subdivision, or the amounts to be allotted for use in such State by such State or political subdivision; but such term does not include (i) shared revenues, (ii) payments of taxes, (iii) payments in lieu of taxes, (iv) loans or repayable advances, (v) surplus property or surplus agricultural commodities furnished as such, (vi) payments under research and development contracts or grants which are awarded directly and on similar terms to all qualifying organizations, whether public or private, or (vii) payments to States or political subdivisions as full reimbursement for the costs incurred in paying benefits or furnishing services to persons entitled thereto under Federal laws.

DEVELOPMENT OF WILSONS CREEK NATIONAL BATTLEFIELD NEAR SPRINGFIELD, MO.

Mr. LONG of Missouri. Mr. President, on behalf of myself and the senior Senator from Missouri [Mr. SYMINGTON], I introduce, for appropriate reference, proposed legislation which would increase the authorization for the development of the Wilsons Creek National Battlefield near Springfield, Mo. It is my hope that congressional action on this bill will be possible in the near future.

The Wilsons Creek Park was established by Public Law 86-434, approved April 22, 1960. The State of Missouri has recognized the historical significance of the battlefield and has undertaken the acquisition and donation of the land as its part in this project.

The original act authorized the expenditure of $120,000 of Federal funds. However, this will not be sufficient for the planned permanent development which will include a battlefield tour road, restoration of the historic scene, and construction of a series of exhibits. It is estimated that the overall costs of these improvements will now run about $3 million and the bill establishes this ceiling.

Without proper development, the park will not serve its purpose. As the second great battlefield of the Civil War, Wilsons Creek merits the fullest development.

Congressman DURWARD HALL, who represents the congressional district in which the battlefield is situated, is introducing an identical bill today in the House of Representatives.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The bill will be received and appropriately referred.

The bill (S. 736) to amend the act of April 22, 1960, providing for the establishment of the Wilsons Creek Battlefield National Park, introduced by Mr. Long of Missouri (for himself and Mr. SYMINGTON), was received, read twice by its title, and referred to the Committee on Interior and Insular Affairs.

EXCLUSION FROM MILITARY DRAFT OF CERTAIN POLICEMEN AND FIREMEN

Mr. DOMINICK. Mr. President, the United States is now engaged in several wars. These wars take different forms and some are fought abroad while others are fought at home. I am concerned today with our war on crime at home and a proposal which may help to fight this war. We read in the papers, constantly, information which shows a steadily increasing crime rate within our cities. Varying techniques have been employed as a means of cutting this rate, but few have met with significant success.

No less important than our Asian war is the war we must wage at home. Our efforts to secure peace in foreign lands must not be put above our effort to secure peace at home. The endeavor to make Asians secure in their homes cannot be greater than the endeavor to make our citizens safe.

The bill I will send to the desk would defer from the military draft policemen and firemen who are employed on a regular full-time basis or are engaged in pursuing a course of education or training which leads to this full-time employment.

The bill would allow the retention of experienced, qualified, and competent young men on the police and fire forces of our cities. The cities, therefore, could maintain a high quality of performance in these occupations.

The bill would reduce the turnover of men and the resulting cost of hiring and training new replacements. This would allow a reduction in expenses to the cities in these training costs.

The bill would allow young men of draft age to pursue these occupations and fill vacancies as they exist. Therefore, the police and fire forces could maintain adequate manpower to do their job.

The bill would help us to more adequately wage this war at home, which, like the struggle abroad, we do not want to lose.

I ask unanimous consent that the text of the bill may be printed in the RECORD, and I ask that the bill may lie at the desk until next Monday for additional cosponsors.

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

The bill (S. 749) to amend the Universal Military Training and Service Act, as amended, in order to provide for the deferment of police officers and firemen from training and service under such act, introduced by Mr. DOMINICK, was received, read twice by its title, referred to the Committee on Armed Services, and ordered to be printed in the RECORD, as follows:

S. 749

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (f) of section 6 of the Universal Military Training and Service Act, as amended (50 App. 456(f)), is amended by striking out "The Vice President" at the beginning of such subsection and inserting in lieu thereof "(1) The Vice President"; and by adding at the end thereof a new paragraph as follows:

"(2) Police officers and firemen of the States, territories, possessions, and the District of Columbia, and the subdivisions of the States, shall, while employed in such positions on a regular full-time basis, or while pursuing a course of education or training in law enforcement or firefighting conducted by the United States or by a State, territory, possession, or the District of Columbia, or a subdivision of a State, be deferred from training and service under this title in the Armed Forces of the United States."

INTERSTATE COMMERCE COMMISSION LEGISLATIVE PROPOSALS

Mr. MAGNUSON. Mr. President, I introduce, by request, for myself and the Senator from Ohio [Mr. LAUSCHE] eight Interstate Commerce Commission proposed bills.

The first bill would authorize the Commission, after investigation and hearing, when necessary and desirable in the public interest, to require the establishment of through routes and joint rates between motor common carriers, and between those carriers and common carriers by rail, express, and water. The Commission recommends enactment of this measure as a major contribution to a more coordinated transportation system, and to provide vastly improved service for the shipping public. The Commission points out that if it were granted the authority to require through routes and joint rates it could then require carriers to establish such interline service to small shippers. The Commission believes enactment of this bill would provide a significant contribution to the solution of the small shipment problem.

The second bill would amend section 203(b)(5) of the Interstate Commerce Act to provide that for-hire transportation by agricultural cooperatives for nonmembers is exempt only when the commodities transported consist of farm products, farm supplies, or other farm-related traffic. The Commission recommends enactment of this measure as a significant and necessary step toward arresting the relative decline of the Nation's common carrier industry which can be attributed in part to the growth of exempt carriage, including the rapidly increasing transportation activities of agricultural cooperatives. The Department of Defense, for example, recently announced that it intended to route freight in farm cooperative trucks. The Commission proposes this bill to eliminate the competition by agricultural cooperatives with common carriers for commercial traffic.

I will briefly summarize the remaining six bills. The third bill provides that the Commission may suspend and revoke motor carrier operating authority for noncompliance with Commission rules, regulations, or orders. The fourth bill would amend section 22 of the Interstate Commerce Act to limit transportation of Government traffic at free or reduced rates to: First, time of war or national emergency, and second, to bulk or agricultural commodities. The fifth bill would amend section 5(1) of the Interstate Commerce Act to eliminate the requirement for approval of pooling arrangements between household goods carriers. The sixth bill would authorize the Commission to exempt from economic regulation types of motor carrier transportation which the Commission determines to be not of national transportation significance. The seventh bill would eliminate or make optional with the Commission certain valuation and reporting requirements. The eighth and last bill would authorize the Commission to delegate to qualified employees the handling of numerous matters of relatively routine and specialized nature.

The members of the Interstate Commerce Commission are to be commended for promptly submitting these recommendations for legislative changes to improve our national transportation system and the administration of the Interstate Commerce Act. The committee welcomes the comments and views of shippers, users, industry, and others interested in these legislative proposals.

I ask unanimous consent that Chairman Tucker's letter of transmittal, the text of the bills, and the statements in support of each of these bills be printed in the RECORD.

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

The letter of transmittal presented by Mr. MAGNUSON is as follows:

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., January 23, 1967.

Hon. WARREN G. MAGNUSON,
Chairman, Senate Commerce Committee,
U.S. Senate,
Washington, D.C.

DEAR CHAIRMAN MAGNUSON: I am submitting herewith for your consideration the Commission's legislative recommendations (with draft bills attached) on the following subjects:

1. Through Routes and Joint Rates
2. Clarification of Agricultural Cooperative Exemption
3. Suspension and Revocation of Motor Carrier Operating Authority For Noncompliance With Commission's Rules, Regulations or Orders
4. Section 22 Rates
5. Pooling Agreements of Household Goods Carriers
6. Elimination of Unnecessary Motor Carrier Regulation

7. Elimination of Unnecessary Valuation and Reporting Requirements

8. Delegation of Authority to Qualified Individual Employees

We would very much appreciate your assistance in having these bills introduced and scheduling hearings thereon.

The Commission is considering recommendations on other subjects, which we will transmit to Congress when they are adopted.

Sincerely yours,

WILLIAM H. TUCKER, *Chairman.*

The bills, introduced by Mr. MAGNUSON, by request, were received, read twice by their titles, referred to the Committee on Commerce, and ordered to be printed in the RECORD, as follows:

S. 751. A bill to authorize the Interstate Commerce Commission, after investigation and hearing, to require the establishment of through routes and joint rates between motor common carriers of property, and between such carriers and common carriers by rail, express, and water, and for other purposes:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 1(4) of the Interstate Commerce Act (49 U.S.C., sec. 1(4)) is amended to read as follows: "It shall be the duty of every common carrier subject to this part to provide and furnish transportation upon reasonable request therefor, and to establish reasonable through routes with other such carriers, and just and reasonable rates, fares, charges, and classifications applicable thereto; and it shall be the duty of common carriers by railroad and/or express subject to this part to establish reasonable through routes with common carriers of property by motor vehicle subject to part II and/or common carriers by water subject to part III, and just and reasonable rates, fares, charges, and classifications applicable thereto.".

SEC. 2. The first sentence of section 15(3) of the Interstate Commerce Act (49 U.S.C., sec. 15(3)) is amended to read as follows: "The Commission may, and it shall whenever deemed by it to be necessary or desirable in the public interest, after full hearing, upon complaint or upon its own initiative without complaint, establish through routes, joint classifications, and joint rates, fares, or charges, applicable to the transportation of passengers or property by carriers subject to this part, or by carriers by railroad subject to this part and common carriers by water subject to part III, or applicable to the transportation of property by common carriers by railroad and/or express subject to this part, and/or common carriers of property by motor vehicle subject to part II, and/or common carriers by water subject to part III, or the maxima or minima, or maxima and minima, to be charged, and the divisions of such rates, fares, or charges as hereinafter provided, and the terms and conditions under which such through routes shall be operated".

SEC. 3. Section 216(c) of the Interstate Commerce Act (49 U.S.C., sec. 316(c)) is amended by striking out the first sentence and inserting in lieu thereof the following: "It shall be the duty of common carriers of property by motor vehicle to establish reasonable through routes and joint rates, charges, and classifications with other such carriers and/or common carriers by railroad and/or express and/or water. Common carriers of passengers by motor vehicle may establish reasonable through routes and joint rates, fares, or charges with common carriers by railroad and/or water."

SEC. 4. Section 216(e) of the Interstate Commerce Act (49 U.S.C., sec. 316(e)) is amended—

(a) by amending that portion of the second sentence preceding the proviso to read as follows: "Whenever, after hearing, upon complaint or in an investigation on its own initiative, the Commission shall be of the opinion that any individual or joint rate, fare, or charge, demanded, charged, or collected by any common carrier or carriers by motor vehicle or by any common carrier or carriers by motor vehicle in conjunction with any common carrier or carriers by railroad and/or express and/or water for transportation in interstate or foreign commerce, or any classification, rule, regulation, or practice whatsoever of such carrier or carriers affecting such rate, fare, or charge or the value of the service thereunder, is or will be unjust or unreasonable, or unjustly discriminatory or unduly preferential or unduly prejudicial, it shall determine and prescribe the lawful rate, fare, or charge or the maximum or minimum, or maximum and minimum rate, fare, or charge thereafter to be observed, or the lawful classification, rule, regulation, or practice thereafter to be made effective and the Commission shall, whenever deemed by it to be necessary or desirable in the public interest, after hearing, upon complaint or upon its own initiative without a complaint, establish through routes and joint rates, fares, charges, regulations, or practices, applicable to the transportation of passengers by common carriers by motor vehicle, or to the transportation of property by common carriers of property by motor vehicle, or by such carriers and/or common carriers by railroad and/or express and/or water, or the maxima or minima, or the maxima and minima, to be charged, and the divisions of such rates, fares, or charges as hereinafter provided, and the terms and conditions under which such through routes shall be operated", and

(b) by adding at the end of such section 216(e) the following new sentence: "If any tariff or schedule canceling any through route or joint rate, fare charge, or classification, without the consent of all carriers parties thereto or authorization by the Commission, is suspended by the Commission for investigation, the burden of proof shall be upon the carrier or carriers proposing such cancellation to show that it is consistent with the public interest.".

SEC. 5. The first two sentences of section 305(b) of the Interstate Commerce Act, as amended (49 U.S.C., sec. 905(b)), are amended to read as follows: "It shall be the duty of common carriers by water to establish reasonable through routes with other such carriers and/or common carriers by railroad and/or express and/or common carriers of property by motor vehicle, and just and reasonable rates, fares, charges, and classifications applicable thereto, and to provide reasonable facilities for operating such through routes, and to make reasonable rules and regulations with respect to their operation and providing for reasonable compensation to those entitled thereto. Common carriers by water may establish reasonable through routes and rates, fares, and charges applicable thereto with common carriers of passengers by motor vehicle.".

SEC. 6. The first two sentences of section 307(d) of the Interstate Commerce Act (49 U.S.C. sec. 907(d)) are amended to read as follows: "The Commission may, and it shall whenever deemed by it to be necessary or desirable in the public interest, after full hearing upon complaint or upon its own initiative without a complaint, establish through routes, joint classifications, and joint rates, fares, or charges applicable to the transportation of passengers by common carriers by water, or by such carriers and carriers by railroad, or applicable to the transportation of property by common carriers by water, or by such carriers and/or carriers by railroad and/or express and/or common carriers of property by motor vehicle, or the maxima or minima, or the maxima and minima, to be charged, and the divisions of such rates, fares, or charges as hereinafter provided, and the terms and conditions under which such through routes shall be operated. In the case of a through route, where one of the carriers is a common carrier by water, the Commission shall prescribe such reasonable differentials as it may find to be justified between all-rail or all-motor rates, as the case may be, and the joint rates in connection with such common carrier by water.".

The recommendation accompanying S. 751 is as follows:

THROUGH ROUTES AND JOINT RATES

We recommend that parts I, II, and III be amended to authorize the Commission, after investigation and hearing, when necessary and desirable in the public interest, to require the establishment of through routes and joint rates between motor common carriers of property and between those carriers and common carriers by rail, express, and water.

With the growth of the nation's economy, the expansion of the motor carrier industry, and technological improvements in the transportation field, greater stress has been placed upon the importance of having a more coordinated national transportation system. Of fundamental importance to the accomplishment of this end is the establishment of through routes and joint rates within and between the various modes of carriage. It follows, therefore, that in many instances the failure or refusal of carriers to enter into such arrangements is contrary to the public interest in the furtherance of a more coordinated national transportation system.

The availability of through routes and joint rates inures to the benefit of the shipping public in numerous ways. It enables a shipper to make one contract with the originating carrier on behalf of all carriers participating in the arrangement. In addition, the shipper may ascertain the rate for a through movement by consulting a single tariff instead of many. Both shipper and consignee also have the advantages provided by section 20(11) and similar provisions in other parts of the act of recovering from either the originating or delivering carrier for loss or damage caused by any carrier participating in the through movement. Moreover, experience has shown that because of the economy of established channels of commerce through which substantial amounts of traffic may flow, and reduced freight rate calculation costs, joint rates are generally lower than a combination of local rates of connecting carrier not participating in such through service arrangements.

At present, the only common carriers of different modes which may be required by the Commission to establish through routes and joint rates with each other are railroads, pipelines, and express companies subject to part I of the act, and railroads subject to part I and common carriers by water subject to part III. The only intramodal joint-rate arrangements that may be required by the Commission are between railroads, pipelines, and express companies, respectively, subject to part I, common carriers of passengers by motor vehicle subject to part II, and common carriers by water subject to part III. Common carriers of property by motor vehicle subject to part II are permitted, but may not be required to enter into joint-rate arrangements with other such carriers or with common carriers of other modes, nor, on the other hand, may common carriers of other modes be required to establish through routes and joint rates with motor carriers.

In the case of through routes among motor common carriers of property, most of the regular-route, general-commodity motor carriers participate in agency tariffs and are parties to the joint rates published therein. Such arrangements are, however, entered into on a permissive basis and are subject to termination at any time, a situation which is not conducive to the maintenance of dependable joint-line service. In addition, the tariffs filed under such voluntary joint-rate arrangements contain many restrictions as to individual carriers, thereby limiting the through routes and joint rates as to carriers and to points of interchange.

In the absence of such voluntary joint-rate arrangements among motor common carriers of property, the only way in which the Commission may provide for through motor carrier service is by granting extensions of operating rights to existing carriers or by approving consolidations and mergers of connecting carriers. The granting of such extensions is not always desirable, however, since it may result in a surplusage of carriers over certain routes. Many shippers have demonstrated their reluctance to rely on voluntary arrangements by prevailing upon motor carriers to file applications to extend their operating authority to include every point to which the shipper's traffic moves. Shippers justify their position, in many instances, by claiming that they are entitled to hold one carrier responsible for the safe and efficient transportation of their freight.

Although a need for expeditious service is also frequently asserted, instances are relatively few in which it is successfully established that the use of multiple-line service results in delays of material consequences. Most of these applications are denied, but in many cases, the Commission finds it necessary to grant authority because of the failure of connecting carriers to adduce evidence of their willingness and ability to participate in joint-line service.

For many years railroads and motor carriers were reluctant to enter into through route and joint-rate arrangements. While, in recent years, there has been some relaxation of this attitude on the part of the carriers, especially with the growth of "piggyback" service, such arrangements are, as in the case of those between motor common carriers of property, entered into on a permissive and voluntary basis subject to termination at any time. Here again the lack of any obligation on the part of the carriers to continue in effect such joint through route arrangements is not conducive to the maintenance of dependable joint-line service.

Although no serious problems appear to have arisen in connection with the establishment of through routes and joint rates between common carriers by water and motor common carriers of property, the fear of collapse of such arrangements because of their permissive and voluntary nature is, of course, always present. Our recommendation would give the Commission authority to require the establishment and maintenance of such arrangements when required by the public interest.

One of the major problems facing the transportation industry today is the problem of small shipments. At present the Commission does not have the authority to require motor carriers to establish through routes and joint rates. As a result, motor carriers may restrict the establishment of through routes and joint rates to selected commodities. Thus, motor carriers may exclude small shipments from feeder lines which service small communities. Some motor carriers who try to provide small shipment service often are precluded from doing so by the refusal of other carriers from participating in the movement. If the Commission were granted the authority to require through routes and joint rates it could then require carriers to establish such interline service to small shippers. This would provide a significant contribution to the solution of the small shipment problem.

Enactment of this proposed measure would permit the Commission, in proper cases, to compel the establishment and maintenance of dependable joint-line service responsive to the needs of the shipping public, and, at the same time, protect the carriers from unfair or unreasonable demands to provide through service. It would also have the effect of according greater equality of treatment in the regulation of the carriers of the various modes. We feel strongly that this recommenation would be a major contribution to a more coordinated transportation system, and would provide vastly improved service for the shipping public.

S. 752. A bill to amend section 203(b)(5) of the Interstate Commerce Act to clarify this exemption with respect to transportation performed by agricultural cooperative associations for nonmembers.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That at the end of section 203(b)(5) of the Interstate Commerce Act delete the semicolon and add the following language: ", but, in transportation for non-members for compensation, only when those vehicles are being used in the transportation of farm products, farm supplies, or other farm related traffic;".

The recommendation accompanying S. 752 is as follows:

CLARIFICATION OF AGRICULTURAL COOPERATIVE EXEMPTION

The Interstate Commerce Commission recommends that section 203(b)(5) of the Interstate Commerce Act be amended to clarify this exemption with respect to transportation performed by agricultural cooperative associations for nonmembers.

Under section 203(b)(5) of the Interstate Commerce Act motor vehicles controlled and operated by agricultural cooperatives, or by a federation of such cooperatives are exempt from the Commission's economic regulation provided the cooperatives meet certain qualifying criteria as defined in the Agricultural Marketing Act of 1929 (12 U.S.C. 1141). The original exemption for agricultural cooperatives was included in the Motor Carrier Act of 1935. In 1940 this exemption was expanded to include a federation of such cooperative associations, if such federation possesses no greater powers or purposes than cooperative associations so defined.

The number of groups and organizations claiming exemptions as agricultural cooperatives has grown considerably in the last 10 to 15 years. Also the transportation activities of agricultural cooperatives have changed greatly since the original exemption was adopted in 1935. As far back as the early 1960's we were receiving complaints from carriers and shippers from almost every section of the country concerning the expanding operations of allegedly bona fide agricultural co-ops. It was a very tedious process to investigate and bring to a conclusion all of these complaints. Necessarily we attempted to deal with the problem by laying down broad guidelines. In a lead case in 1961, the Commission held in the *Machinery Haulers Assn.* v. *Agricultural Commodity Serv.*, 86 M.C.C. 5, that a co-op to enjoy the benefits of section 203(b)(5) of the Interstate Commerce Act must meet the following tests:

(1) It must be operated and controlled by and for the benefit of its farmer members through its duly elected officers and directors.

(2) It must either own or control, under long-term lease, the vehicles which it uses to perform transportation.

(3) Its membership must be limited to those who were in fact producers of agricultural commodities.

(4) It may not perform transportation services functionally unrelated to its members' farming activities.

The guide lines established in this case were left undisturbed by the courts until a decision was handed down by the United States Court of Appeals for the Ninth Circuit, in the *Northwest Agricultural Cooperative Association* v. *Interstate Commerce Commission* 350 F. 2d. 252 (1965), *cert. denied* 382 U.S. 1011 (1966). In the *Northwest Case* the circuit court reversed the lower court and held:

"On the uncontradicted facts Northwest's transportation of non-farm products and supplies was incidental and necessary to its farm-related transportation both in character and in amount—incidental because limited to otherwise empty trucks returning from hauling member farm products to market, and producing a small return in proportion to Northwest's income from trucking farm products and farm supplies; necessary because it is not economically feasible to operate the trucks empty on return trips and because the additional income obtained is no more than that required to render performance of the cooperative's primary farm transportation service financially practicable."

As a result of this apparently established law it is expected that the transportation activities of agricultural cooperatives will include an increasing amount of non-farm traffic for non-members. A clear indication that this will occur is evidenced by the recent policy of the Department of Defense whereby they have solicited the transportation services of agricultural cooperatives.

We feel that the exemption in section 203(b)(5) has been extended far beyond the intent of Congress. A review of the legislative history reveals that Congress did not intend for agricultural co-ops to compete with common carriers for commercial traffic.

When Congressman Jones offered the amendment to exempt agricultural co-ops from economic regulation he stated:

"I want to assure the members of the committee as well as the Members of the House that there is no desire on the part of those who are interested in this amendment to open the floodgates. . . ." (79 Cong. Rec. 12220 (1935))

Congressman Terry, a member of the House Interstate and Foreign Commerce Committee, made these statements during the consideration of the amendment:

"The committee feels that to the extent the cooperatives are carrying and trucking their own property that they should be exempt, and they are exempt under the terms of the exception on page 9; that is, the casual, occasional, or reciprocal tranporstation of property in interstate commerce by any person not engaged in transportation by motor vehicle as a regular occupation or business. All farmers are exempt under this provision, and also under subsection 8.

"* * * * *

"The farmer's operations are included in the exemptions that are in the bill. Every bit of trucking they do in transporting their own property is exempt; and the committee, after full consideration, felt that where the cooperatives go into the regular trucking business as such, that they should come within the provisions of the bill as to reasonable regulation." (79 Cong. Rec. 12221)

Congressman Whittington then stated:

"If the bill covers the matters that are intended to be covered by the proposed amendment, then the acceptance of the amendment would be merely a clarification of the bill, because many commissions are rather hesitant as to the meaning of the word 'casual.'" (79 Cong. Rec. 12221)

After this debate the Jones amendment was adopted by the House, and subsequently adopted by the Senate without further debate.

In view of the debate on the agricultural co-op exemption at the time it was adopted, and in view of no subsequent action by Congress expressing a different intent, we believe "that Congress should reexamine section 203(b)(5) in light of the Court decision in the *Northwest* case, *supra*."

For sometime the Commission has been concerned with the relative decline of the nation's common carrier industry. Several traffic studies clearly reveal that common carriers have lost considerable traffic which they formerly handled and, at the same time, have been unable to share proportionately in the additional traffic generated by the nation's expanding economy. This decline can be attributed in part to the growth of exempt carriage, including the rapidly increasing transportation activities of agricul-

tural cooperatives. As a significant and necessary step toward arresting this decline, we believe that agricultural cooperatives should not be allowed to compete with common carriers for commercial traffic. Accordingly, we here urge a limited amendment to section 203(b)(5) which would expressly state that in providing for-hire transportation to non-members the exemption applies only when the commodities transported consist of farm products, farm supplies, or other farm-related traffic.

S. 753. A bill to amend section 212(a) of the Interstate Commerce Act, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) of section 212 of the Interstate Commerce Act (49 U.S.C. 312(a)), is amended as follows:

(1) The second sentence is amended by inserting after the phrase "promulgated thereunder," the words "or under sections 831–835 of title 18, United States Code, as amended."

(2) The first proviso is amended—

(A) by striking out "willfully", and

(B) by inserting immediately after the phrase "or to the rule or regulation thereunder," the words "or under sections 831–835 of title 18, United States Code, as amended."

(3) The second proviso is amended by inserting "215", immediately after "211(c)."

The recommendation accompanying S. 753 is as follows:

SUSPENSION AND REVOCATION OF MOTOR CARRIER OPERATING AUTHORITY FOR NONCOMPLIANCE WITH RULES, REGULATIONS OR ORDERS

The Interstate Commerce Commission recommends that section 212(a) of the Interstate Commerce Act be amended in the following respect: (1) to make motor carrier operating authorities subject to suspension, change, or revocation for willful failure to comply with any provision of Part II or Chapter 39, title 18 United States Code, Explosives and Other Dangerous Articles; (2) to make the revocation procedures therein prescribed conform to the procedure provided in section 312(a) and 410(f) of the act by eliminating the term "willfully" in the first proviso; and (3) to provide that the Commission may, upon reasonable notice, suspend motor carrier operating authorities for failure to comply with insurance regulations issued by it pursuant to section 215 thereof.

The purpose of this recommendation is to subject motor carrier operating authorities to suspension, change, or revocation for willful failure to comply with any provision of Part II of the Explosives Act, and to provide uniformity between Parts II, III and IV of the Interstate Commerce Act with respect to revocation procedure. It is also designed to permit suspension of motor carrier operating rights, upon notice, for failure to comply with the Commission's insurance regulations.

Section 6(e)(4) of the Department of Transportation Act transfers the Commission's authority relating to explosives and other dangerous articles to the new Department of Transportation. Neither the Department of Transportation nor the Commission has the authority to suspend or revoke a certificate of any carrier for violation of the Explosives Act. However, we believe that to effect compliance with the Explosives Act it is essential that the Commission be given the authority to suspend and revoke certificates for serious violations of such Act. Consequently, we request that section 212(a) be amended to give the Commission this authority.

The Commission's authority to prescribe rules and regulations respecting safety of motor carrier operations and equipment also has been transferred to the Department of Transportation. However, under section 212(a) the Commission may suspend or revoke a carrier's certificate or permit for failure to comply with a rule or regulation of the Department issued pursuant to the safety provisions of part II of the act. Accordingly, it will be essential that the Commission and the Department of Transportation act in close coordination in implementing their respective responsibilities, and particularly in this vital area of motor carrier safety.

Under the first proviso of sections 312(a) and 410(f) of the act, a carrier or a freight forwarder's certificate or permit may be revoked if the holder thereof fails to comply with a rule, regulation or order of the Commission commanding compliance with the provisions of part III or part IV of the Interstate Commerce Act. Section 312(a) was added as a new section during the 89th Congress, and upon our request the word "willful" was not included in the first proviso. Also it was not included in the original enactment of section 410(f) of the act. Under the corresponding provisions in section 212(a), however, the failure of a motor carrier to obey a similar compliance must be shown to have been *willful* before the carrier's certificate or permit may be revoked. Once disobedience of a compliance order is established, an additional showing of willfulness should not be required. Proof of disobedience should be sufficient. The proposed change in the quantum of proof would make motor carrier operating rights revocable in the same manner as water carrier and freight forwarder operating rights.

The second proviso in section 212(a) provides for the suspension, upon notice, but without hearing, of motor carriers' and brokers' operating authorities for failure to comply with brokerage bond regulations and tariff publishing rules. It does not, however, provide for suspension on short notice for failure to maintain proof of cargo, public liability, and property-damage insurance under section 215. Section 410(f) is a counterpart of section 212(a) and contains a provision similar to the second proviso of section 212(a). The second proviso in section 410(f), however, provides for suspension on short notice of freight forwarder permits for failure to comply with the cargo insurance provisions under section 403(c) and the public-liability and property-damage insurance provisions under section 403(d). Our recommendation would bring section 212(a) into further conformity with section 410(f) by removing this distinction.

From the standpoint of the traveling and shipping public there is as much reason to require motor carriers to keep their cargo and public-liability and property-damage insurance in force as there is to require freight forwarders to keep their insurance in effect. It is therefore desirable in the public interest that the Commission have the authority to suspend motor carrier rights, on short notice, when insurance lapses, or is canceled without replacement, until compliance is effected. The prospect of such action by the Commission should act as a deterrent to violations of this nature. An investigation under section 204(c) is not a satisfactory answer to the problem since such proceedings are sometimes necessarily lengthy and the public may be adversely affected should losses occur while it is pending.

The amendments proposed in this recommendation would enable the Commission to administer the enforcement provisions of part II of the act more effectively.

Attached is a draft bill which would implement the above recommendation.

S. 754. A bill to amend section 22 of the Interstate Commerce Act:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 22 of the Interstate Commerce Act, is hereby amended:

By striking the first clause of the first sentence in subsection (1) and inserting in lieu thereof the following:

"That nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for the United States, State, or municipal governments either during time of war or national emergency as declared by Congress or the President or when such property consists of (a) ordinary livestock, fish (including shellfish) or agricultural (including horticultural) commodities (not including manufactured products thereof), as such property is defined in section 203(b)(6) of part II, or (b) commodities in bulk which are loaded and carried without wrappers or containers and received and delivered by the carrier without transportation mark or count; nothing in this part shall prevent the carriage, storage, or handling of property free or at reduced rates for charitable purposes, or to or from fairs and expositions for exhibition thereat, or the free carriage of destitute and homeless persons transported by charitable societies, and the necessary agents employed in such transportation, or the transportation of persons for the United States Government free or at reduced rates during time of war or national emergency as declared by Congress or the President, or the issuance of mileage, excursion, or commutation passenger tickets;".

The recommendation accompanying S. 754 is as follows:

SECTION 22 RATES

We recommend that section 22 be amended so as to permit the performance of transportation services for governmental bodies free or at reduced rates only to the extent such services: (a) are performed during war or national emergency or (b) involve transportation which remains exempt from economic regulation under Parts II and III of the Act.

Section 22 of the Interstate Commerce Act now permits, among other things, "the carriage, storage, and handling of property free or at reduced rates for the United States, State, or municipal governments" and "the transportation of persons for the United States Government at free or reduced rates". These provisions which apply to railroads and other common carriers subject to Part I of the Act, are also made applicable to motor common carriers by section 217(b), to water common carriers by section 306(c), and to freight forwarders as to transportation or service in the case of property by section 405(c).

Except for the enactment in 1957 of subsection (2) which requires carriers to file certain rates with the Commission, the provisions of section 22 relating to Government traffic have remained essentially the same since passage of the original act to regulate commerce in 1887. At that time the Government was a comparatively small user of freight or passenger services of the carriers. Today, however, it is the largest single purchaser of transportation services. According to a study prepared by the General Accounting Office dated August 15, 1961, during fiscal year 1959 the government paid line-haul transportation charges totaling $184 million for shipments of 8 million tons of freight at reduced rates under section 22. This is indicative of the volume of freight moving under section 22 quotations and tenders.

The Commission has for many years been of the view that, except during time of war or national emergency, the Government should pay full tariff rates and charges for transportation services performed on its behalf, the same as any other shipper or user of common carrier services. A large percentage of Government traffic now moves at reduced rates under section 22 which, of

course, are not available to the commercial shipper. This preferential treatment has a strong tendency to increase the cost of regulated transportation services to commercial users who, when their rates become too high, resort to private carriage. Such diversions of traffic are clearly detrimental to the maintenance of a sound common carrier system.

Our recommendation would not, however, completely eliminate Government reduced rate privileges under section 22. During time of war or national emergency, these privileges would still apply. In such times, it is required that commodities be moved, often secretly, over routes and between points as to which the applicable tariff rates may be considered to be unreasonable under the circumstances, or with respect to which there are no existing published rates, there being little likelihood in many instances of any commercial demand developing for the use of such routes or for other services. Accordingly, we feel that, in the interest of national defense, governmental bodies should retain section 22 privileges during time of war or national emergency.

In addition, our recommendation contains a specific provision retaining reduced rate privileges in situations involving the transportation of bulk or agricultural commodities for governmental bodies. This provision is necessary in order not to aggravate existing competitive inequalities between carriers of different modes arising from the exemption in sections 203(b)(6) and 303 of the Act. However, we recognize that any change in the law respecting these inequalities may require a corresponding change in the proposed amendment to section 22.

We believe that this recommendation is especially timely. Recently the Department of Defense announced that it intended to route freight on farm cooperative trucks. This new policy of the Defense Department was made possible by a recent decision by the U.S. Court of Appeals for the Ninth Circuit in *Northwest Agricultural Cooperative Association, Inc.* v. *Interstate Commerce Commission*, 350 F 2d 252 (1965), cert. denied, 382 U.S. 1011 (1966). This decision established the right of agricultural cooperatives to backhaul non-farm commodities for non-members, such as the Department of Defense. This means that the Department can take advantage of free and reduced rates under section 22 as well as use farm cooperative trucks, both at the expense of the authorized for-hire motor carriers.

We believe that the adoption of this recommendation would foster sound economic conditions in transportation and would encourage the establishment and maintenance of reasonable charges for transportation services without unjust discriminations, undue preferences or advantages, or unfair or destructive competitive practices.

Attached is a draft bill to implement the above recommendation.

S. 755. A bill to amend section 5(1) of the Interstate Commerce Act to eliminate the requirement for approval of pooling arrangements between motor common carriers of household goods, and for other purposes:

S. 755

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5(1) of the Interstate Commerce Act (49 U.S.C. 5(1)) is amended by striking out the period at the end and inserting in lieu thereof a colon and the following: *"Provided further,* That nothing herein shall be construed as declaring unlawful or as empowering the Commission to approve and authorize any contract, agreement, or combination relating to the pooling or division of traffic, service, or earnings, or any portion thereof in the transportation of household goods to which any common carrier subject to part II may be a party with any other such carrier or carriers."

The recommendation accompanying S. 755 is as follows:

POOLING AGREEMENTS OF HOUSEHOLD GOODS CARRIERS

We recommend that section 5(1) be amended so as to exempt contracts, agreements, or combinations affecting the transportation of household goods to which any common carrier by motor vehicle may be a party with other such carrier or carriers for the pooling or division of traffic, service, or earnings.

Cooperative practices of household goods carriers were described by the Commission in *Practices of Property Brokers*, 53 M.C.C. 633, 636–637, as follows:

The transportation of small shipments at reasonable rates and the relatively high ratio of empty to loaded mileage are persistent economic problems with which the household goods carriers have always been faced and which they have had to overcome. This has required constant efforts within the industry for cooperative handling of shipments. Extremes in light and heavy traffic of individual carriers are frequent and are met by arrangements whereby inactive vans and trained personnel are diverted to those carriers who are experiencing above-normal demands for service. The carriers are unable to predict in advance the amount of equipment and personnel they will need to meet demands for service. They are especially confronted with the problem of maintaining employment for personnel who have to be trained for several years before being assigned to vehicles which operate for extended periods away from their home terminals. The drivers' character and their skill in handling valuable and fragile shipments are said to be more important than their ability to drive and, since the number of qualified drivers is limited, the carriers are interested in keeping them in gainful employment.

The practice of diverting small shipments from one carrier to other carriers has long been an inherent part of, and essential to, the economy and efficiency of the Nation's household-goods moving service. In many instances, economy and expeditious handling require the services of two carriers, although but seldom is joint carriage physically performed by both carriers over the highway. The services of one of the carriers may consist only of the use of its established terminal for the preparation of shipping documents, packing, and the performance of other services necessary to prepare the shipment for loading onto the line-haul vehicle. Whether or not two carriers are used is determined by the size of the shipment and the desired time of movement, and the relating of these factors to economy of operation by the booking carrier. For instance, a small shipment may be diverted, under a joint agency tariff, to a carrier satisfactory to the booking carrier which at the moment is in a position to provide immediate transportation and the use of which will save the shipper the cost of storage or the weight penalty assessed for so-called expeditious handling and obivate the operation by the booking carrier of empty return mileage. The compensation of commissions received in such cases by the booking carrier from the line-haul carrier are described as a division of the revenue based upon the performance by it of the terminal portion of the "joint carriage." Most shippers have but infrequent need for the services of a household-goods carriers and are unversed in how the carriers operate and the laws and regulations governing them. Accordingly, when a shipper requires service, he usually consults and obtains the service of a local carrier with which he is acquainted and to which he will look for redress in case the shipment is not handled satisfactorily, the local booking carrier accepting with the line-haul carrier joint responsibility under the bill of lading for the safe delivery of the shipment.

These practices provide the public with a more expeditious and economical service than would otherwise be possible, and the carriers are enabled to utilize their equipment more fully, maintain a more reasonable level of rates, hold down empty mileage, and otherwise bring stability to their operations. In short, the requirements for approval under the pooling provisions of section 5(1) of being "in the interest of better service to the public or of economy in operation" would seem to have been met generally by present cooperative practices among groups of household goods carriers.

The pooling provisions of the Act require a hearing and approval by the Commission before agreements may lawfully be entered into. Strict enforcement of this provision as to household goods carriers has not been practicable. Combinations whereby they divert, surrender, or exchange shipments, allocate or control solicitation, use service facilities and instrumentalities or employees cooperatively, and divide proceeds of diverted traffic, are so flexible that before agreements can be filed and approved, many are terminated or changed and new arrangements entered into involving new or different participating carriers.

Under arrangements with noncarriers, and compliance with the leasing rules of the Commission, carriers may obtain most or all of the advantages of pooling arrangements with carriers, without the disadvantages incident to filing applications for approval under section 5(1). The proposed exemption would place carriers on an equal basis with noncarriers in making arrangements with other carriers essential to their economical and efficient operations.

Recently, in Ex Parte No. MC–51, the Commission re-examined its authority under section 5(1) to determine the feasibility of promulgating general regulations whereby carriers would be permitted to file their pooling agreements with the Commission; and, if found to conform to the general regulations such agreements would be considered approved unless subsequently determined to be unlawful.

While this proceeding was pending we requested that Congress defer action on legislative proposals (S. 1146 and H.R. 5240 of the 89th Congress) previously recommended by the Commission. However, we have now determined that the rulemaking proceeding was not an appropriate vehicle for alleviating the household pooling agreement problem. For this reason the Commission now renews its recommendation for legislation in this area.

Attached is a draft bill which would implement the above recommendation.

S. 756. A bill to amend part II of the Interstate Commerce Act, as amended, so as to authorize exemption from the provisions of such part, services and transportation of such nature, character, or quantity as to not substantially impair effective regulation by the Commission, be unjustly discriminatory, or be detrimental to commerce:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 204 of the Interstate Commerce Act (49 U.S.C. 304) is amended by adding thereto the following new subsection:

"(g) Notwithstanding any other provision of this part, the Commission, upon application or on its own motion, may by order or rule exempt for the future from the requirements of this part or any provision thereof, or any rule, regulation, term, condition, or limitation prescribed thereunder, any services or transportation to which this part applies, where it finds that such exemption will not substantially impair effective regulation by the Commission, be unjustly discriminatory, or be detrimental to commerce. The Commission may attach conditions to any such exemptions and may, by order, revoke any such exemption. No order or

rule of exemption of revocation of exemption shall be issued unless opportunity for hearing has been afforded interested persons. Upon revocation of any such order or rule of exemption, in whole or in part, the Commission shall restore to the carrier or carriers affected thereby, without further proceedings, the authority, if any, held by such carrier or carriers at the time the order or rule of exemption affecting such carrier or carriers became effective."

The recommendation accompanying S. 756 is as follows:

ELIMINATION OF UNNECESSARY MOTOR CARRIER REGULATION

The Interstate Commerce Commission recommends that part II be amended so as to authorize the Commission to exempt from the requirements of that part, or any provision thereof, such service and transportation as may be determined by the Commission to be of such nature, character, or quantity as to not substantially impair effective regulation by the Commission, be unjustly discriminatory, or be detrimental to commerce.

At present, the for-hire motor transportation of passengers and property in interstate or foreign commerce is, with a number of exceptions specified in the statute, subject to full economic regulation under part II of the Interstate Commerce Act. The current statutory exemptions vary in purpose, scope, and applicability, but plainly do not embrace all transportation functions which seem worthy of regulatory exemption. As a consequence, the Commission regularly is called upon to apply and enforce the requirements of part II with respect to certain motor carrier operations and activities which contribute but slightly to the national transportation system and which cannot be said to be of significance in the overall design of regulation contemplated by the Act. For example, the interstate motor movement of such commodities as homing pigeons or trash and garbage would appear to be of such nature, character, or quantity as not substantially to affect or impair effective regulation, and exemption of such transportation from regulation would in no way hinder the effectuation of the national transportation policy or affect materially the welfare of regulated transportation. Likewise, the exclusion from interstate regulation of local mass transit motorbus operations conducted within precisely defined territorial limits would in certain circumstances appear to have little or no effect upon regulation of this segment of the for-hire industry.

While individual and specific legislative recommendations could be submitted from time to time with respect to each commodity or transportation service found by the Commission to be susceptible of statutory exemption, enactment of the proposed general exempting power is believed to be in the best interests of all concerned. Not only would such authority relieve the Commission and the affected carriers of what seems to be an undue regulatory burden, but also would tend to free the Congress of much of the legislative workload that would be encountered by a piecemeal approach. As an example, such authority probably would have eliminated the need for Public Law 88-208 (H.R. 2906) partially exempting from regulation the emergency transportation of accidentally wrecked or disabled motor vehicles. Additionally, the recommended authority would result in increased flexibility, since any exemption created thereunder would be subject to continuous administrative review and to repeal or modification upon a finding of changed circumstances.

The approach taken in this recommendation does not represent a marked departure from previous legislative techniques. Comparable exempting authority is conferred upon the Commission by section 204(a)(4a) of the Act with respect to motor carriers lawfully engaged in operation solely within a single State, and the Civil Aeronautics Board is empowered by 49 U.S.C. 1386 to establish similar exemption from air carrier economic regulation. Further, through Public Law 89-778 enacted November 6, 1966, the Federal Maritime Commission received authority from the Congress to establish similar exemptions for certain agreements under the Shipping Act, 1916 (46 U.S.C. 801 et seq.) We believe that the recommendation made herein is in harmony with the form and substantive provisions of Public Law 89-778.

Finally, to safeguard against possible abuse of the powers and privileges to be conferred upon the Commission, the draft bill imposes important limitations and conditions upon the exercise of the authority to exempt. Thus, an order of exemption may be issued or revoked only after all interested persons have been accorded a reasonable opportunity to be heard and only upon definitive Commission findings, based upon a thorough analysis of the nature, character, and quantity of the involved transportation, as to the effect which such action may have upon the transportation industry. These findings will, of course, be subject to appropriate judicial review, while still other safeguards in the bill would, upon revocation of an exemption, restore affected carriers to the status quo enjoyed by them prior to the creation of the exemption.

A primary goal of the proposed measure is to relieve both this Commission and the affected carriers of the burdens of regulation in those situations in which continued economic regulation is neither necessary nor desirable. So long as the limitations and safeguards are retained, we believe that the proposed measure would benefit the public as well as affected individuals and carriers.

Attached is a draft bill which would implement the above recommendation.

S. 757. A bill to amend section 19a of the Interstate Commerce Act to eliminate certain valuation requirements, and for other purposes:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 19a of part I of the Interstate Commerce Act (49 U.S.C. 19a(b)) is amended as follows:

(1) In the paragraph which begins "Second", strike out ", and the present value of the same".

(3) Strike out the paragraph which begins "Third" and the paragraph which begins "Fifth".

(3) In the paragraph which begins "Fourth", strike out "Fourth" and insert in lieu thereof "Third".

(b) Subsection (f) of such section 19a (49 U.S.C. 19a(f)) is amended to read as follows:

"(f) Upon completion of the original valuations herein provided for, the Commission shall thereafter keep itself informed of the cost of all new construction, extensions, improvements, retirements, or other changes in the condition, use, and classification of the property of all common carriers as to which original valuations have been made, and may keep itself informed of current changes in quantities, costs and values of such properties, in order that it may have available at all times the information deemed by it to be necessary to enable it to revise and correct its previous inventories, classifications, and values of the properties; and when deemed necessary, may revise, correct, and supplement any of its inventories and valuations."

The recommendation accompanying S. 757 is as follows:

ELIMINATION OF UNNECESSARY VALUATION AND REPORTING REQUIREMENTS

We recommend that section 19a be amended in the following respects: (1) to eliminate the requirement that the Commission determine the present value of land; (2) to eliminate the requirement that the Commission determine the valuation of property held by carriers for purposes other than for use in common carrier service; (3) to eliminate the requirement that the Commission ascertain and report the amount, value, and disposition of aids, gifts, grants, and donations and the amount and value of concessions and allowances made by carriers in consideration thereof; and (4) to make optional the requirement that the Commission keep itself informed of changes in the quantity of the property of carriers, following the completion of the original valuation of such property.

The purpose of this recommendation is to eliminate or make optional certain mandatory valuation requirements which are no longer considered necessary or appropriate to the proper performance of the regulatory functions of the Interstate Commerce Commission. Foremost among these are the requirements (1) that the Commission determine the present value of carrier land holdings, and (2) that the Commission keep itself informed of changes in the quantity of the property of carriers following the completion of the original valuation of such property.

The requirement that the Commission determine the present value of land was appropriate in finding original property valuations under an earlier concept which also gave consideration to the reproduction cost of property other than land. Accounting methods have changed, however, and today the concept of "reproduction cost" generally is in disuse by this Commission for rail rate making purposes. In this respect, it is significant that the Commission, in establishing a base for measuring rate of return for railroads, now uses the *original cost* of property other than land less depreciation thereon as shown on the books of the carrier, and to this sum is added an allowance for working capital and the estimated *present value* of land. Clearly, this formula would be more logical and consistent if the original cost of land were substituted for a determination of present value.

There has been considerable latitude for a number of years with respect to what might properly be considered in arriving at a rate base, and the wide choice available to regulatory agencies in this connection has been recognized by the Supreme Court. In *Federal Power Commission* v. *Natural Gas Pipeline Co.*, 315 U.S. 586 (1942), the Court held that "The Constitution does not bind rate-making bodies to the service of any single formula or combination of formulas. * * *," and in *Federal Power Commission* v. *Hope Natural Gas Co.*, 320 U.S. 602 (1944), the Court amplified its opinion in the Natural Gas Pipeline Co. case by holding that "it is not the theory but the impact of the rate order which counts. If the total effect of the rate order cannot be said to be unjust and unreasonable, judicial inquiry under the Act is at an end. The fact that the method employed to reach that result may contain infirmities is not then important. * * *"

In the absence of a continuous need for present value of land data by the Commission, it is not in the public interest to spend large sums of money to develop the information and keep it reasonably current as contemplated by the present statutory requirement.

At the present time, by virtue of regulations issued by the Commission pursuant to the mandatory requirement in section 19a(f) of the Interstate Commerce Act, railroads and pipeline companies must report annually the number of units of property acquired or retired during the year. This information is utilized in determining the cost of reproduction of such property. As indicated above, however, the concept of reproduction value is no longer the dominant consideration in the determination of a rate base for railroads; and, in this circumstance, we believe that this reporting requirement repre-

sents an unnecessary burden upon rail carriers.

The situation with respect to the reporting of units of property changes by pipeline carriers, however, is unlike that of the railroads. The Commission finds property valuations for pipeline carriers each year; and, in this process, property units are used in the development of the cost of reproduction—new, an element which is considered by the Commission in arriving at rate bases for pipelines. For this reason, we recommend that, in lieu of repeal, the mandatory requirement in section 19a(f) be made optional as the needs of the Commission dictate.

The Commission has made adequate provision for the proper accounting and financial reporting of noncarrier property, and the value of such property is not considered for valuation or rate-making purposes. Therefore, we see no need to value noncarrier property as is presently required by the third subparagraph of section 19a(b) of the Act.

Insofar as aids, gifts, grants, and donations are concerned, practically all property in this category is of record in the original valuations found by the Commission for railroads. The significance of this information has diminished over the years, and carriers have long since discontinued the granting of concessions in the form of land-grant rates in consideration of such gratuities. Accordingly, the draft bill would also repeal subparagraph "Fifth" of section 19a(b) of the Act.

Enactment of this recommendation would, in our opinion, relieve the Commission of unnecessary valuation and reporting requirements, and, in principal effect, would eliminate a statutory requirement no longer necessary nor feasible because of the magnitude of the undertaking necessary to keep reasonable current.

S. 758. A bill to amend the Interstate Commerce Act to enable the Interstate Commerce Commission to utilize its employees more effectively and to improve administrative efficiency:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 17(2) of the Interstate Commerce Act (49 U.S.C. 17(2)), is amended—

(1) by inserting immediately after the second parenthetical expression therein the following: ", and the Commission may also assign or refer those matters which have not involved the taking of testimony at a public hearing or the submission of evidence by opposing parties in the form of affidavits to eligible individual employees of the Commission,"

(2) by striking the second sentence and substituting in lieu thereof the following:

"The following classes of employees shall be eligible for designation by the Commission to serve on such boards, or to receive individual delegations: directors or assistant directors of bureaus, examiners, chiefs and assistant chief of sections, chiefs and assistant chiefs of branches, attorneys, accountants, transportation economists and specialists, and such other qualified persons as the Commission may designate."

The recommendation accompanying S. 758 is as follows:

DELEGATION OF AUTHORITY TO QUALIFIED INDIVIDUAL EMPLOYEES

We recommend that section 17(2) be amended so as to authorize the Commission to delegate to qualified individual employees, including transportation economists and specialists, those matters which have not involved the taking of testimony at a public hearing or the submission of evidence by opposing parties in the form of affidavits.

In addition to a voluminous number of formal cases, the Commission's responsibilities under the Act extend to numerous matters of relatively routine and specialized nature. For example, matters relating to extensions of time for filing annual, periodical, or special reports; rejection of tariff publications for failure to give lawful notice or failure to comply with the Commission's regulations; and orders assigning cases for hearing, extending dates for the filing of pleadings and postponing compliance dates. Except with respect to assignments to a Division or an individual Commissioner, under the present provisions of section 17(2), the Commission may delegate such functions only to three-man boards, and the only employees eligible to serve on these boards are "examiners, directors or assistant directors of bureaus, chiefs of sections, and attorneys."

When applied to matters of the type described above, we believe that the mandatory requirements of section 17(2) are unnecessary and unduly limit our authority in what essentially is an administrative area.

The proposed recommendation has been narrowly drawn so as to affect only the processing of matters which have not involved the taking of testimony at a public hearing or the submission of evidence by opposing parties in the form of affidavits.[1] In this limited area the draft bill (1) would authorize the Commission to refer such matters to eligible individual employees, and (2) would expand the list of "eligible" employees, to include assistant chiefs of sections, chiefs and assistant chiefs of branches, accountants, transportation economists and specialists, and other qualified persons designated by the Commission.

In our judgment, enactment of the proposed legislation would enable us to utilize key employees more effectively and would contribute significantly to improved overall administrative efficiency. In this respect, a preliminary estimate indicates that as many as 22,000 matters of a routine or specialized nature could be handled each year by qualified Commission employees.

APPENDIX—EXAMPLES OF COMMISSION WORK, BUSINESS AND FUNCTIONS WHICH COULD BE DELEGATED TO INDIVIDUAL EMPLOYEES

Office of proceedings

1. Areas where orders now are entered in the name of a single Commissioner or Division I, such as orders assigning cases for hearing, orders extending dates for the filing of pleadings, orders, postponing compliance dates, effective dates, and orders authorizing the changing of name of a carrier, etc.

2. Non-contested motor, water and freight forwarder application cases of the type now handled by Operating Rights Board No. 1.

Item No. 1 would relieve Commissioners of the possibility of dealing personally with up to 10,000 items a year. Item No. 2 appears desirable since actions of Board No. 1, about 1200 a year are seldom questioned by the filing of petitions for reconsideration, and it is believed that the nature of the cases is such that delegations to an individual would be just as effective.

Bureau of Accounts

1. Authority to permit the use of prescribed accounts which by provisions of their own texts require special authority.

2. Authority to permit departures from general rules prescribing uniform systems of accounts.

3. Authority to prescribe by orders, rates of depreciation to be used by individual carriers by railroad, water, and pipe line.

4. Authority to issue special authorizations permitted by the prescribed regulations governing the destruction of records of carriers.

5. Annual valuation of pipe lines.

6. Approval of protective service contracts.

[1] Matters of a type included in this category, together with brief comments pertaining thereto, are listed in an attached appendix.

It is apparent that matters arising under items 1 through 6 (about 125 a year) are of a highly technical nature; and in this circumstance, we believe that the professional judgment of the bureau director or qualified members of his staff could be relied upon for their disposition.

7. Matters relating to annual, periodical or special reports of carriers, lessors, brokers, freight forwarders, and other persons under Parts I, II, III and IV, presently assigned to Division 2. For example, approval of changes in the reporting forms and other requirements which often are made to conform them to corresponding changes in the Commission's accounting rules governing the respective types of carriers.

8. Extensions of time for filing annual, periodical, or special reports; exemption of individual carriers and others from reporting requirements now assigned to the Vice Chairman. Item 7 and 8 are routine in nature. For example, the extension of filing dates is essentially an administrative matter. These delegations would relieve Division 2 of the necessity of passing upon some 25 report matters each year, and the Vice Chairman of acting on 200 applications per year in matters currently assigned to him.

Bureau of Economics

Matters of access to waybills or photostat copies thereof.

Bureau of Operations and Compliance

Authority for District Supervisors to approve one-time shipment motor carrier temporary authorities, in bona fide emergencies, in the field.

In about 100 cases annually, authorization is given for one-time shipments in severe emergencies; e.g., replacement parts for a transformer which has interrupted electrical power in a community; a bridge span portion to repair a bridge closed to traffic until repaired.

Bureau of Traffic

Approval of special permission applications, now handled by the Special Permission Board, consisting of three members.

There are about 10,000 of these items coming before the Special Permission Board each year. If this work is delegated to individuals, it probably would be divided among as many as three persons because of the volume. However, rather than have two or three board members look at each request for special permission (e.g., each board member now reviews about 6,700 a year), each of three individual delegates would look at one-third of the total number or about 3,300.

FEDERAL EMPLOYEES' ACCRUED SICK LEAVE PAYMENT BILL

Mr. YARBOROUGH. Mr. President, I introduce, for appropriate reference, a bill which would amend the Civil Service Retirement Act to provide that accumulated sick leave of Federal employees can be either credited to the individual's retirement fund for the purpose of computing his annuity or paid in cash for one-half its value at the time of retirement. This bill is similar to two earlier legislative proposals which I have submitted—S. 1661 of the 88th Congress and S. 326 of the 89th Congress.

The purpose of this bill, Mr. President, is to encourage Federal employees to accumulate sick leave until retirement. Under the existing law a Federal employee receives no remuneration for accrued sick leave at the time of his retirement. The majority of Federal employees, who consider earned sick leave like an earned fringe benefit, are not encouraged under the present system to accumulate sick leave, because they

know that unused accrued sick leave has no financial value to them at the time of their retirement.

This bill would give the employee two options with respect to unused sick leave at the time of his retirement. The employee might elect to take a cash payment for one-half of the accumulated sick leave or he might have the entire number of accumulated days of sick leave credited to his service time for the purpose of computing his annuity.

Equity and sound management practices offer compelling reasons for passing this legislation. The present sick leave policy provides no incentive for accumulating sick leave. There is considerable evidence that the present policy is encouraging larger numbers of Federal employees to use sick leave in situations where it is not absolutely necessary. A recent survey has indicated that employees in their final year of Government service use three times as much sick leave as other employees.

The dedicated and responsible civil servant who does not use his accrued sick leave is the unsung hero and the real loser. For example, there are many individual employees who have foregone as much as $25,000 worth of accumulated sick leave at retirement time. In 1966 Postmaster General Lawrence F. O'Brien reported that nearly $37 million worth of unused sick leave was turned back to the Postal Service by 1,007 employees who retired in late 1965. I have been advised that 11,000 employees who retired in 1965 under a retirement incentive plan lost an average of 885 hours or 110 days of accumulated sick leave. These are the faithful employees who use sick leave most prudently and who have watched their equity in thousands of hours of unused leave disappear at the time of their retirement.

The present practice, encouraging absenteeism as it does, contributes to inefficiency and a waste of talent. An employee on sick leave falls behind in his work. The temporary employee who attempts to perform the absentee's duties is frequently less knowledgeable or skilled and consequently does a less effective job.

It is clear, therefore, that both the Federal employees and the Government will be well served by this bill. The employee who has earned sick leave and has not used it will be remunerated at the time of his retirement. The Government, which seeks less absenteeism and higher efficiency among its employees, will be able to look forward to thousands of hours of increased productivity.

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

The bill (S. 759) to amend title 5, United States Code, to provide for lump-sum payments for accumulated and accrued sick leave where employees die in service and for such payments or, at the option of the employees, credit for retirement purposes upon separation or retirement, introduced by Mr. YARBOROUGH, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

INVESTMENT CREDIT FOR PRIVATE INDUSTRY COMBATING WATER AND AIR POLLUTION

Mr. COOPER. Mr. President, on behalf of the distinguished Senators from West Virginia [Mr. RANDOLPH] and from Kentucky [Mr. MORTON] and myself, I send to the desk a bill to increase investment credit allowable with respect to facilities to control water and air pollution. I ask that the bill be printed in the RECORD following my remarks and that it lie on the desk until 2 weeks from tomorrow for additional cosponsors.

Mr. President, this bill would increase the present investment credit from 7 to 14 percent for those industries purchasing and installing facilities and equipment controls that would combat or eliminate water or air pollution.

The bill, with the exception of several technical changes, is similar to S. 2857 which I introduced on February 1 of last year. I should further point out that a proposal or a similar investment credit increase was offered by Senator RIBICOFF on the floor of the Senate in 1964 as an amendment to the Revenue Act of 1964 and was cosponsored by some 25 Senators. Although the Senate agreed to the amendment, the provision was later dropped in conference with the House when the House conferees objected to the fact that no hearings had been held on it.

It has been my view that we must do more to increase the participation of private industry to combat and control water and air pollution. Conservative estimates of the total cost for controlling industrial pollution have been placed at $75 billion over the next 15 years, or the large sum of $5 billion per year. At the base of this estimate rests the progressively increased use of water by industry. In 1900, the average daily use of water for industrial purposes was 15 billion gallons, but by 1960 industry was employing some 160 billion gallons per day. The amount of money required for installations to control pollution in just two industries alone—the paper and chemical industries—is indeed staggering.

One way of increasing the participation of private industry is to give industry a financial incentive to purchase and install facilities for the abatement of water and air pollution. It is only proper where companies purchase expensive equipment and facilities to reduce pollution—which facilities bring no financial return on their investment but are devoted to the greater public purpose and benefit—that some tax incentives should be provided.

I think it helpful to review at this point some of the actions that the Senate took in the last session in meeting this problem.

When the Air and Water Pollution Subcommittee of the Public Works Committee announced that it would hold hearings in April and May of last year to consider amendments to the Federal Water Pollution Control Act, I wrote representatives of private industry who were scheduled to testify and pointed out that although the Public Works Committee is without jurisdiction in fiscal legislation, I thought it would be helpful to the committee to have industry comments and viewpoints on how to meet the economic costs of pollution. As a result of their testimony and the substantial interest created among the committee members, the Public Works Committee, in reporting out its bill, included a strong recommendation to the Finance Committee to consider tax legislation applicable to the acquisition and installation of pollution control facilities. The pertinent section of the committee's report reads, as follows:

INCENTIVE ASSISTANCE FOR INDUSTRIES

A number of witnesses testified on the need for tax incentives as a means of reducing the cost of noneconomic pollution control facilities. This is not a matter over which the Senate Public Works Committee has jurisdiction but it affects the overall effort to meet water pollution control and abatement needs. This committee strongly recommends that the appropriate congressional committees give consideration to tax relief proposals for industrial pollution control activities.

For the most part, pollution control does not provide a return on an investment to an industry. Installation of pollution control devices is costly and, in many cases, nonremunerative. The billion dollars of capital investment which will have to be made by the industrial sector for the benefit of the entire society will place a substantial burden on corporate resources, and ultimately on the general public. The committee suggests that there are several alternative methods of aiding industry in meeting its pollution control obligations.

Investment tax credits as proposed by Senator John Sherman Cooper of Kentucky, in legislation cosponsored by the Chairman of the Senate Public Works Committee, Senator Jennings Randolph of West Virginia is one method whereby industry could recoup the cost of control and abatement of pollution. Senator Abraham Ribicoff of Connecticut, in legislation cosponsored by, among others, the chairman of the subcommittee, Senator Edmund S. Muskie of Maine, provides for accelerated amortization of the cost of pollution control facilities. This may also provide a means of offsetting industry's cost of pollution control. However, both of these methods do not consider the problem confronting those industries with plants having great pollution problems and marginal economic efficiency.

The committee has recommended greater emphasis on joint municipal-industrial treatment systems operated by public agencies. Such systems are eligible for assistance under the sewage treatment grant program.

The proposal by the American Paper Institute for specific Federal grants to municipalities to construct industrial waste treatment facilities would provide an effective means of meeting the needs of both the marginal industries as well as the profitable industries. Such a Federal grant approach would not be inconsistent with public policy because the grant would, in effect, be made to a unit of government. This approach differs from that proposed by Senators Cooper and Ribicoff and is a matter which can and will be considered by this committee. However, realizing that there is no final answer to the problem of financing industrial pollution control, the committee reiterates its strong recommendation that the appropriate committees consider tax relief legislation.

When the Senate Finance Committee held hearings on H.R. 17607, a bill that would temporarily suspend investment credit and accelerated depreciation, I urged the committee to continue the availability of the present 7-percent investment credit for the acquisition of air

and water pollution control facilities. This provision had been included in the House bill as a floor amendment. In my testimony I said:

I am hopeful that when the present inflationary pressures in our economy have subsided this Committee will consider increasing the present investment credit or provide additional tax incentives to industry to assist in the acquisition and installation of pollution controls. But for the present, however, I believe it would be a backward step for the Congress not to continue at least the present investment credit as provided in the House bill.

The continuation of this investment credit was recommended by the Finance Committee and contained in the bill passed by the Senate, which became Public Law 89-800. The Finance Committee report comments on this provision in the following language:

5. Exemption of water and air pollution control facilities.

An amendment adopted on the floor of the House specifies that water and air pollution control facilities are, under certain conditions, not to be considered suspension period property even though constructed or ordered during the suspension period. Thus, facilities of this nature will continue to remain eligible, for the investment credit.

The exception is provided in recognition of the importance of stimulating private industry to undertake expenditures for facilities which will help to abate water and air pollution. There is a clear need to step up efforts to purify the air we breathe and the water in our streams and lakes.

Suspension of the credit, even for a short time, would discourage private efforts to abate water and air pollution and would simply impose a larger direct burden on the government.

I note that on January 25 Secretary Udall announced that proposed regulations implementing this legislation have been prepared by the Water Pollution Control Administration of the Department of the Interior setting forth the conditions that industry must meet for the construction of water pollution control facilities in order to be eligible for the investment tax credit. Industry representatives have 30 days in which to comment on these proposed regulations.

In closing, I would like to point out that Members of this body—Senators RIBICOFF, MUSKIE, RANDOLPH, and many others—in the last session introduced or cosponsored bills which would amend the Internal Revenue Code in various ways so as to give some form of tax incentive to assist industry in the construction of air and water pollution control facilities. While many of these bills differ as to method or approach, each has the purpose of providing industry with an incentive for acquiring and installing necessary equipment. I cannot predict which method the Congress may prefer—increased investment credit, accelerated depreciation, a combination of these two methods, or some other method of financial assistance. I do know that some form of incentive is necessary.

In this connection, Mr. C. H. Gebhardt, manager of the tax department of the Mead Corp., at my suggestion, has prepared a useful chart analyzing current tax proposals relative to water and air pollution controls, so as to determine the measure of financial assistance that would actually be given to business if a particular proposal should be adopted. For each $100 outlay for pollution control facilities, Mr. Gebhardt concludes that the bill that I and Senator RANDOLPH introduce would provide an incentive equal to 6.7 percent of the cost of pollution control facilities. Other methods provide for incentives of 1.1 percent, 6.1 percent, 7.8 percent, and 14.5 percent of the cost of these facilities.

Legislative proposals of this type serve as another example of the determined efforts of Congress to advance a solution to one of the most challenging domestic problems facing our country today—pollution in the air and in the water. I am hopeful that the Senate Finance Committee will hold hearings on the bill I have introduced and related bills in the near future.

Mr. President, I ask unanimous consent that the chart analyzing these tax proposals be included at the end of my remarks, following the text of the bill, as exhibit A, and that the press release of the Department of the Interior be included as exhibit B.

The PRESIDING OFFICER. The bill will be received and appropriately referred; and, without objection, the bill will lie at the desk, as requested by the Senator, and, without objection, the bill, chart, and press release will be printed in the RECORD.

The bill (S. 760) to increase the investment credit allowable with respect to facilities to control water and air pollution, introduced by Mr. COOPER (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 760

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 46(c) of the Internal Revenue Code of 1954 (relating to definition of qualified investment for purposes of determining the credit for investment in certain depreciable property) is amended by adding after paragraph (4) thereof the following new paragraph:

"(5) Facilities to control water and air pollution.—In the case of section 38 property which is a water pollution control facility (as defined in section 48(h)(12)(B)) or an air pollution control facility (as defined in section 48(h)(12)(C)), the amount of the qualified investment shall be twice the amount determined under paragraph (1)."

(b) The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 1966.

The exhibits presented by Mr. COOPER are as follows:

EXHIBIT A

Comparison of various approaches to water and air pollution control incentives via changes in the Federal income tax law (using a $100 outlay for pollution control facilities as an example)

	Alternative approaches to incentives					
	Existing tax treatment [1] (for comparison purpose)	1-year writeoff and 7-percent investment credit	1-year writeoff and 14-percent investment credit	3-year writeoff and 7-percent investment credit	Existing writeoff [1] and 14-percent investment credit	1-year writeoff and no investment credit [2]
Cost of facility	$100.00	$100.00	$100.00	$100.00	$100.00	$100.00
Tax benefits:						
48 percent (present top rate on corporations)	48.00	48.00	48.00	48.00	48.00	48.00
7-percent investment credit [3]	7.00	7.00	7.00	7.00	7.00	None
Additional 7-percent investment credit proposed [3]			7.00		7.00	
Total tax benefits	55.00	55.00	62.00	55.00	62.00	48.00
(a) Net cost of facility before considering the time value of money	45.00	45.00	38.00	45.00	38.00	52.00
(b) Net cost of facility considering the time value of money [4]	54.90	47.10	40.40	48.80	48.20	53.80
(c) Advantage of each alternative compared to existing tax treatment		7.80	14.50	6.10	6.70	1.10
(d) Amount of incentive as a percent of the cost of the facility [5]		7.8	14.5	6.1	6.7	1.1

[1] Depreciation writeoff over 16 years using 1 of the accelerated methods permitted for tax purposes (sum-of-years-digits) has been used.

[2] A 1-year writeoff with no investment credit is shown only for comparative purposes. It illustrates the importance of full investment credit, otherwise a quick writeoff, whether in 1, 3, or 5 years is ineffective if this results in a loss of the investment credit.

[3] Investment credit has been applied to the total outlay although under present law it applies only to equipment; not to land and buildings. It is hoped that any incentive legislation would extend the credit to all outlays, if it is to be an effective, even though modest, incentive.

[4] It is obvious from line (a) above that there is no difference in net cost of a facility, after tax benefits, under the various alternatives other than for those which obviously allow an additional 7-percent investment credit. The timing of a company's recovery of tax benefits is most important, however, and this is reflected in lines (b), (c), and (d) where the dollars involved have all been stated in terms of present worth (i.e., their value today). (A 4-percent after-tax discount rate, with tax benefits realized commencing 1 year after the date of investment is the technique used.)

[5] These incentives should be compared with the 30-percent Federal grants available (with certain qualifications) to municipalities for construction of facilities. There have also been a number of recommendations to increase such grants as the full environmental improvement program is implemented. Note that in appropriate situations industrial plants will (and do) utilize such public facilities, thus deriving some benefit from Federal grants. The incentives outlined above would serve, in some degree, to treat equitably those industrial plants which for technical and other reasons must install and pay for their own facilities.

EXHIBIT B

RULES FOR OBTAINING TAX CREDIT ON INDUSTRIAL WASTE TREATMENT FACILITIES

Proposed regulations governing tax credit for construction of industrial water pollution control facilities have been prepared by the Department of the Interior, Secretary of the Interior Stewart L. Udall announced today.

Public Law 89-800 (November 8, 1966) suspended the investment tax credit for the period October 10, 1966, through December 31, 1967. However, water pollution control facilities are exempt from the suspension if certain conditions are satisfied. This means that if all the required conditions are satisfied, an industry can deduct up to 7 percent of the cost of new waste treatment construction from its income tax liability notwithstanding the general suspension of the investment credit.

One of the required conditions is that the water pollution control facility be certified by the Secretary of the Interior. The proposed Interior Department regulations, which were drafted after consultation with the Treasury Department, prescribe the procedures which industries seeking the certification of the Secretary of the Interior are to follow.

Under the new regulations, which are being published in the Federal Register, applicants for this tax credit must first obtain certification from the State water pollution control agency that the proposed facility will meet the requirements of the State program. The request for Federal certification is then sent to the appropriate regional office of the Interior Department's Water Pollution Control Administration for preliminary approval.

Final certification will not be granted, however, until the facility is in operation and a determination has been made by the Secretary of the Interior that it meets the general Federal objectives of preventing and reducing water pollution.

Interested persons may submit written comments on the proposed regulations within 30 days after publication of these regulations in the Federal Register.

Mr. RANDOLPH. Mr. President, I am pleased to join again with the distinguished senior Senator from Kentucky in support of legislation to accelerate industrial investment in air and water pollution control facilities.

This legislation recognizes the success of last year when at the time Congress was suspending existing investment credit provisions, the consensus of the Congress prevailed and that credit was not suspended as it related to air and water pollution control facilities. We knew then, as we know now, that 7 percent would not be a sufficient credit, but it was indeed a beginning. Last year's legislation was the first real recognition by the Congress that in order to effectively control industrial pollution some Federal assistance would be required.

The Subcommittee on Air and Water Pollution of our Public Works Committee long has recognized this need for assistance, and year after year in reports accompanying legislation the subcommittee has strongly urged consideration of pending incentive legislation.

Mr. President, I will include at the end of my remarks the text of the Senate report which accompanied S. 2947, the Federal Water Pollution Control Act Amendments and Clean Rivers Restoration Act of 1966. This language more than adequately summarizes the position which I have taken and will continue to take with regard to tax incentive legislation. If we are to effectively and quickly begin to achieve the kind of environment which all of us desire, this legislation must be of the highest priority.

A number of witnesses testified on the need for tax incentives as a means of reducing the cost of noneconomic pollution control facilities. This is not a matter over which the Senate Public Works Committee has jurisdiction but it affects the overall effort to meet water pollution control and abatement needs. This committee strongly recommends that the appropriate congressional committees give consideration to tax relief proposals for industrial pollution control activities.

For the most part, pollution control does not provide a return on an investment to an industry. Installation of pollution control devices is costly and, in many cases, nonremunerative. The billion dollars of capital investment which will have to be made by the industrial sector for the benefit of the entire society will place a substantial burden on corporate resources, and ultimately on the general public. The Committee suggests that there are several alternative methods of aiding industry in meeting its pollution control obligations.

Investment tax credits as proposed by Senator JOHN SHERMAN COOPER, of Kentucky, in legislation cosponsored by the chairman of the Senate Public Works Committee, Senator JENNINGS RANDOLPH, of West Virginia, is one method whereby industry could recoup the cost of control and abatement of pollution. Senator ABRAHAM RIBICOFF, of Connecticut, in legislation cosponsored by, among others the chairman of the subcommittee, Senator EDMUND S. MUSKIE, of Maine, provides for accelerated amortization of the cost of pollution control facilities. This may also provide a means of offsetting industry's cost of pollution control. However, both of these methods do not consider the problem confronting those industries with plants having great pollution problems and marginal economic efficiency.

The committee has recommended greater emphasis on joint municipal-industrial treatment systems operated by public agencies. Such systems are eligible for assistance under the sewage treatment grant program.

The proposal by the American Paper Institute for specific Federal grants to municipalities to construct industrial waste treatment facilities would provide an effective means of meeting the needs of both the marginal industries as well as the profitable industries. Such a Federal grant approach would not be inconsistent with public policy because the grant would, in effect, be made to a unit of Government. This approach differs from that proposed by Senators COOPER and RIBICOFF and is a matter which can and will be considered by this committee. However, realizing that there is no final answer to the problem of financing industrial pollution control, the committee reiterates its strong recommendation that the appropriate committees consider tax relief legislation.

VIOLETA V. ORTEGA BROWN

Mr. PEARSON. Mr. President, I introduce, for appropriate reference, a bill for the relief of Violeta V. Ortega Brown, M.D. This is the same bill as I introduced in the 89th Congress for the relief of Violeta D. Ortega. Dr. Ortega has, however, since June of 1966, been married to an American citizen, Robert J. Brown, an attorney of Overland Park, Kans. Although Dr. Brown's status has changed somewhat there still needs to be some definitive action on her status at this time and I trust the Committee on the Judiciary will give this bill every consideration.

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

The bill (S. 772) for the relief of Violeta V. Ortega Brown, introduced by Mr. PEARSON, was received, read twice by its title, and referred to the Committee on the Judiciary.

COMMISSARY PRIVILEGES FOR DISABLED VETERANS

Mr. BARTLETT. Mr. President, I introduce, for appropriate reference, a bill to permit certain service-connected disabled veterans to use commissary stores operated for military personnel.

Last year the Eielson Area Post of the Veterans of Foreign Wars, Alaska, suggested to me that veterans with disability ratings of 50 percent or more were in dire need of commissary privileges in order to make the best use of their monthly compensation checks. Upon discussing this proposal with the director of the national legislative service of the Veterans of Foreign Wars here in Washington, I found enthusiastic support for the proposal.

In addition, the Alaska State Legislature, on April 14 of last year, passed Senate Joint Resolution 107 in support of commissary privileges for service-connected disabled veterans with disability of 50 percent or more. I ask unanimous consent that Senate Joint Resolution 107 of the Alaska State Legislature be printed in the RECORD following my remarks.

I am pleased to sponsor this measure because I think it has considerable merit and I am sure it will attract the support of other Senators.

Mr. President, I ask unanimous consent that the text of the bill also be printed in the RECORD following my remarks.

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

The bill (S. 775) to permit certain service-connected disabled veterans to use commissary stores operated for military personnel, introduced by Mr. BARTLETT, was received, read twice by its title, referred to the Committee on Armed

Services, and ordered to be printed in the RECORD, as follows:

S. 775

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That chapter 147 of title 10, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 2483. COMMISSARY STORE: DISABLED VETERANS

"Under such regulations as may be prescribed by the Secretary of Defense, any veteran (as defined in section 101(2) of title 38, United States Code) who has a service-connected disability of 50 per centum or more, as determined by the Administrator of Veterans' Affairs, shall be granted the privilege of using the services and facilities of commissary stores operated for the benefit of military personnel."

SEC. 2. The section analysis at the beginning of chapter 147 of title 10, United States Code, is amended by adding at the end thereof the following:

"2483. Commissary stores: disabled veterans."

The joint resolution presented by Mr. BARTLETT is as follows:

JOINT RESOLUTION RELATING TO COMMISSARY PRIVILEGES FOR THE SERVICE-CONNECTED DISABLED VETERAN

Be it resolved by the Legislature of the State of Alaska:

Whereas veterans that have a service-connected disability rating of 50 per cent or more are forced to the lower end of our economic and social scale, because 50 per cent or more of their ability to earn a living has been forfeited; and

Whereas commissary privileges would allow the service-connected disabled veteran to utilize his compensation check to the fullest extent and help to ensure such veterans an adequate standard of living; and

Whereas our moral obligation to the service-connected disabled veteran is no different than to a medically discharged or retired veteran;

Be it resolved that members of the Alaska delegation to the Congress of the United States introduce legislation granting commissary privileges to veterans having a service-connected disability rating of 50 per cent or more, or otherwise take appropriate action.

Copies of this resolution shall be sent to the Honorable Lyndon B. Johnson, President of the United States; the Honorable William Driver, Administrator of Veterans' Affairs; the Honorable E. L. Bartlett and the Honorable Ernest Gruening, U.S. Senators, and the Honorable Ralph J. Rivers, U.S. Representative, members of the Alaska delegation in Congress.

AUTHENTICATION

The following officers of the Legislature certify that the attached enrolled resolution, SJR 107, was passed in conformity with the requirements of the constitution and laws of the State of Alaska and the Uniform Rules of the Legislature.

Passed by the Senate, April 14, 1966.

ROBERT J. MCNEALY,
President of the Senate.

Attest:

EVELYN K. STEVENSON,
Secretary of the Senate.

Passed by the House, April 16, 1966.

MIKE GRAVEL,
Speaker of the House.

Attest:

NADINE WILLIAMS,
Chief Clerk of the House.

WILLIAM A. EGAN,
Governor of Alaska.

THE APOSTLE ISLANDS NATIONAL LAKESHORE

Mr. NELSON. Mr. President, I introduce, for appropriate reference, a bill to create an Apostle Islands National Lakeshore in northern Wisconsin. This is the same bill that I introduced in the 89th Congress.

The bill is the result of extensive study which has been carried on over a 5-year period by various interested individuals and groups, including a task force of the Department of the Interior and officials of the State of Wisconsin.

The proposed lakeshore represents an important link in the chain of national parks and scenic riverways being created in the Great Lakes area. The cries of our urban population for quality recreation areas have become deafening. Our surfeit of natural resources—part of our great national heritage—is gone. We must act now to preserve those few precious resources which remain.

The establishment of a national park or national recreation area in the Apostle Islands region of northern Wisconsin has been a dream of conservationists for some 30 years. It has been one of my major legislative goals, both as Governor and as Senator.

In 1962, I was able to interest the Secretary of the Interior in the area, and we made a very interesting tour of its beautiful beaches and its clear, fresh waters.

In September 1963, I was able to persuade our late President Kennedy to visit the area. He toured the islands with the Secretary of the Interior and me in a helicopter and then gave a wonderful speech at Ashland. President Kennedy said at that time:

> Lake Superior, the Apostle Islands, the Bad River area, are all unique. They are worth improving for the benefit of sportsmen and tourists. . . . In fact, the entire northern Great Lakes area, with its vast inland seas, its 27,000 lakes, and its thousands of streams, is a central and significant part of the fresh water assets of this country, and we must act to preserve these assets.

The Secretary of the Interior was kind enough to appoint a special task force to make a comprehensive study of the Apostle Islands region and provide assistance in the drafting of legislation which would make this 30-year-old dream a reality.

This task force, headed by Harold C. Jordahl, of Madison, our former State director of resource development and now a regional representative of the Department of the Interior, did an outstanding job.

This long effort was climaxed in September 1965, when I introduced legislation for the first time to establish an Apostle Islands National Lakeshore. It was the greatest recreational project ever proposed for Wisconsin, and the study by the experts concluded that it would be an outstanding recreational resource for millions of Americans throughout much of the Nation.

The proposal attracted tremendous attention. It was the subject of extensive newspaper articles, photographs, maps, and editorials in Chicago, Milwaukee, Minneapolis, St. Paul, Duluth, and in many other cities. National magazines carried articles on the Apostle Islands region.

The proposal was quickly endorsed by many organizations including the Red Cliff Indian Council; Ashland and Bayfield, Wis., Chambers of Commerce; Bayfield Harbor Commission; Lucky Highway 13 Association; Wisconsin Indian Head Country, Inc.; South Shore Scenic Drive Association; Bayfield Electric Cooperative—REA; Bayfield Common Council; and Wisconsin Federation of Women's Clubs.

Some of the individuals endorsing the project included Mayor Howard Peters, of Mellen, Wis.; Father G. F. Mahon, of Most Precious Blood Catholic Church at Glidden, Wis.; Stephan Borhegyi, director of the Milwaukee Public Museum; Joseph F. Walsh, president of the Catholic Knights Insurance Society of Wisconsin; Assemblyman Bernard Gehrmann of Ashland; Prof. Walter Rowlands, a University of Wisconsin expert on land use; George A. Corrigan, Hurley, Wis., president of the Five County Development Group; and Kenneth Todd, chairman of the Ashland County Board of Supervisors.

At the national level, President Johnson mentioned the Apostle Islands project in his conservation message to Congress in February 1966. At that time, he did not list the project among the top priority projects for the Nation, but he did urge early completion of studies and planning for the Apostle Islands National Lakeshore.

Yesterday, on January 30, President Johnson sent a new message to the Congress on the steps needed to preserve our national heritage.

In this address, the President listed the Apostle Islands project in his top four priorities for national park acquisitions in this session of Congress. Along with a Redwoods National Park, a North Cascades area park in Washington State, and a Potomac Valley park, the President recommended that the Congress—

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

Our splendid Apostle Islands proposal, after years of work and waiting, now stands in the top four priority projects which are urgently needed to protect our bank of natural resources and to provide recreation for our growing population. This carefully developed Apostle Islands plan has now been endorsed by a blue ribbon task force and by the President himself. It now represents an urgent necessity not just for Wisconsin but for the Nation.

Few projects offer so many benefits to so many people at such reasonable cost. This bill would provide a tremendous economic shot in the arm to northern Wisconsin and to the Red Cliff and Bad River Indian tribes.

It would provide one outstanding recreational resource, identified on the map of every traveler, around which the North could build a great new future in recreation.

It would preserve for posterity some of the most outstanding unspoiled scenery

in the Midwest. And it would be a great new addition to the national bank of recreational resources on which this country will draw for generations to come.

Endorsement by the President and his special task force which developed priorities for park acquisition provides the spark needed to move the Apostle Islands project forward to accomplishment.

Prof. I. V. Fine, an economist from the University of Wisconsin, did a study of the economic implications of the proposed lakeshore. He estimated that once it was fully developed, the area would attract 920,000 visits per year. This, in turn, would generate an estimated $7 million in new consumer spending in the area. The project would require an estimated 21 full-time and 50 part-time employees with an annual payroll of $350,000. It was estimated that the project would result in 363 new jobs in the area.

The proposed park is a 57,500-acre project made up of three separate components. The diversity of recreational opportunities available in these three areas make this park unique.

One part of the park would be 21 islands, which make up an archipelago off the Bayfield Peninsula. These islands are uninhabited rock outliers which are covered with glacial drift and canopied with a beautiful mixed hardwood and conifer forest. The windward sides of these islands are rock cliffs which are continually pummelled by the wind and waves of Lake Superior; on the leeward sides there are beautiful sand beaches where the water is calm and warm enough for swimming. Each of these islands is a paradise for the rock collector, the photographer, the ornithologist, and hiker—for that matter, each is paradise for anyone who loves the out of doors.

New hiking trails would be laid out on these islands; existing ones would be improved. Minimum docking facilities would be installed at selected deepwater locations. Simple campsites, fireplaces, and toilet facilities would be established on certain islands to accommodate campers.

Also included in the park would be a strip of land along the Bayfield Peninsula shoreline one-fourth to one-half mile wide and 30 miles long known as the Red Cliff unit. This shoreline is a series of cliffs, caves, arches, and caverns which have been faceted from rock by the wind and waves of Lake Superior. Secluded sand and pebble beaches and calm, peaceful bays are interspersed among these rock bulwarks. Along parts of the shore, thick accumulations of bog plants and their remains fill shallow water areas. The area is covered by a dense second growth forest of spruce, fir, pine, and northern hardwoods; wildlife is abundant in these woods.

A scenic 30-mile drive would be built along this shoreline. This drive will afford a spectacular view both of the shoreline and of the Apostle Islands. Pulloff parking areas with interpretive devices and trails leading to points of interest would be established along the drive; a hiking trail would parallel the entire drive. Seven areas along the drive would be developed for camping, boating, fishing, swimming, and hiking.

The third unit of the park is a 10,370-acre tract known as the Bad River-Kakagon Sloughs. The area is a vast marsh covered with wild rice, alder thickets, heath, and numerous aquatic plants. These sloughs represent a most unique wildlife habitat. Here, the ecosystem of the marsh has not been disturbed by man. It is imperative that this area be preserved in this undisturbed state. Many interesting and exotic species of fish and wildlife inhabit these sloughs.

Parking areas, nature trails, observation towers, and some primitive camping sites would be developed in the marsh area. Development of this area must be done very cautiously, as any drastic changes would disrupt the delicate ecological balance of the marsh and would endanger the fish and wildlife.

The benefits from the Apostle Islands National Lakeshore would be many. There are about 50 million Americans within 1 day's drive of the area. The members of the Bad River and Red Cliff Indian Bands who live in the area will find jobs within the project as well as many opportunities for commercial development outside its boundaries. The economic rehabilitation of the upper Great Lakes area, which has been ravaged over the years by the ruthless squandering of its natural resources, must center around recreational development.

Mr. President, I ask unanimous consent that the text of the bill to establish the Apostle Islands National Lakeshore be printed in the RECORD at this point in my remarks.

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

The bill (S. 778) to provide for the establishment of the Apostle Islands National Lakeshore in the State of Wisconsin, and for other purposes, introduced by Mr. NELSON, was received, read twice by its title, referred to the Committee on Interior and Insular Affairs, and ordered to be printed in the RECORD, as follows:

S. 778

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) for the purpose of conserving and developing for the benefit, inspiration, and use of the public certain islands, shorelines, beaches, sand spits, and other natural and historical features within Ashland and Bayfield Counties, Wisconsin, which make up a significant portion of the diminishing shoreline and archipelago environments of the Great Lakes region and which possess high values to the Nation as examples of unspoiled areas of great natural beauty; and

(2) for the purpose of encouraging and enhancing the development and utilization of this region as an important center of public recreation activities, and particularly to encourage participation in the accomplishment of such purposes by the Bad River Band and the Red Cliff Band of the Lake Superior Chippewa Indians of Wisconsin (hereinafter referred to as the "Bad River Band" and the "Red Cliff Band"), there is hereby established the Apostle Islands National Lakeshore (hereinafter referred to as the "lakeshore").

(b) The lakeshore shall comprise those islands, waters, and portions of mainland within Ashland and Bayfield Counties, Wisconsin, as generally depicted on a map identified as "Boundary Maps—Proposed Apostle Islands National Lakeshore, NL-A1-7100, sheets 1, 2, and 3," dated May 1965. Said map shall be on file and available for public inspection in the offices of the Department of the Interior.

SEC. 2. (a) Within the boundaries of the lakeshore, the Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to acquire lands, or any interest therein, by donation, purchase with donated or appropriated funds, or exchange. Any property or interests therein owned by the State of Wisconsin, or any political subdivision thereof, may be acquired only with the concurrence of such owner. Notwithstanding any other provision of law, any Federal property located within the boundaries of the lakeshore may, with the concurrence of the agency having custody thereof, be transferred without consideration to the administrative jurisdiction of the Secretary for the purposes of the lakeshore.

(b) In exercising his authority to acquire property within the boundaries of the lakeshore by exchange, the Secretary may accept title to any non-Federal property therein, and in exchange therefor he may convey to the grantor of such property any federally owned property under his jurisdiction which he classifies as suitable for exchange or other disposal and which is of approximately equal value. If the properties are not of approximately equal value, the Secretary may accept cash from, or pay cash to, the grantor in order to equalize the values of the properties exchanged.

SEC. 3. (a) With the exception of not more than eighty acres of land in the Red Cliff Creek area that the Secretary determines are necessary for an administrative site, visitor center, and related facilities, any owner or owners, including beneficial owners (hereinafter in this section referred to as "owner") of improved property on the date of its acquisition by the Secretary may, as a condition of such acquisition, retain for themselves and their successors or assigns a right of use and occupancy of the improved property for noncommercial residential purposes for a definite term not to exceed twenty-five years, or, in lieu thereof, for a term ending at the death of the owner, or the death of his spouse, or the death of either of them. The owner shall elect the term to be reserved. The Secretary shall pay to the owner the fair market value of the property on the date of such acquisition less the fair market value on such date of the right retained by the owner.

(b) A right of use and occupancy retained pursuant to this section shall be subject to termination by the Secretary upon his determination that such use and occupancy is being exercised in a manner not consistent with the purposes of this Act, and upon tender to the holder of the right an amount equal to the fair market value of that portion of the right which remains unexpired on the date of termination.

(c) The term "improved property," as used in this section, shall mean a detached, noncommercial residential dwelling, the construction of which was begun before January 1, 1967 (hereinafter referred to as "dwelling"), together with so much of the land on which the dwelling is situated, the said land being in the same ownership as the dwelling, as the Secretary shall designate to be reasonably necessary for the enjoyment of the dwelling for the sole purpose of noncommercial residential use, together with any structures accessory to the dwelling which are situated on the land so designated.

SEC. 4. The authorities granted by this Act shall be subject to the following exceptions and qualifications:

(a) Lands or interests therein within the boundaries of the lakeshore that are held by the United States in trust for the Bad River Band or the Red Cliff Band may be acquired by the Secretary only with the concurrence of the beneficial owner;

(b) Any leasehold interest acquired in lands beneficially owned by the Bad River Band or the Red Cliff Band shall not exceed a term of ninety-nine years, but shall grant the Secretary the option of renewing the lease for as long as the lands are used as part of the lakeshore;

(c) In order to facilitate the acquisition by exchange of the lands within the boundaries of the lakeshore that are held by the United States in trust for the Bad River Band or the Red Cliff Band or held in trust or in a restricted status for individual Indians of said bands, the Secretary may acquire by negotiated purchase any lands, or interests therein, outside of the lakeshore boundaries. Lands so acquired may be exchanged for such Indian lands on an approximately equal-value basis, but if the properties are not of approximately equal value the Secretary may accept cash from, or pay cash to, the grantor in order to equalize values;

(d) In order to provide substitute lands for the Bad River Band and the Red Cliff Band or for individual Indians of said bands in cases where their lands are acquired for the lakeshore, the Secretary may, from funds made available to him by such band or Indian, acquire by negotiated purchase any lands or interests therein outside of the boundaries of the lakeshore: *Provided*, That title to such lands shall be held by the United States in trust for the band or the individual Indians involved;

(e) With respect to any lands acquired by the Secretary under this Act that are within the boundaries of the lakeshore and within the boundaries of the Bad River or Red Cliff Indian Reservations, the Secretary may sell such lands to the respective Indian band at fair market value if he finds the sale will consolidate the Indian holdings and will facilitate the administration of the lakeshore: *Provided*, That as a condition of the sale the Secretary may acquire from the vendee as leasehold interest in order to use the land as part of the lakeshore; and

(f) In exercising his authority to acquire by negotiated purchase any land within the boundaries of the lakeshore that is held in trust or in a restricted status for individual Indians, the Secretary may, in cases where a particular tract of land is so held for more than one Indian, acquire such land without the consent of all of the beneficial owners if the acquisition is agreed to by the owners of not less than a 50 per centum interest in any land where ten or fewer persons own undivided interests or by the owners of not less than a 25 per centum interest in any land where eleven or more persons own undivided interests. The Secretary may represent for the purpose of this subsection any Indian owner who is a minor or who is non compos mentis, and, after giving such notice of the proposed acquisition as he deems sufficient to inform interested parties, the Secretary may represent any Indian owner who cannot be located, and he may execute any title documents necessary to convey a marketable and recordable title to the land.

SEC. 5. Within the portions of the Bad River and Red Cliff Indian Reservations that are included in the lakeshore, recognized members of the Bad River and Red Cliff Bands shall be—

(a) permitted to traverse such areas in order to hunt, fish, boat, or gather wild rice or to obtain access to their homes or businesses: *Provided*, That in order to preserve and interpret the historic, scenic, cultural and other outdoor features and attractions within the lakeshore the Secretary may prescribe regulations under which the area can be traversed;

(b) granted the first right of refusal to purchase any timber if the Secretary determines that the harvesting or removal of timber is necessary or desirable;

(c) granted, to the extent practicable, a preferential privilege of providing such visitor accommodations and services, including guide services, as the Secretary deems are desirable: *Provided*, That such a preferential privilege will not be granted unless the visitor accommodations and services meet such standards as the Secretary may prescribe;

(d) granted employment preference for construction or maintenance work or for other work in connection with the lakeshore for which they are qualified; and

(e) encouraged to produce and sell handicraft objects under the supervision of the Secretary.

SEC. 6. The Secretary shall, to the extent that appropriated funds and personnel are available, provide consultative or advisory assistance to the Bad River and Red Cliff Bands with respect to planning facilities or developments upon their tribal lands which are outside of the boundaries of the lakeshore.

SEC. 7. Subject to such regulations as the Secretary may prescribe, the recognized members of the Bad River and Red Cliff Bands may use without charge any docking facilities within the lakeshore that are operated by the Secretary.

SEC. 8. (a) The Secretary shall permit hunting, fishing, and trapping on lands and waters under his jurisdiction within the boundaries of the lakeshore in accordance with the appropriate laws of Wisconsin to the extent applicable, except that he may designate zones where, and establish periods when, no hunting or fishing shall be permitted for reasons of public safety, administration, fish or wildlife management, or public use and enjoyment. Except in emergencies, any regulations prescribing any such restrictions shall be put into effect only after consultation with the appropriate State agency responsible for hunting and fishing activities.

(b) Except for such regulations as the Secretary may issue under authority of this Act, nothing in this Act shall affect the existing rights of members of the Bad River Band or Red Cliff Band to hunt, fish, trap, or to gather wild rice.

SEC. 9. The lakeshore shall be administered, protected, and developed in accordance with the provisions of the Act of August 25, 1916 (39 Stat. 535; 16 U.S.C. 1 et seq.), as amended and supplemented; except that any other statutory authority available to the Secretary for the conservation and management of natural resources may be utilized to the extent he finds such authority will further the purposes of the Act.

SEC. 10. (a) In the administration, protection, and development of the lakeshore, the Secretary shall adopt and implement, and may from time to time revise, a land and water use management plan which shall include specific provision for—

(1) protection of scenic, scientific, historic, geological, and archeological features contributing to public education, inspiration, and enjoyment;

(2) development of facilities to provide the benefits of public recreation and a scenic shoreline drive on the Bayfield Peninsula;

(3) preservation of the unique flora and fauna and the physiographic and geologic conditions now prevailing on the Apostle Islands within the lakeshore: *Provided*, That the Secretary may provide for the public enjoyment and understanding of the unique natural, historic, scientific, and archeological features of the Apostle Islands through the establishment of such trails, observation points, exhibits, services as he may deem desirable; and

(4) preservation and enhancement of the unique characteristics of the Kakagon River and Bad River Sloughs.

(b) With respect to the portion of the lakeshore located within the boundaries of the Bad River Indian Reservation such land and water use management plan shall provide for—

(1) public enjoyment and understanding of the unique natural, historic, and scientific features through the establishment of such roads, trails, observation points, exhibits, and services as the Secretary may deem desirable; and

(2) public use and enjoyment areas that the Secretary considers especially adaptable for viewing wildlife: *Provided*, That no development or plan for the convenience of visitors shall be undertaken in such portion of the lakeshore if it would be incompatible with the preservation of the unique flora and fauna or the present physiographic conditions.

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

FEDERAL TAX-SHARING ACT OF 1967

Mr. HOLLINGS. Mr. President, prior to coming to the Senate, I worked for 14 years with the problems confronted daily by those who direct our State governments. I viewed these problems both as a legislator and as Governor.

Constantly, through these years, the realization has persisted that State governments must not only enjoy the privileges that accompany the assumption of authority, but must bear the burdens of responsibility as well.

In 1951 as a legislator I chaired the committee that proposed the existing sales tax program for my State. As Governor I recommended an additional revenue plan that took South Carolina out of the red and put it in the black.

So, Mr. President, I speak not only as one who believes the States must share responsibility for solving their problems, but as one who has worked toward that end.

State efforts, however, have not been sufficient, not because they lack a recognition of the problems, but because they lack the resources to solve them.

It is not that the States have not tried. In the past 10 years alone they have increased their budgets by some $46 billion. Still they find themselves—in comparison with the Federal Government—with too little, too late in the way of available resources.

Former President Eisenhower first threw the challenge to the States in 1955 at the Williamsburg Conference, stating expressly his concern that they assume the responsibility for various programs in an attempt to promote greater effectiveness in these programs.

The States have not yet answered this challenge through assumption of significant initiative in the urban or regional development fields, or in many of those areas deemed necessary by the last several Congresses.

I submit again, Mr. President, that a large degree of responsibility for failure to answer this challenge stems not from a lack of desire, but from a lack of the wherewithal to do it with.

I have discussed this failure—this problem, with other Governors—several of whom now serve in this distinguished body—and State legislators, along with a cross section of Federal and congressional representatives, while serving for 4 years as a member of the Intergovernmental Relations Advisory Commission. Because of this failure, the strongest link in our federal system, a link which must survive if the system itself is to survive, is now threatened with extinction and with replacement by metropolitan and other urban substitutes.

Various commission studies emphasize this threat. The answer to these problems—to countering this growing threat to the very system of government in which we believe, is in a word—money.

And so it is, Mr. President, that I offer today my first bill for consideration by the Senate. A bill that would return to the States—under a prescribed formula—a percentage of the income tax revenues collected by the Federal Government for expenditure, by the States, on an unrestricted basis.

I recognize that my bill is certainly not the first of its kind to be introduced, nor certainly will it be the last. And I welcome this, Mr. President, because this trend—this turning back toward local responsibility and local control—is a healthy one.

I see this entire concept of returning additional resources to the States as the most significant development in the restoration of their rightful role in the Union that this Nation has taken in my lifetime.

It is not a new concept, Mr. President. It is an idea that has smoldered now for many, many years.

I can remember, from my own personal experience, as far back as the mid-1950's, recommending a similar plan to the South Carolina delegation during their annual hearings in our statehouse in Columbia.

And even then, though I would certainly like to take credit for it, the idea was not an original one. Rather, it is one that has been bouncing around in the minds of States rightists—and I use this term in the genuine, respected sense of the word—for a long time.

The reason for it is an obvious one.

The existing approach—the Federal approach is no longer workable.

While I would not for a minute question the motives of those who have led the fight to provide help and services for various segments of our citizenry, and would not imply that a great deal of good has not been done, I would argue that we are rapidly reaching, if not already there, the point of diminishing returns.

The Federal, bureaucratic monolith has grown too large. The real purpose of the principle—to help those individuals who cannot, for one reason or another, help themselves, has been lost in the maze of building corridors, and nameless, faceless legions of personnel that occupy the ever-expanding marble complex that is our Federal structure.

In short, Mr. President our country has become too big for us—sitting here in Washington—to look after the needs of the Joneses on Calhoun Street, or the Smiths on Rutledge Avenue.

But, Mr. President, our States are not so large that they cannot do it. They are equipped—through the use of the various subdivisions—to accomplish exactly that.

As our States have developed, so too have the problems that they face. So complex have these become, within each State, that when you multiply them by 50 the result is so large that it precludes any solution by one all powerful entity—no matter how well meaning, how well disposed, or how well financed.

We cannot escape the one basic fact, Mr. President, that the place to solve local problems is at the local level.

There is ample proof available that the States are better able to administer many of the fine programs deemed necessary by this Congress than is the Federal bureaucracy.

For example, we in South Carolina instituted a program of technical training. It is being praised by State and Federal authorities all over this Nation for its efficiency and its effectiveness. As a result, a $20 million grant is being considered for our State for retraining purposes. My experts at the State level tell me though that there is no question but that the State, with its present program, could train and produce the same number of trainees with a $1,750,000 budget than with the $20 million one.

Second, we would arrest the trend toward ever-growing centralized government by reducing its involvement at every local level.

Third, and most important, we would strengthen the original concept of our Federal Republic by reviving once again the role of the States, as the framers of our Constitution conceived it to be, equal partners with the Central Government, working for the good of the Nation as a whole.

As a result, I herewith introduce for appropriate reference this bill.

I ask unanimous consent that the bill be printed in the RECORD, together with a table showing the estimated distribution by States of $1,663 million under the Federal Tax Sharing Act of 1967.

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

The bill (S. 779) to assist the States to meet their needs for increased revenues by sharing with them a portion of the revenues derived from the Federal individual income tax, introduced by Mr. HOLLINGS, was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

S. 779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Federal Tax Sharing Act of 1967."

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) The term "Fund" means the Tax Sharing Fund established by Section 3 of this Act.

(2) The term "Secretary" means the Secretary of the Treasury.

(3) The term "State" means the several States and the District of Columia.

TAX SHARING FUND

SEC. 3. (a) There is hereby established in the Treasury of the United States a special fund to be known as the "Tax Sharing Fund". The Fund shall consist of the amounts appropriated to it by subsection (b).

(b) There is hereby appropriated to the Fund, out of any money in the Treasury not otherwise appropriated, for each fiscal year, commencing with the fiscal year beginning July 1, 1968, the amount specified in paragraph (1), (2), (3), (4), or (5), or the amount specified in paragraph (6), whichever amount is the greater:

(1) For the fiscal year beginning July 1, 1968, an amount equal to 3 percent of the net individual income tax revenues received in the Treasury during the fiscal year beginning July 1, 1967.

(2) For the fiscal year beginning July 1, 1969, amount equal to 3½ percent of the net individual income tax revenues received in the Treasury during the fiscal year beginning July 1, 1968.

(3) For the fiscal year beginning July 1, 1970, an amount equal to 4 percent of the net individual income tax revenues received in the Treasury during the fiscal year beginning July 1, 1969.

(4) For the fiscal year beginning July 1, 1971, an amount equal to 4½ percent of the net individual income tax revenues received in the Treasury during the fiscal year beginning July 1, 1970.

(5) For the fiscal year beginning July 1, 1972, and for each fiscal year thereafter, an amount equal to 5 percent of the net individual income tax revenues received in the Treasury during the preceding fiscal year.

(6) For the fiscal year beginning July 1, 1969, and for each fiscal year thereafter, an amount equal to the amount appropriated to the Fund for the preceding fiscal year, but only if such amount is greater than the amount specified for the fiscal year in paragraph (2), (3), (4), or (5).

(c) The Secretary shall, on July 1 of each fiscal year, commencing with the fiscal year beginning July 1, 1968, determine the amount appropriated to the Fund by subsection (b) for such fiscal year, and shall transfer the amount so determined from the general fund of the Treasury to the Fund. Such determination may be made on the basis of estimates made by the Secretary. Proper adjustment shall be made as soon as possible thereafter, to the extent such determination was in excess of or less than the amount which should have been transferred, by the transfer of additional amounts from the general fund to the Fund or by the transfer of amounts from the Fund to the general fund.

(d) For purposes of subsection (b), the term "net individual income tax revenues" means, with respect to any fiscal year—

(1) the total amount of payments of the tax imposed on individuals by chapter 1 of the Internal Revenue Code of 1954 received in the Treasury during the fiscal year (including amounts deducted and withheld from wages under chapter 24 of such Code), minus

(2) the total amount of refunds of overpayments of the tax imposed on individuals by such chapter disbursed from the Treasury during the fiscal year.

PAYMENTS TO STATES

SEC. 4. (a) Each State shall be entitled to payments out of the Fund during the fiscal year beginning July 1, 1968, and during each fiscal year thereafter, as provided in this section. Payments shall be made by the Secretary quarterly. Payments to any State made during the first and second quarters of any fiscal year may, to the extent necessary, be made on the basis of estimates by the Secretary in determining the amounts under subsections (b) and (c). Proper adjustment shall be made in the payments to any State during the third and fourth quarters of any fiscal year to the extent that payments in the first and second quarters were in excess of or less than the amounts which should have been paid. The Secretary shall, at least 90 days before the beginning of each fiscal year, notify each State of the total amount of payments which he estimates will be made to such State during such fiscal year under this section.

(b) The Secretary shall allot and pay during each fiscal year to each State an amount equal to the product obtained by multiplying—

(1) an amount which bears the same ratio to 80 percent of the amount appropriated to the Fund for such fiscal year as the popula-

tion of such State bears to the total population of all the States, by

(2) the percentage which the revenue effort ratio of such State for such fiscal year is of the national revenue effort ratio for such fiscal year.

(c) The Secretary shall allot and pay during each fiscal year to each State whose residents have a per capita annual income below the average per capita annual income of residents of all the States an amount which bears the same ratio to 20 percent of the amount appropriated to the Fund for such fiscal year as the weighted population of such State bears to the weighted population of all such States.

(d) For purposes of this section—

(1) The population of any State shall be determined by the Secretary on the basis of the most recent data available from the Department of Commerce, except that the same period of time shall be used in determining the population of each State.

(2) The revenue effort ratio of any State for any fiscal year is the ratio which the total revenues derived by such State from its own resources (including revenues derived by political subdivisions of such State) during the calendar year preceding the beginning of such fiscal year bears to the total adjusted gross income of individuals residing in such State for their taxable years ending with or within such calendar year as reported on returns of the tax imposed by chapter 1 of the Internal Revenue Code of 1954. If the necessary data for such calendar year for such State is not available, the Secretary may determine the revenue effort ratio for such State on the basis of the latest calendar year for which the necessary data is available.

(3) The national revenue effort ratio for any fiscal year is the ratio which the sum of the revenues derived by all States from their own resources during the calendar year preceding the beginning of such fiscal year (as determined under paragraph (2)) bears to the total adjusted gross income of individuals residing in all the States for their taxable years ending with or within such calendar year (as determined under paragraph (2)).

(4) The weighted population of any State is the population of such State (as determined under paragraph (1)) multiplied by a fraction the numerator of which is the per capita annual income of individuals residing in all the States and the denominator of which is the per capita annual income of individuals residing in such State. For purposes of the preceding sentence, the per capita annual income of individuals residing in any State shall be determined by the Secretary on the basis of the most recent data available from the various departments and agencies of the Government, except that the same period of time shall be used in determining the per capita annual income of individuals residing in each State.

USE OF FUNDS BY STATES

SEC. 5. Each State may use the funds received by it under section 4 for such purposes as it deems advisable.

AUDIT REPORTS BY STATES

SEC. 6. (a) Each State shall at least 30 days before the beginning of each fiscal year, report to the Secretary its plans for the use of the funds which it expects to receive under section 4 during such fiscal year. The Secretary shall have no power either to approve or to disapprove the plans of any State.

(b) Each State shall, on or before such date after the close of each fiscal year as may be prescribed by the Secretary, report to the Secretary on the expenditures of the funds received by it under section 4 during such fiscal year.

(c) The reports required under subsections (a) and (b) shall be submitted by the Governor of each State or by such State officer as he may designate. Such reports shall be in such form and in such detail as the Secretary may prescribe.

REPORTS TO CONGRESS

SEC. 7. The Secretary shall, within sixty days after the close of each fiscal year, report to the Senate and the House of Representatives the payments made by him to the States under section 4 during such fiscal year. Each such report shall include a summary of the reports received by him under section 6(a) from the States of their plans for the use of the funds so paid. The Secretary shall also, as soon as practicable after the close of each fiscal year, submit to the Senate and the House of Representatives a summary of the reports received by him under section 6(b) from the States on their use of the funds received by them under section 4 during such fiscal year.

JOINT COMMITTEE ON TAX SHARING

SEC. 8. (a) Effective January 3, 1969, there is established a joint congressional committee to be known as the "Joint Committee on Tax Sharing" (hereinafter referred to as the "joint committee"), to be composed of eight Members of the Senate to be appointed by the President of the Senate and eight Members of the House of Representatives to be appointed by the Speaker of the House. The members of the joint committee appointed from each House shall include four members of the majority party and four members of the minority party.

(b) It shall be the duty and function of the joint committee to conduct a continuous study and review of the operation of this Act and its effect in assisting the States to meet their needs for increased revenues.

(c) A vacancy in the membership of the joint committee shall not affect the powers of the remaining members to execute the functions of the joint committee, and shall be filled in the same manner as the original appointment was made. The joint committee shall select a chairman and a vice chairman from among its members.

(d) The joint committee shall from time to time report to the Senate and the House of Representatives the results of its studies and reviews, together with its recommendations, including recommendations for such legislation as it may deem desirable. The first such report shall be made as soon as practicable after June 30, 1970.

(e) In carrying out its duties, the joint committee, or any duly authorized subcommittee thereof, is authorized to hold such hearings, to sit and act at such places and times, to require by subpena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, to take such testimony, to procure such printing and binding, and to make such expenditures as it deems necessary. Subpenas may be issued over the signature of the chairman of the joint committee, or by any member designated by him or by the joint committee, and may be served by such person or persons as may be designated by such chairman or member. The chairman of the joint committee or any member thereof may administer oaths to witnesses. Members of the joint committee, and its employees and consultants, while traveling on official business for the joint committee, may receive either the per diem allowance authorized to be paid to Members of Congress or its employees, or their actual and necessary expenses provided an itemized statement of such expenses is attached to the voucher.

(f) The joint committee is empowered to appoint and fix the compensation of such experts, consultants, technicians, and staff employees as it deems necessary and advisable. The joint committee is authorized to utilize the services, information, facilities, and personnel of the departments and establishments of the Government.

(g) The expenses of the joint committee shall be paid from the contingent fund of the Senate from funds appropriated for the joint committee, upon vouchers signed by the chairman of the joint committee or by any member of the joint committee duly authorized by the chairman.

The table presented by Mr. HOLLINGS is as follows:

Estimated distribution, by State, of $1,663,000,000 under the Federal Tax Sharing Act of 1967

State	State and local revenues from own sources, fiscal year 1965 (millions)	Adjusted gross income, calendar year 1964 (millions)	Revenue effort ratio (col. 2÷col. 3)	Relative State effort ratio (col. 4÷16.0)	Total resident population July 1, 1965 (thousands)	State population as a percent of total population	Allotment of 80 percent of fund [1] ($1,331,000,000) (thousands)	Per capita personal income, calendar year 1965	Per capita income deficiency factor ($2.746÷col. 9)	Weighted population of income deficient States (col. 6× col. 10) (thousands)	State percentage of weighted population total	Allotment of 20 percent of fund ($332,000,000× col. 12) (thousands)	Total allotment (col. 8+col. 13) (thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1. Alabama	$768.3	$4,668.9	16.5	103.1	3,486	1.80	$24,459	$1,910	1.4377	5,012	4.87	$16,168	$40,627
2. Alaska	101.6	514.4	19.8	123.8	267	.14	2,283	3,187					2,283
3. Arizona	538.8	2,779.3	19.4	121.3	1,575	.81	12,949	2,370	1.1586	1,825	1.77	5,876	18,825
4. Arkansas	393.3	2,305.2	17.1	106.9	1,941	1.00	14,089	1,845	1.4883	2,889	2.81	9,329	23,418
5. California	8,439.8	45,599.3	18.5	115.6	18,403	9.50	144,741	3,258					144,741
6. Colorado	728.8	3,952.2	18.4	115.0	1,949	1.01	15,308	2,710	1.0133	1,975	1.92	6,374	21,682
7. Connecticut	966.5	7,486.9	12.9	80.6	2,830	1.46	15,510	3,401					15,510
8. Delaware	201.4	1,312.4	15.3	95.6	503	.26	3,277	3,392					3,277
9. District of Columbia	270.0	1,936.7	13.9	86.9	802	.41	4,696	3,708					4,696
10. Florida	1,766.0	10,012.1	17.6	110.0	5,796	2.99	43,349	2,423	1.1333	6,569	6.38	21,182	64,531
11. Georgia	1,086.5	6,759.8	16.1	100.6	4,391	2.27	30,099	2,159	1.2719	5,585	5.43	18,028	48,127
12. Hawaii	268.0	1,473.1	18.2	113.8	710	.37	5,550	2,879					5,550
13. Idaho	214.5	1,101.8	19.5	121.9	693	.36	5,784	2,395	1.1466	795	.77	2,556	8,340
14. Illinois	3,332.9	26,235.7	12.7	79.4	10,641	5.49	57,452	3,280					57,452
15. Indiana	1,554.5	9,908.1	15.7	98.1	4,893	2.52	32,582	2,846					32,582
16. Iowa	929.1	5,078.7	18.3	114.4	2,758	1.42	21,410	2,676	1.0262	2,830	2.75	9,130	30,540

See footnote at end of table.

Estimated distribution, by State, of $1,663,000,000 under the Federal Tax Sharing Act of 1967—Continued

State	State and local revenues from own sources, fiscal year 1965 (millions)	Adjusted gross income, calendar year 1964 (millions)	Revenue effort ratio (col. 2÷col. 3)	Relative State effort ratio (col. 4÷16.0)	Total resident population July 1, 1965 (thousands)	State population as a percent of total population	Allotment of 80 percent of fund [1] ($1,331,000,000) (thousands)	Per capita personal income, calendar year 1965	Per capita income deficiency factor ($2.746÷col. 9)	Weighted population of income deficient States (col. 6×col. 10) (thousands)	State percentage of weighted population total	Allotment of 20 percent of fund ($332,000,000×col. 12) (thousands)	Total allotment (col. 8+col. 13) (thousands)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
17. Kansas	$749.8	$4,106.4	18.3	114.4	2,248	1.16	$17,490	$2,639	1.0405	2,339	2.27	$7,536	$25,026
18. Kentucky	705.7	4,507.6	15.7	98.1	3,173	1.64	21,203	2,045	1.3428	4,261	4.14	13,745	34,948
19. Louisiana	1,053.2	4,921.3	21.4	133.8	3,560	1.84	32,447	2,067	1.3285	4,729	4.60	15,272	47,719
20. Maine	270.7	1,710.4	15.8	98.8	986	.50	6,511	2,277	1.2060	1,189	1.16	3,851	10,362
21. Maryland	1,111.7	8,906.3	12.5	78.1	3,534	1.82	18,734	3,001					18,734
22. Massachusetts	1,844.9	12,542.5	14.7	91.9	5,361	2.77	33,551	3,050					33,551
23. Michigan	2,944.1	18,921.6	15.6	97.5	8,317	4.29	55,130	3,010					55,130
24. Minnesota	1,326.9	6,805.2	19.5	121.9	3,562	1.84	29,560	2,666	1.0300	3,669	3.57	11,852	41,412
25. Mississippi	514.6	2,260.7	22.8	142.5	2,309	1.19	22,350	1,608	1.7077	3,943	3.83	12,716	35,066
26. Missouri	1,220.8	8,659.7	14.1	88.1	4,492	2.32	26,938	2,663	1.0312	4,632	4.50	14,940	41,878
27. Montana	237.9	1,165.0	20.4	127.5	703	.36	6,050	2,438	1.1263	792	.77	2,556	8,606
28. Nebraska	418.8	2,661.6	15.7	98.1	1,459	.75	9,697	2,629	1.0445	1,524	1.48	4,914	14,611
29. Nevada	182.6	1,095.3	16.7	104.4	434	.22	3,027	3,311					3,027
30. New Hampshire	181.4	1,337.5	13.6	85.0	673	.35	3,921	2,547	1.0781	726	.71	2,357	6,278
31. New Jersey	2,163.6	16,728.5	12.9	80.6	6,781	3.50	37,181	3,237					37,181
32. New Mexico	359.6	1,548.2	23.2	145.0	1,014	.52	9,937	2,193	1.2522	1,270	1.23	4,084	14,021
33. New York	7,951.4	46,327.5	17.2	107.5	18,106	9.35	132,475	3,278					132,475
34. North Carolina	1,145.9	7,055.7	16.2	101.3	4,935	2.55	34,046	2,041	1.3454	6,640	6.45	21,414	55,460
35. North Dakota	242.4	984.7	24.6	153.8	652	.34	6,891	2,279	1.2049	786	.76	2,523	9,414
36. Ohio	2,892.1	22,098.9	13.1	81.9	10,241	5.28	56,995	2,829					56,995
37. Oklahoma	705.9	4,037.9	17.5	109.4	2,448	1.26	18,167	2,289	1.1997	2,937	2.85	9,462	27,629
38. Oregon	686.7	4,126.7	16.6	103.8	1,938	1.00	13,681	2,761					13,681
39. Pennsylvania	3,381.8	24,559.5	13.8	86.3	11,583	5.98	68,018	2,747					68,018
40. Rhode Island	263.7	1,899.2	13.9	86.9	891	.46	5,269	2,823					5,269
41. South Carolina	518.5	3,240.7	16.0	100.0	2,550	1.32	17,397	1,846	1.4875	3,793	3.69	12,251	29,648
42. South Dakota	214.3	966.9	22.2	138.8	686	.35	6,404	2,213	1.2408	851	.83	2,756	9,160
43. Tennessee	856.5	5,661.8	15.1	94.4	3,850	1.99	24,759	2,013	1.3641	5,252	5.10	16,932	41,691
44. Texas	2,889.8	17,435.3	16.6	103.8	10,591	5.47	74,835	2,338	1.1745	12,439	12.09	40,139	114.974
45. Utah	307.4	887.0	16.3	101.9	994	.51	6,849	2,355	1.1660	1,159	1.13	3,752	10,601
46. Vermont	128.5	692.4	18.6	116.3	404	.20	3,066	2,312	1.1877	479	.47	1,560	4,626
47. Virginia	1,059.4	7,763.7	13.6	85.0	4,420	2.28	25,542	2,419	1.1352	5,018	4.88	16,202	41,744
48. Washington	1,152.8	6,462.2	17.8	111.3	2,973	1.53	22,443	2,906					22,443
49. West Virginia	427.5	2,774.8	15.4	96.3	1,815	.94	11,930	2,027	1.3547	2,459	2.39	7,935	19,865
50. Wisconsin	1,510.2	8,309.2	18.2	113.8	4,140	2.14	32,097	2,724	1.0081	4,174	4.06	13,479	45,576
51. Wyoming	131.0	639.9	20.5	128.1	330	.17	2,871	2,558	1.0735	354	.34	1,129	4,000
Total	63,312.3	395,926.6	[2] 16.0	100.0	193,795	100.00	1,331,000	[2] 2,746		102,895	100.00	332,000	1,663,000

[1] A number of steps were involved in arriving at this distribution which are not shown in the table. First, we multiplied col. 7 by $1,331,000,000 by col. 5. By multiplying these various factors, it was impossible to arrive at a total distribution which coincided with the ($1,331,000,000 available for allotment. In this case, the total unadjusted State distribution amounted to $1,344,142,000, or $13,142,000 more than the $1,331,000,000 available for allocation. This $13,142,000 represented nearly 1 percent, or 0.97772 percent, of the $1,344,142,000 derived. We then multiplied this factor (9.97772 percent) by each State's unadjusted allotment and subtracted the result from the individual State allotments and arrived at the State distribution given in col. 8.

[2] Average.

Sources: U.S. Department of Commerce. Bureau of the Census, Governmental Finances in 1964-65, GF No. 6, Washington, U.S. Government Printing Office, 1966, pp. 31-33; Population Estimates, series P-25, No. 350, Oct. 5, 1966, p. 2. U.S. Department of Commerce, Office of Business Economics, Survey of Current Business, August 1966, p. 13. U.S. Treasury Department, Internal Revenue Service, Statistics of Income, 1964, Individual Income Tax Returns, preliminary report, Washington, U.S. Government Printing Office, 1966, p. 30.

AMENDMENT OF CLEAN AIR ACT

Mr. MUSKIE. Mr. President, on behalf of myself and Senators RANDOLPH, MOSS, MORSE, and YARBOROUGH, I introduce, for appropriate reference, legislation to implement the proposals made on air pollution yesterday in the Presidential message entitled "Protecting Our Natural Heritage." I ask unanimous consent that this bill remain at the desk for 3 additional days in order that other Members of the Senate may join as cosponsors.

This legislation is broad in scope and constitutes a major commitment to abate and preserve the quality of our air environment. The Subcommittee on Air and Water Pollution will give the legislation early and comprehensive scrutiny. Extensive hearings will be held on this matter beginning February 8 when the subcommittee will hear Secretary of Health, Education, and Welfare John W. Gardner and the President's science adviser, Mr. Donald F. Hornig. At that time the subcommittee will also hear representatives of the Environmental Science Service Administration and the National Center for Air Pollution in order to obtain technical information regarding the relationship of weather and air pollution.

Public hearings to hear all those from the public and private sector will be announced at an early date.

Mr. President, I ask unanimous consent that the text of this proposed legislation be printed in the RECORD at this point.

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

The bill (S. 780) to amend the Clean Air Act to improve and expand the authority to conduct or assist research relating to air pollutants, to assist in the establishment of regional air quality commissions, to authorize establishment of standards applicable to emissions from establishments engaged in certain types of industry, to assist in establishment and maintenance of State programs for annual inspections of automobile emission control devices, and for other purposes, introduced by Mr. MUSKIE (for himself and other Senators), was received, read twice by its title, referred to the Committee on Public Works, and ordered to be printed in the RECORD, as follows:

S. 780

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 "Air Quality Act of 1967".

RESEARCH RELATING TO FUELS AND VEHICLES

SEC. 2. (a) So much of subsection (a) of section 103 of the Clean Air Act (42 U.S.C. 1857b(a)) as follows paragraph (3) is amended to read as follows:

"(4) conduct and accelerate research programs directed toward development of improved, low-cost techniques for control of combustion by-products of fuels, for removal of potential pollutants from fuels, and for control of emissions from evaporation of fuels;

"(5) provide for Federal payments to public or private agencies, institutions, or persons of part or all of the cost of acquiring, constructing, or otherwise securing devices, methods, or other means of preventing or controlling discharges into the air of various types of pollutants."

(b) Section 102(b) of such Act is amended to read as follows:

"(b) The Secretary shall cooperate with and encourage cooperative activities by all Federal departments and agencies having functions relating to the prevention and control of air pollution, and shall, to the

maximum extent practicable, utilize the services, facilities, and resources of other Federal agencies in carrying out his responsibilities under this Act."

REGISTRATION OF FUEL ADDITIVES

SEC. 3. Section 103 of the Clean Air Act is further amended by adding at the end thereof the following new subsection:

"(f)(1) The Secretary may by regulation designate any fuel or fuels, or any classes or uses thereof, and, after such date or dates as may be prescribed by him, no manufacturer or processor of any fuel may deliver any such fuel for introduction into interstate commerce or to another person who, it can reasonably be expected, will deliver such fuel for such introduction unless any additive contained in such fuel has been registered with the Secretary.

"(2) Upon filing of an application, containing or accompanied by such information as to the characteristics and composition of any additive for any fuel as the Secretary finds necessary, and including assurances that such additional information as the Secretary may reasonably require will upon request be provided, the Secretary shall register such additive.

"(3) The Secretary shall make such provision, with respect to any additive, or any class or use thereof, or any information furnished in connection therewith, as in his judgment is necessary to protect any trade secret or is necessary in the interest of national security.

"(4) Any person who violates paragraph (1) shall forfeit and pay to the United States a civil penalty of $1,000 for each and every day of the continuance of such violation, which shall accrue to the United States and be recovered in a civil suit in the name of the United States, brought in the district where such person has his principal office or in any district in which he does business. The Secretary may, upon application therefor, remit or mitigate any forfeiture provided for in this subsection, and he shall have authority to determine the facts upon all such applications.

"(5) It shall be the duty of the various United States Attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of such forfeitures."

STATE MOTOR VEHICLE POLLUTION CONTROL INSPECTION PROGRAMS

SEC. 4. Title II of the Clean Air Act (42 U.S.C. 1857, et seq.) is amended by redesignating section 208 as section 209 and by inserting after section 207 the following new section:

"ASSISTANCE FOR STATE INSPECTION PROGRAMS

"SEC. 208. (a) The Secretary of Transportation is authorized to impose, as a condition to approval under 23 U.S.C. section 402 of the highway safety program of any State, a requirement that such program include, as part of vehicle inspection thereunder, procedures to assure the adequacy of performance of systems or devices in motor vehicles for control of emissions from them.

"(b) In establishing standards to be applicable in carrying out subsection (a), the Secretary of Transportation shall be subject to pollution emission standards established by the Secretary of Health, Education, and Welfare with respect to model years after 1967 and such earlier model years as the Secretary of Health, Education, and Welfare may prescribe; shall require that State vehicle inspection agencies consult from time to time with the air pollution control agencies in the States as to the administration of their respective inspection programs; and shall require that such State vehicle inspection agencies make such reports in such form and containing such information as he, after consultation with the Secretary of Health, Education, and Welfare, may from time to time reasonably require."

INDUSTRIAL EMISSION STANDARDS

SEC. 5. Title I of the Clean Air Act is further amended by redesignating section 107 (42 U.S.C. 1857f) as section 109 and by inserting after section 106 the following new section:

"EMISSION STANDARDS FOR CERTAIN INDUSTRIES

"SEC. 107. (a) The Secretary shall from time to time by regulation, giving appropriate consideration to technological and economic feasibility, establish emission standards for all or designated emissions which (1) are from designated industries which, because of their nature, are sources of substantial amounts of pollutants and (2) can, with reasonable efforts and expenditures, be prevented or substantially reduced. Such standards may be established only after reasonable notice and opportunity for interested parties to present their views. Any regulations hereunder, and amendments thereof, shall become effective on a date specified therein, which date shall be determined by the Secretary after consideration of the period reasonably necessary for industry compliance. The Secretary may exempt any industry or establishment, or any class thereof, from this section upon such terms and conditions as he may find necessary to protect the public health or welfare, for the purpose of research, investigations, studies, demonstrations, or training, or for reasons of national security.

"(b)(1) If the governor of a State or a State air pollution control agency files, prior to the effective date of standards under subsection (a), a certification that it has adopted, or a letter of intent that such State will before the close of the sixth calendar month which begins after such effective date adopt, (A) emission standards applicable in the State to the emissions and industries specified by the Secretary, which standards he determines are substantially equivalent to or more stringent than the standards prescribed by the Secretary pursuant to subsection (a), and (B) a plan for the enforcement of the standards so adopted, and if such standards and plan are established in accordance with the letter of intent, the standards prescribed pursuant to subsection (a) shall thereafter not be applicable to such emissions and industries in such State.

"(2) If, at any time after standards prescribed under subsection (a) become applicable in a State, a State adopts standards and a plan for enforcement which meet the requirements of paragraph (1) of this subsection, such standards shall become applicable, instead of standards prescribed under subsection (a), in such State until the Secretary again makes the determination referred to in paragraph (3) with respect to such State.

"(3)(A) If a State does not file a letter of intent as provided in paragraph (1) or does not, within six months after the effective date of the standards with respect to which it was filed, establish standards in accordance with such letter which meet the requirements of clause (A) of paragraph (1), or if, on the basis of evidence furnished to him or secured by him, the Secretary determines either that the standards so established have been changed so that they no longer meet the requirements of such clause (A) or that there is a substantial failure to enforce them adequately, the standards prescribed pursuant to subsection (a) shall apply within such State to any factory, warehouse, office, or other business or service establishment in such industry which introduces or delivers for introduction into or receives in interstate commerce any materials.

"(B) If the Secretary, after reasonable notice and opportunity for a hearing, determines that any such establishment is violating such standards, he shall issue an order requiring the establishment to cease and desist from continued violation of such standards within such time as may be specified in the order, but in no event less than sixty days from the date of receipt of such notice.

"(4)(A) Any person required by an order of the Secretary to cease and desist from violation of any such standards may obtain judicial review of such order by filing a petition for review, within sixty days after service of such order, in the United States court of appeals either for the circuit in which such person resides or has his principal place of business or for any circuit in which the violation is found to have occurred, or in the United States Court of Appeals for the District of Columbia circuit. A copy of the petition shall forthwith be transmitted by the clerk of the court to the Secretary or to any officer designated by him for that purpose and to the Attorney General, and thereupon the Secretary shall certify and file in the court through the Attorney General the record of the proceedings upon which the order is based, as provided in section 2112 of title 28, United States Code.

"(B) Upon the filing of such petition, such court shall have jurisdiction of the proceeding (which jurisdiction shall upon the filing of the record be exclusive) and shall have power to affirm the order of the Secretary, or to set it aside in whole or in part, temporarily or permanently, and to enforce such order to the extent that it is affirmed, and to issue such orders pendente lite as in its judgment are necessary to prevent injury to the public. The commencement of proceedings under this paragraph shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

"(C) No objection to the order of the Secretary shall be considered by the court unless such objection was urged before the Secretary or unless there were reasonable grounds for failure so to do. The findings of the Secretary as to the facts, if supported by substantial evidence on the record considered as a whole, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary for the taking of additional evidence in such manner and upon such terms and conditions as the court may deem proper, in which event the Secretary may make new or modified findings and shall file such findings (which, if supported by substantial evidence on the record considered as a whole, shall be conclusive) and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

"(D) The judgment of the court affirming or setting aside, in whole or in part, any order under this subsection shall be final, 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.

"(E)(i) Any person who fails to file with the Secretary, in conformity with regulations issued under this subsection, any report, or who violates a cease and desist order of the Secretary after it has become final and while such order is in effect, shall forfeit and pay to the United States a civil penalty of $1,000 for each violation, which shall accrue to the United States and may be recovered in a civil suit in the name of the United States brought in the district where such person has his principal office or in any district in which he does business. Each separate violation of such an order or failure to file such a report shall be a separate offense, except that in the case of a violation through continuing failure to obey a final order of the Secretary each day of continuance of such failure shall be deemed a separate offense. The Secretary may, upon application therefor, remit or mitigate any forfeiture provided for in this subparagraph, and he shall have authority to determine the facts upon all such applications.

"(ii) It shall be the duty of the various United States Attorneys, under the direction of the Attorney General of the United States, to persecute for the recovery of such forfeitures.

"(F) (i) For the purposes of this subsection, the Secretary shall have the power to require by subpoena the attendance and testimony of witnesses, and the production of all books, papers, and documents relating to any matter which is the subject of a hearing authorized by this section. Witnesses summoned by the Secretary shall be paid the same fees and mileage that are paid witnesses in courts of the United States.

"(ii) The attendance of witnesses, and the production of books, papers, and documents, may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpoena, the Secretary or any party to a proceeding before the Secretary may invoke the aid of any court of the United States in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the provisions of this section.

"(iii) Any court of the United States within the jurisdiction of which an inquiry under this subsection is carried on may, in case of contumacy or refusal to obey a subpoena issued to any person, issue an order requiring such person to appear before the Secretary (and produce books, papers, or documents if so ordered) and give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(G) For purposes of enforcement of this section, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (i) to enter, at reasonable times, any factory, warehouse, office, or other business or service establishment with respect to which there is reasonable ground to believe that it is causing, permitting, or otherwise responsible for discharges into air within the purview of this subsection, or that it is engaging in any act or practice which threatens a discharge in violation of any regulation under this section, and (ii) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, office, or other establishment and all pertinent equipment, finished and unfinished materials, containers, and labeling therein, and all other things therein (including records, files, papers, and processes, controls, and facilities) bearing on such discharges or on such act or practice. A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness.

"(H) The Secretary may upon request review and approve (subject to such conditions as the Secretary deems appropriate) facilities or devices, or designs therefor, for preventing discharges into the air in violation of this subsection."

REGIONAL AIR QUALITY COMMISSIONS

SEC. 6. Title I of the Clean Air Act is further amended by adding after section 107 (added by section 5 of this Act) the following new section:

"REGIONAL AIR QUALITY COMMISSIONS

"SEC. 108. (a) (1) Whenever so requested by the Governors of two or more contiguous States who allege that existing or threatened pollution of the air in any State or States is endangering, or is likely to endanger, the health or welfare of persons in one or more other States, the Secretary may, if he determines (A) that there does not exist an adequate air pollution control program or programs to control, abate, and prevent such pollution, and (B) that action under this section is necessary to protect the health or welfare of persons in the area, establish, after consultation with the States affected, an air quality region which shall encompass the area or areas involved in each of such States and any other areas which in his judgment have such characteristics as to warrant treatment as a unit for air pollution control purposes.

"(2) The Secretary may, after consultation with State officials of all affected States, also establish such an area whenever on the basis of reports, surveys, or studies he has reason to believe that such action is necessary to protect the health or welfare of persons therein.

"(b) Upon establishment of such an area the Secretary shall appoint a Regional Air Quality Commission consisting of an officer or employee of the Department of Health, Education, and Welfare, who shall serve as chairman, and, if the Secretary determines it to be appropriate, of another officer or employee of the Department or, with the consent of the head thereof, of any other Federal department or agency, and of two residents of each of the States any part of which is included in the air quality region. The appointments from each State shall be made only after consultation with the Governor of the State. A vacancy in the Commission shall not affect its powers, but shall be filled in the same manner in which the original appointment was made. A majority of the members of a Commission shall constitute a quorum for the transaction of business. Appointees from any State shall serve, and the Commission shall exist, for such time as may be determined by the Secretary to be necessary or appropriate for purposes of this Act.

"(c) (1) The Secretary shall, within available funds, provide such staff for such Commission as may be necessary to enable it to carry out its functions effectively, and shall pay the other expenses of the Commission.

"(2) The Secretary may also accept for use by such Commission funds, property, or services contributed by the States involved or political subdivisions thereof.

"(d) Each appointee from a State, other than an official or employee thereof or of any political subdivision thereof, shall, while engaged in work of the Commission, receive compensation at a rate fixed by the Secretary, but not in excess of $100 per diem, including travel time, and, while away from his home or regular place of business he may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. § 3109) for persons in the Government service employed intermittently.

"(e) A Commission appointed under this section shall, as soon as practicable, after reasonable notice and opportunity for interested parties to present their views, establish air quality standards for its air quality region, taking into consideration the various relevant aspects thereof, such as the concentration of industry, other commercial establishments, and population and the technological and economic feasibility of achieving such quality, as well as standards for pollutant emissions in order to achieve or preserve such air quality. Such air quality standards and emission standards shall be no less stringent than such standards prescribed or recommended by the Secretary under other sections of this Act and such standards of the Commission shall apply in its air quality region in lieu of State or Federal standards insofar as they are inconsistent wtih such standards of the Commission. The Secretary may, after reasonable notice and opportunity for interested parties to present their views, modify the standards of a Commission, and may exempt any industry or establishment, or any class thereof, from standards of a Commission upon such terms and conditions as he may determine, to the extent he finds such action necessary to protect the public health or welfare, for the purpose of research, investigations, studies, demonstrations, or training, or for reasons of national security.

"(f) Any such Commission shall prepare a system of alerts to avert situations in which there may be imminent and serious danger to the public health or welfare from air pollutants. The Commission shall notify the Governors of the States involved of any such situation or potential situation and of recommended actions by the States, political subdivisions thereof, and businesses and residents therein.

"(g) (1) If the Secretary, after reasonable notice and opportunity for a hearing, determines that any person in an air quality region is violating standards of the Regional Air Quality Commission for such region, he shall, subject to such limitations as the Secretary may prescribe, issue an order requiring such person to cease and desist from continued violation of such standards within such time as may be specified in the order, but in no event less than 60 days from the date of receipt of such notice.

"(2) Any person required by such an order of the Secretary to cease and desist from violation of any such standards may obtain judicial review of such order by filing a petition for review, within 60 days after service of such order, in the United States court of appeals either for the circuit in which such person resides or has his principal place of business or for any circuit in which the violation is found to have occurred, or in the United States Court of Appeals for the District of Columbia circuit. A copy of the petition shall forthwith be transmitted by the clerk of the court to the Secretary or to any officer designated by him for that purpose and to the Attorney General, and thereupon the Secretary shall certify and file in the court through the Attorney General the record of the proceedings upon which the order is based, as provided in section 2112 of title 28, United States Code.

"(B) Upon the filing of such petition, such court shall have jurisdiction of the proceeding (which jurisdiction shall upon the filing of the record be exclusive) and shall have power to affirm the order of the Secretary, or to set it aside in whole or in part, temporarily or permanently, and to enforce such order to the extent that it is affirmed, and to issue such orders pendente lite as in its judgment are necessary to prevent injury to the public. The commencement of proceedings under this paragraph shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

"(C) No objection to the order of the Secretary shall be considered by the court unless such objection was urged before the Secretary or unless there were reasonable grounds for failure so to do. The findings of the Secretary as to the facts, if supported by substantial evidence on the record considered as a whole, shall be conclusive, but the court, for good cause shown, may remand the case to the Secretary for the taking of additional evidence in such manner and upon such terms and conditions as the court may deem proper, in which event the Secretary may make new or modified findings and shall file such findings (which, if supported by substantial evidence on the record considered as a whole, shall be conclusive) and his recommendation, if any, for the modification or setting aside of his original order, with the return of such additional evidence.

"(D) The judgment of the court affirming or setting aside, in whole or in part, any order under this subsection shall be final, 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.

"(E) (i) Any person who violates a cease and desist order after it has become final and while such order is in effect, shall forfeit and pay to the United States a civil penalty of $1,000 for each violation, which shall accrue to the United States and may

be recovered in a civil suit in the name of the United States brought in the district where such person has his principal office or in any district in which he does business. Each separate violation of such an order shall be a separate offense, except that in the case of a violation through continuing failure to obey a final order of the Secretary each day of continuance of such failure shall be deemed a separate offense. The Secretary may, upon application therefor, remit or mitigate any forfeiture provided for in this subparagraph, and it shall have authority to determine the facts upon all such applications.

"(ii) It shall be the duty of the various United States Attorneys, under the direction of the Attorney General of the United States, to prosecute for the recovery of such forfeitures.

"(F)(i) For the purposes of this subsection, the Secretary shall have the power to require by subpoena the attendance and testimony of witnesses, and the production of all books, papers, and documents relating to any matter which is the subject of a hearing authorized by this section. Witnesses summoned by the Secretary shall be paid the same fees and mileage that are paid witnesses in courts of the United States.

"(ii) The attendance of witnesses, and the production of books, papers, and documents, may be required from any place in the United States at any designated place of hearing. In case of disobedience to a subpoena, the Secretary or any party to a proceeding before the Secretary may invoke the aid of any court of the United States in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the provisions of this section.

"(iii) Any court of the United States within the jurisdiction of which an inquiry under this subsection is carred on may, in case of contumacy or refusal to obey a subpoena issued to any person, issue an order requiring such person to appear before the Secretary (and produce books, papers, or documents if so ordered) and give evidence touching the matter in question; and any failure to obey such order of the court may be punished by such court as a contempt thereof.

"(G) For purposes of enforcement of this section, officers or employees duly designated by the Secretary, upon presenting appropriate credentials and a written notice to the owner, operator, or agent in charge, are authorized (i) to enter, at reasonable times, any factory, warehouse, office, or other business or service establishment with respect to which there is reasonable ground to believe that it is causing, permitting, or otherwise responsible for discharges into air within the purview of this subsection, or that it is engaging in any act or practice which threatens a discharge in violation of any regulation under this section, and (ii) to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such factory, warehouse, office, or other establishment, and all pertinent equipment, finished and unfinished materials, containers, and labeling therein, and all other things therein (including records, files, papers, and processes, controls, and facilities) bearing on such discharges or on such act or practice. A separate notice shall be given for each such inspection, but a notice shall not be required for each entry made during the period covered by the inspection. Each such inspection shall be commenced and completed with reasonable promptness.

"(h) Nothing in this section shall be construed as superseding or limiting the authority and responsibility of the Secretary under any other provisions of this or any other law."

APPROPRIATIONS

SEC. 7. Section 306 of the Clean Air Act is amended by inserting, ", other than section 103(d)," after "this Act". Such section is further amended by striking out "$66,000,000 for the fiscal year ending June 30, 1968, and $74,000,000 for the fiscal year ending June 30, 1969" and inserting in lieu thereof "$84,000,000 for the fiscal year ending June 30, 1968, and such sums as may be necessary for the next 4 fiscal years."

AUTHORIZATION OF APPROPRIATIONS TO NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Mr. ANDERSON. Mr. President, on behalf of myself, and the senior Senator from Maine [Mrs. SMITH], by request, I introduce for appropriate reference a bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes. I ask unanimous consent that the bill be printed in the RECORD together with a letter from the Administrator, National Aeronautics and Space Administration, requesting the proposed legislation and a sectional analysis of the bill.

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

The bill (S. 781) to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and administrative operations, and for other purposes, introduced by Mr. ANDERSON (for himself and Mrs. SMITH), by request, was received, read twice by its title, referred to the Committee on Aeronautical and Space Sciences, and ordered to be printed in the RECORD, as follows:

S. 781

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is hereby authorized to be appropriated to the National Aeronautics and Space Administration the sum of $5,050,000,000, as follows:

(a) For "Research and development," for the following programs:

(1) Apollo, $2,546,500,000;
(2) Apollo applications, $454,700,000;
(3) Advanced missions, $8,000,000;
(4) Physics and Astronomy, $147,500,000;
(5) Lunar and planetary exploration, $142,000,000;
(6) Voyager, $71,500,000;
(7) Bioscience, $44,300,000;
(8) Space applications, $104,200,000;
(9) Launch vehicle procurement, $165,100,000;
(10) Space vehicle systems, $37,000,000;
(11) Electronics systems, $40,200,000;
(12) Human factor systems, $21,000,000;
(13) Basic research, $23,500,000;
(14) Space power and electric propulsion systems, $45,000,000;
(15) Nuclear rockets, $46,500,000;
(16) Chemical propulsion, $38,000,000;
(17) Aeronautics, $66,800,000;
(18) Tracking and data acquisition, $297,700,000;
(19) Sustaining university program, $20,000,000;
(20) Technology utilization, $5,000,000.

(b) For "Construction of facilities," including land acquisitions, as follows:

(1) Ames Research Center, Moffet Field, California, $5,365,000;
(2) Electronics Research Center, Cambridge, Massachusetts, $6,220,000;
(3) Goddard Space Flight Center, Greenbelt, Maryland, $565,000;
(4) Jet Propulsion Laboratory, Pasadena, California, $3,125,000;
(5) John F. Kennedy Space Center, NASA Kennedy Space Center, Florida, $24,885,000;
(6) Lewis Research Center, Cleveland and Sandusky, Ohio, $2,115,000;
(7) Manned Spacecraft Center, Houston, Texas, $2,425,000;
(8) George C. Marshall Space Flight Center, Huntsville, Alabama, $870,000;
(9) Michoud Assembly Facility, New Orleans and Slidell, Louisiana, $2,010,000;
(10) Wallops Station, Wallops Island, Virginia, $740,000;
(11) Various locations, $2,880,000;
(12) Facility planning and design not otherwise provided for, $3,000,000.

(c) For "Administrative operations," $671,300,000.

(d) Appropriations for "Research and development" may be used (1) for any items of a capital nature (other than acquisition of land) which may be required for the performance of research and development contracts and (2) for grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities; and title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution or organization. Each such grant shall be made under such conditions as the Administrator shall determine to be required to insure that the United States will receive therefrom benefit adequate to justify the making of that grant. None of the funds appropriated for "Research and development" pursuant to this Act may be used for construction of any major facility, the estimated cost of which, including collateral equipment, exceeds $250,000, unless the Administrator or his designee has notified the Speaker of the House of Representatives and the President of the Senate and the Committee on Science and Astronautics of the House of Representatives and the Committee on Aeronautical and Space Sciences of the Senate of the nature, location, and estimated cost of such facility.

(e) When so specified in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) maintenance and operation of facilities, and support services contracts may be entered into under the "Administrative operations" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

(f) Appropriations made pursuant to subsection 1(c) may be used, but not to exceed $35,000, for scientific consultations or extraordinary expenses upon the approval or authority of the Administrator and his determination shall be final and conclusive upon the accounting officers of the Government.

(g) No part of the funds appropriated pursuant to subsection 1(c) for maintenance, repairs, alterations, and minor construction shall be used for the construction of any new facility the estimated cost of which, including collateral equipment, exceeds $100,000.

SEC. 2. Authorization is hereby granted whereby any of the amounts prescribed in paragraphs (1), (2), (3), (4), (5), (6), (7), (8), (9), (10), and (11) of subsection 1(b) may, in the discretion of the Administrator of the National Aeronautics and Space Administration, be varied upward 5 per centum to meet unusual cost variations, but the total cost of all work authorized under such paragraphs shall not exceed the total of the amounts specified in such paragraphs.

SEC. 3. Not to exceed one-half of 1 per centum of the funds appropriated pursuant to subsection 1(a) hereof may be transferred to the "Construction of facilities" appropriation, and, when so transferred, together with $10,000,000 of the funds appropriated pursuant to subsection 1(b) hereof (other than funds appropriated pursuant to paragraph (12) of such subsection) shall be available for expenditure to construct, expand, or modify laboratories and other installations at any location (including locations specified in subsection 1(b)), if (1) the Administrator determines such action to be necessary because of changes in the national program of aeronautical and space activities or new scientific or engineering developments, and (2) he determines that deferral of such action until the enactment of the next authorization Act would be inconsistent with the interest of the Nation in aeronautical and space activities. The funds so made available may be expended to acquire, construct, convert, rehabilitate, or install permanent or temporary public works, including land acquisition, site preparation, appurtenances, utilities, and equipment. No portion of such sums may be obligated for expenditure or expended to construct, expand, or modify laboratories and other installations unless (A) a period of thirty days has passed after the Administrator or his designee has transmitted to the Speaker of the House of Representatives and to the President of the Senate and to the Committee on Science and Astronautics of the House of Representatives and to the Committee on Aeronautical and Space Sciences of the Senate a written report containing a full and complete statement concerning (1) the nature of such construction, expansion, or modification, (2) the cost thereof including the cost of any real estate action pertaining thereto, and (3) the reason why such construction, expansion, or modification is necessary in the national interest, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 4. Notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Astronautics or the Senate Committee on Aeronautical and Space Sciences,

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by sections 1(a) and 1(c), and

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee.

unless (A) a period of thirty days has passed after the receipt by the Speaker of the House of Representatives and the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SEC. 5. It is the sense of Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible, and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SEC. 6. This Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1968."

The letter and analysis presented by Mr. ANDERSON are as follows:

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION,
Washington, D.C., January 24, 1967.

Hon. HUBERT H. HUMPHREY,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Herewith submitted is a draft of a bill "To authorize appropriations to the National Aeronautics and Space Administration for reearch and development, construction of facilities, and administrative operations, and for other purposes," together with a sectional analysis. It is submitted to the President of the Senate pursuant to Rule VII of the standing rules of the Senate.

The President is recommending a total program of $5,110,000,000 for the National Aeronautics and Space Administration for fiscal year 1968. Of that total $60 million is already available and will be applied to the fiscal year 1968 "Apollo" program as the result of the carry-over of such an amount from the overall fiscal year 1967 program which was reduced to that extent as part of the anti-inflation effort. It is the purpose of the bill, therefore, to provide the authorization required by law for the appropriation to NASA of the remaining funds recommended by the President. To that end the bill would authorize the appropriation of $5,050,000,000. Appropriations, which would be authorized by the bill, would fall under three appropriation headings as follows: (1) for "Research and development," a total of twenty program line items aggregating the sum of $4,324,500,000; (2) for "Construction of facilities," a total of ten locational line items, together with one for various locations and one for facility planning and design, aggregating the sum of $54,200,000; and (3) for "Administrative operations," $671,300,000. The bill is identical to the National Aeronautics and Space Administration Authorization Act, 1967 (Public Law 89-528, 80 Stat. 336), except for the obviously necessary changes in dollar amounts and the substantive and editorial changes hereinafter discussed.

The "Research and development" program line items in the proposed bill differ in several respects from those enacted as part of the NASA Authorization Act, 1967. First, the Gemini program line item has been eliminated following the successful completion of that program. Second, the Apollo line item has been separated into two line items: the one denominated "Apollo" continues funding for the development of large man-rated launch and space vehicles, the first use for which is in the lunar landing program; the other denominated "Apollo applications" which authorizes appropriations for the program of utilizing "Apollo" program-developed hardware for manned space exploration. Third, the authorization for appropriations for the Voyager program which was previously included within the line item "Lunar and planetary exploration," has now been segregated into a separate line item denominated "Voyager." This action has been undertaken pursuant to a Congressional request expressed in Senate Report 188, 89th Congress, First Session, at page 32. Fourth, the previous line items for "Meteorological satellites" and "Communication and applications technology satellites" have been combined into a single line item denominated "Space applications." This action has been taken in recognition of the fact that distinctions between the two former line items are becoming more arbitrary and artificial as the nature of the effort changes, making it more realistic to combine them into one program with a more appropriate title. And finally, the previous line item for "Launch vehicle development" has been deleted in view of the fact that the Centaur development is scheduled to end in fiscal year 1967 and there are no new stage or vehicle development activities planned for the fiscal year 1968.

The "Construction of facilities" locational line items also differ in three respects from those enacted as part of the fiscal year 1967 Authorization Act. The Ames Research Center and the George C. Marshall Space Flight Center have been reinserted as locational line items in view of the fact that authorization for appropriations is being requested for these locations. Conversely, the locational line item for the Langley Research Center has been omitted since no funds are being requested for that location.

Subsection 1(h) of the National Aeronautics and Space Administration Authorization Act, 1967, relating to the authority to initially use any appropriation to finance work or activities for which funds have been provided in any other appropriation available to the Administration and subsequently to make adjustments between such appropriations, has been omitted from this bill. The enactment of Public Law 89-473 (80 Stat. 221), providing similar authority on a Government-wide basis, has made unnecessary the continued inclusion of a provision such as the subsection 1(h) referred to above.

Section 2, generally permitting a 5% upward variation to meet unusual cost variations in connection with the line items under the "Construction of facilities" appropriation, has undergone some editorial changes intended merely to make it unnecessary to state the total amount authorized in such line items. There is no intention to change the substance of this provision.

Section 6 has been changed to reflect that this act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1968" rather than "1967."

Further than this, two editorial changes of a non-substantive nature have been made at the request of the Chairman of the Committee on Science and Astronautics of the House of Representatives. These two changes involve the deletion of the cumulative total of each of the line items under the "Research and development" and "Construction of facilities" headings in subsections 1(a) and 1(b).

The National Aeronautics and Space Administration recommends that the enclosed draft bill be enacted. The Bureau of the Budget has advised that its enactment would be in accordance with the program of the President.

Sincerely yours,

JAMES E. WEBB.

SECTIONAL ANALYSIS OF A BILL TO AUTHORIZE APPROPRIATIONS TO THE NATIONAL AERONAUTICS AND SPACE ADMINISTRATION FOR RESEARCH AND DEVELOPMENT, CONSTRUCTION OF FACILITIES, AND ADMINISTRATIVE OPERATIONS, AND FOR OTHER PURPOSES

SECTION 1

Subsections (*a*), (*b*), and (*c*) would authorize to be appropriated to the National Aeronautics and Space Administration the sum of $5,050,000,000, as follows: (a) for "Research and development," a total of twenty program line items aggregating the sum of $4,324,500,000; (b) for "Construction of facilities," a total of ten locational line items, together with one for various locations and one for facility planning and design, aggregating the sum of $54,200,000; and, (c) for "Administrative operations," $671,300,000.

Subsection 1(d) would authorize the use of appropriations for "Research and development" for: (1) items of a capital nature (other than the acquisition of land) re-

quired for the performance of research and development contracts; and (ii) grants to nonprofit institutions of higher education, or to nonprofit organizations whose primary purpose is the conduct of scientific research, for purchase or construction of additional research facilities. Title to such facilities shall be vested in the United States unless the Administrator determines that the national program of aeronautical and space activities will best be served by vesting title in any such grantee institution. Moreover, each such grant shall be made under such conditions as the Administrator shall find necessary to insure that the United States will receive therefrom benefit adequate to justify the making of that grant.

In either case no funds may be used for the construction of a facility the estimated cost of which, including collateral equipment, exceeds $250,000 unless the Administrator notifies the Speaker of the House, the President of the Senate and the specified committees of the Congress of the nature, location, and estimated cost of such facility.

Subsection 1(e) would provide that, when so specified in an appropriation Act, (1) any amount appropriated for "Research and development" or for "Construction of facilities" may remain available without fiscal year limitation, and (2) contracts for maintenance and operation of facilities and support services may be entered into under the "Administrative operations" appropriation for periods not in excess of twelve months beginning at any time during the fiscal year.

Subsection 1(f) would authorize the use of not to exceed $35,000 of "Administrative operations" appropriation funds for scientific consultations or extraordinary expenses, including representation and official entertainment expenses, upon the authority of the Administrator, whose determination shall be final and conclusive.

Subsection 1(g) would provide that no funds appropriated pursuant to subsection 1(c) for maintenance, repair, alteration and minor construction may be used to construct any new facility the estimated cost of which, including collateral equipment, exceeds $100,000.

SECTION 2

Section 2 would authorize the 5% upward variation of any of the sums authorized for the "Construction of facilities" line items (other than facility planning and design) when, in the discretion of the Administrator, this is needed to meet unusual cost variations. However, the total cost of all work authorized under these line items may not exceed the total sum authorized for "Construction of facilities" under subsection 1 (b), paragraphs (1) through (11).

SECTION 3

Section 3 would provide that not more than ½% of the funds appropriated for "Research and development" may be transferred to the "Construction of facilities" appropriation and, when so transferred, together with $10,000,000 of the funds appropriated for "Construction of facilities," shall be available for the construction of facilities and land acquisition at any location if (1) the Administrator determines that such action is necessary because of changes in the space program or new scientific or engineering developments, and (2) that deferral of such action until the next authorization Act is enacted would be inconsistent with the interest of the Nation in aeronautical and space activities. However, no such funds may be obligated until 30 days have passed after the Administrator or his designee has transmitted to the Speaker of the House, the President of the Senate and the specified committees of Congress a written report containing a description of the project, its cost, and the reason why such project is necessary in the national interest, or each such committee before the expiration of such 30-day period has notified the Administrator that no objection to the proposed action will be made.

SECTION 4

Section 4 would provide that, notwithstanding any other provision of this Act—

(1) no amount appropriated pursuant to this Act may be used for any program deleted by the Congress from requests as originally made to either the House Committee on Science and Astronautics or the Senate Committee on Aeronautical and Space Sciences;

(2) no amount appropriated pursuant to this Act may be used for any program in excess of the amount actually authorized for that particular program by subsections 1(a) and 1(c); and,

(3) no amount appropriated pursuant to this Act may be used for any program which has not been presented to or requested of either such committee.

unless (A) a period of 30 days has passed after the receipt by the Speaker of the House, the President of the Senate and each such committee of notice given by the Administrator or his designee containing a full and complete statement of the action proposed to be taken and the facts and circumstances relied upon in support of such proposed action, or (B) each such committee before the expiration of such period has transmitted to the Administrator written notice to the effect that such committee has no objection to the proposed action.

SECTION 5

Section 5 would express the sense of the Congress that it is in the national interest that consideration be given to geographical distribution of Federal research funds whenever feasible and that the National Aeronautics and Space Administration should explore ways and means of distributing its research and development funds whenever feasible.

SECTION 6

Section 6 would provide that the Act may be cited as the "National Aeronautics and Space Administration Authorization Act, 1968."

LEGISLATIVE REORGANIZATION ACT OF 1967—AMENDMENTS

AMENDMENT NO. 65

Mr. CANNON submitted amendments, intended to be proposed by him, to the bill (S. 355) to improve the operation of the legislative branch of the Federal Government, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF TIME FOR FILING REPORT BY SENATE SPECIAL COMMITTEE ON AGING

Mr. LONG of Missouri. Mr. President, I ask unanimous consent that the time for filing the report of the Senate Special Committee on Aging be extended from January 31, 1967, the deadline set by Senate Resolution 189, to March 15, 1967.

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

ADDITIONAL COSPONSORS OF BILL AND RESOLUTION

Mr. MORTON. Mr. President, on behalf of the junior Senator from Vermont [Mr. PROUTY] I ask unanimous consent that the name of the Senator from Michigan [Mr. HART] be added as a cosponsor at the next printing of Resolution 30, giving legislative authority to the Select Committee on Small Business, which the Senator from Vermont [Mr. PROUTY] submitted on January 17, 1967.

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

Mr. SCOTT. Mr. President, I ask unanimous consent that, at the next printing of the bill (S. 467) to provide for a study with respect to the utilization of systems analysis and management techniques in dealing with problems relating to unemployment, public welfare, education, and similar problems, the names of the distinguished Senator from Kentucky [Mr. COOPER] and the distinguished Senator from Illinois [Mr. PERCY] be added as cosponsors.

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

ADDITIONAL COSPONSOR OF BILL

Under authority of the order of the Senate of January 18, 1967, the name of Mr. ALLOTT was added as an additional cosponsor of the bill (S. 459) to designate the comprehensive Missouri River Basin development program as the Pick-Sloan Missouri Basin program, introduced by Mr. MUNDT (for himself and other Senators) on January 18, 1967.

NOTICE OF HEARING—AUTHORIZATION OF FUNDS FOR TRUST TERRITORY OF PACIFIC ISLANDS

Mr. JACKSON. Mr. President, I wish to announce that the Subcommittee on Territories of the Committee on Interior and Insular Affairs will hold a hearing on S. 303, a bill to provide for the continuance of civil government for the Trust Territory of the Pacific Islands, on Thursday, February 2.

Generally speaking, the purpose of the bill is to substantially increase the authorization of funds for the territory to carry out an accelerated capital improvements and public works program.

The hearing is scheduled to begin at 2 p.m., in room 3110, New Senate Office Building.

OIL SHALE HEARING

Mr. JACKSON. Mr. President, for the information of Members of Congress and other interested persons, I announce that the Senate Committee on Interior and Insular Affairs, which has initial legislative responsibility for development of the mineral resources of the public lands of the United States and for mineral production generally, has scheduled a public hearing on oil shale for Tuesday, February 21. Last Friday the Secretary of the Interior, Stewart L. Udall, made public a proposed five-point action program for economic development of the vast deposits of shale oil and associated minerals in the fabulously rich Green River Formation which underlies millions of acres and thousands of square

miles in parts of Colorado, Wyoming, and Utah.

It is on this proposed program that the Interior Committee's February 21 hearing will center, but at the same time we will welcome new, additional ideas and suggestions, as well as be glad to receive information and views with respect to development of this truly tremendous potential source of energy within our country that the Nation will need for its security and economic growth during the next few years.

Some idea of the extent of the Green River Formation reserves may be gathered from the statement by the then Under Secretary of the Interior at our committee's informational hearing on oil shale held May 12, 1965, that high-grade oil shale deposits there are computed at 600 billion barrels. Known world recoverable reserve of petroleum from conventional sources are only about 300 billion barrels. Much of these latter sources are beyond our borders, available to us only at the will and by the grace of other nations, and over perilous ocean routes. But more than twice the known conventional reserves of petroleum of the entire world are in the shales of a single area in the heart of our own country. The former Under Secretary, John A. Carver, who is now a member of the Federal Power Commission, described the Green River Formation as "the world's largest known resource of hydrocarbons."

By far the richest and most extensive of these oil shale deposits are in federally owned lands. The problems of developing these publicly owned resources have been greatly complicated by the relatively recent realization that the oil shale is associated with dawsonite, an alumina-producing ore, and other minerals.

The five-point program of the Secretary of the Interior faces up to the difficulties, legal, technical, and political, of the situation. It would permit development in the time-tested, historic American tradition of free, private enterprise with careful controls and oversight to protect the public interest.

Mr. President, this matter is of such interest and importance that I ask unanimous consent that the text of Secretary Udall's announcement of last Friday be printed in full at this point in the RECORD, and on behalf of all of the members of the Committee on Interior and Insular Affairs, I invite any interested Members of the Congress or the public to attend and to participate in our February 21 hearings.

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

FIVE-POINT OIL SHALE DEVELOPMENT ANNOUNCED

Secretary of the Interior Stewart L. Udall today announced a five-point action program to promote economic recovery of shale oil and associated minerals from the rich oil shale resources of the Green River formation in Colorado, Wyoming, and Utah. It is estimated that known oil shales of the area contain the equivalent of about 70 times the present domestic proved reserves of crude petroleum.

Steps leading to the program announced by the Secretary began in 1964 with the appointment of a distinguished group of private citizens to the Oil Shale Advisory Board. The Board's interim report, presented to the Secretary in February 1965, has been the subject of intensive and detailed review within the Interior Department during the past 2 years.

The Secretary pointed out that mounting energy demands in the United States made it increasingly important to develop oil shale to the point where it can begin to make a contribution to meeting U.S. energy needs.

The Secretary explained that the five-point program will involve the following:

"Action to clear title to public oil shale bearing lands of the three-state area. This will involve withdrawal of oil shale lands from all mineral entry other than for oil and gas leases, the initiation of examinations and contests to remove clouds on title arising from oil shale and other mineral claims, and restoration of sodium to withdrawn status except where the Secretary specifically finds that particular sodium deposits can be extracted without damage to the oil shale resource. Pending sodium preference right lease applications will be promptly considered on their merits.

"A 'blocking-up program' in which the Secretary will give consideration to applications from private owners of scattered oil shale lands to exchange part of them for Federal lands of similar quality as to mineral and other physical characteristics. The purpose of these exchanges would be to permit some consolidation of private holdings which are at present too scattered for efficient mining operations. Under this program the Secretary will consider applications for blocking only where the applicant agrees to a time schedule and investment commitments for the development of economic mining and recovery operations. Applicants will also be required to agree to develop the blocked up lands in accordance with the best conservation principles, both with regard to maximizing the mineral values to be recovered and to minimizing damage to the environment.

"As the third point of the Department's oil shale program the Secretary will announce procedures which will permit the Department to consider applications from individual firms and combinations of firms for provisional developmental leases of oil shale lands. Under this part of the program, it is contemplated that the Department will contract with interested parties for a variety of approaches to the development of economic processes for the recovery of oil and associated minerals from shale. Applications for contracts would describe the process sought to be developed, a commitment of research and development expenditures, a time schedule within which these expenditures would be made, and the approximate volume and location of oil shale and associated minerals required to support operation of a commercial plant if the research and development project is successful. Parties to such contracts will be permitted access to the necessary acreage of oil shale lands for testing purposes, but leases for larger tracts for commercial development will not be issued until the research and development contract has been successfully performed. Leases will contain firm assurances that a commercial scale plant will be constructed, and that good conservation practices will be observed in the commercial operation.

"A fourth program will seek to enlist the Atomic Energy Commission and private capital with the Department of the Interior to find ways to retort the oil from the shale *in situ*. Underground atomic explosions will be researched as a means of fracturing deep deposits of shale, and making possible the retorting of the shale without ever bringing it to the surface. Such a program, if found technically and commercially feasible, would go far toward solving the difficult problems of protecting the landscape of the Green River Formation area from the scars of traditional mining and processing of minerals. The organic matter (kerogen) present in the rock formation known as oil shale is a solid that is converted to a liquid by heating. The concept of underground retorting is that the shale first should be broken into small pieces by a massive explosion. Thereafter heat would be applied to the broken shale, and the liquid oil pumped to the surface.

"Finally, the Department will request funds for a broad program of research and investigation by the Geological Survey, Bureau of Mines, and Bureau of Land Management. Some of these research projects will involve close cooperation and joint participation with other Federal agencies, industry and public and private research facilities. Objectives of this part of the program will include the development of more information on the location, characteristics, and values of the oil shale and other mineral resources of the Green River Formation, and of better technology for resource development consistent with sound principles of conservation and environmental control."

"A major concern in developing the oil shale program," the Secretary said, "has been to enunciate policies and procedures that will protect the public interest fully, and at the same time will offer reasonable incentives to private capital to participate in an accelerated research and development program.

"The public interest requires," he said, "that in our efforts to develop the technology of extracting oil from shale, we write into every rule, regulation, contract, and permit affecting the public lands those terms and conditions that will:

"Encourage competition in development and use of oil shale and related mineral resources;

"Prevent speculation and windfall profits;

"Promote mining operation and production practices that are consistent with good conservation management of overall resources in the region;

"Encourage fullest use of all known mineral resources;

"Provide reasonable revenues to the Federal and State Governments."

"We intend," the Secretary said, "to seek the broadest possible participation in the development of our oil shale resources. The public lands in the region, representing the largest untapped source of hydrocarbon energy known to the world, belong to all of the people and must be used for the benefit of all the people."

The Secretary emphasized that the contracts involved in Point 3 of the oil shale program will involve two distinct phases. The first phase, in which the contractor expends research and development funds, will require only small acreages of public lands necessary for research and development operations. The second phase, reached only when the research and development work has proved successful, will require acreages large enough to assure an adequate supply of oil shale and other minerals for a commercial operation of specified capacity over an agreed term of years.

Total Federal holdings of oil shale lands approximate seven million acres, but these holdings vary widely as to the richness and thickness of the shale.

"I do not underestimate the difficulties that will attend all five parts of our program," the Secretary said. "For at least 50 years legal, economic, and technical difficulties have stood in the way of efforts to develop the Nation's oil shale resource. To bring this program to fruition may take more than a decade, but if we are to realize the potential of our vast oil shale resources we must undertake intensive efforts now."

Although oil shale deposits are found in several States, the richest deposits are found in the Green River Formation of Colorado, Utah and Wyoming. It is in this area where the Department anticipates the greatest interest under Point 3 of its program.

The amount of oil that can be recovered will depend upon technology and economics. The Green River deposits extend over about 16,000 square miles and include several geologic basins. The total thickness ranges from a few hundred feet to more than 2,000 feet and the potential oil yield ranges from a few gallons to more than 65 gallons per ton of shale. The Federal Government has title to about 72 percent of the total oil shale acreage with potential yield of at least 15 gallons per ton; this amounts to about 79 percent of the estimated equivalent oil in place. Some of this acreage, however, is the subject of mining claims not yet adjudicated. The remaining acreage is owned by the States or private individuals or companies.

The Bureau of Land Management will today submit an application for a withdrawal order and the Department will begin to take the other steps necessary to clear title to the Federal oil shale lands. Proposed regulations setting forth the terms and conditions under which the Department will administer the oil shale program should be promulgated within sixty to ninety days.

NOTICE OF HEARING

Mr. LAUSCHE. Mr. President, as chairman of the ad hoc subcommittee of the Committee on Foreign Relations appointed to consider various customs, maritime, and fishery conventions, I wish to announce that there will be a public hearing by the subcommittee on Tuesday, February 7, 1967, at 9 a.m. to consider the following treaties:

Customs Convention on Containers—Executive J, 89–2.

Customs Convention on the Temporary Importation of Professional Equipment—Executive K, 89–2.

Customs Convention on the A.T.A. Carnet for the Temporary Admission of Goods—Executive L, 89–2.

Customs Convention Regarding E.C.S. Carnets for Commercial Samples—Executive M, 89–2.

Customs Convention on the International Transport of Goods Under Cover of T.I.R. Carnets—Executive N, 89–2.

Convention for the International Council for the Exploration of the Sea—Executive H, 89–2.

Convention of Mar del Plata—Executive Q, 89–2.

Convention on Facilitation of International Maritime Traffic—Executive R, 89–2.

Amendment of the Convention on Great Lakes Fisheries—Executive T, 89–2.

Convention for the Conservation of Atlantic Tunas—Executive U, 89–2.

Persons wishing to testify are requested to get in touch with the chief clerk of the committee, Mr. Arthur Kuhl, as soon as possible.

The members of the subcommittee are Senator DODD, Senator MCCARTHY, Senator CARLSON, and Senator CASE.

NOTICE OF HEARING ON KENNEWICK DIVISION EXTENSION, WASHINGTON

Mr. JACKSON. Mr. President, for the information of the Congress and other interested persons, the Senate Interior and Insular Affairs Committee has scheduled a public hearing to consider S. 370 which provides for the construction, operation, and maintenance of the Kennewick division extension, a multipurpose reclamation project in the State of Washington. S. 605, a bill to authorize the Secretary of the Interior to determine that certain costs of operating and maintaining Banks Lake on the Columbia Basin project for recreational purposes are nonreimbursable, will also be considered at the same time. The hearing will be held at 10 a.m., Thursday, February 23, 1967, in room 3110 of the New Senate Office Building.

NOTICE OF CHANGE OF HEARING DATE—S. 307, AMENDING INDIAN CLAIMS COMMISSION ACT

Mr. JACKSON. Mr. President, on January 19, I announced that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs had scheduled a hearing for February 6 on S. 307, a bill to amend the Indian Claims Commission Act. It has now been necessary to reschedule that hearing, and it has been set for Wednesday, February 15, beginning at 10 a.m., in room 3110 New Senate Office Building.

POPULAR ELECTION OF GOVERNOR OF GUAM AND GOVERNOR OF VIRGIN ISLANDS—NOTICE OF HEARINGS

Mr. JACKSON. Mr. President, I wish to announce that the Subcommittee on Territories of the Committee on Interior and Insular Affairs will conduct a hearing on Monday, February 20, on S. 449 and S. 450, to provide for the popular election of the Governor of Guam and the Governor of the Virgin Islands, respectively.

The hearing will be held in room 3110, New Senate Office Building, beginning at 10 a.m. All interested parties who may wish to testify or submit statements on these measures should contact Mr. James Gamble, of the committee staff.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, informed the Senate that, pursuant to the provisions of section 2 (a), Public Law 89–617, the Speaker had appointed Mr. OLSEN of Montana, and Mr. NELSEN of Minnesota, as members, on the part of the House; and Mr. Robert Ramspeck, of Maryland, and Mr. Charles O. Jones, of Arizona, from private life, as members of the Commission on Political Activity of Government Personnel.

The message also informed the Senate that, pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Speaker had appointed Mr. MILLER of California as a member of the National Historical Publications Commission, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 301, Public Law 89–81, the Speaker had appointed Mr. EDMONDSON, of Oklahoma, Mr. GIAIMO, of Connecticut, Mr. CONTE, of Massachusetts, and Mr. BATTIN, of Montana, as members of the Joint Commission on Coinage, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 2(a), Public Law 89–790, the Speaker had appointed 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 as members of the Study Commission To Investigate Facilities and Services To Be Furnished Visitors and Students Coming to the Nation's Capital, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of 16 United States Code 513, the Speaker had appointed Mr. COLMER, of Mississippi, and Mr. SAYLOR, of Pennsylvania as members of the National Forest Reservation Commission, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of 10 United States Code 4355(a), the Speaker had appointed Mr. TEAGUE, of Texas, Mr. NATCHER, of Kentucky, Mr. LIPSCOMB, of California, and Mr. PIRNIE, of New York as members of the Board of Visitors to the U.S. Military Academy, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of 10 United States Code 6968(a), the Speaker had appointed Mr. FLOOD, of Pennsylvania, Mr. MACHEN, of Maryland, Mr. LAIRD, of Wisconsin, and Mr. MORTON, of Maryland as members of the Board of Visitors to the U.S. Naval Academy, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 3, Public Law 88–630, the Speaker had appointed Mr. HUNGATE, of Missouri, Mr. REUSS, of Wisconsin, Mr. BERRY, of South Dakota, and Mr. SKUBITZ, of Kansas as members of the Lewis and Clark Trail Commission, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of 10 United States Code 9355(a), the Speaker had appointed Mr. ROGERS of Colorado, Mr. FLYNT, of Georgia, Mr. MINSHALL, of Ohio, and Mr. BROTZMAN, of Colorado, as members of the Board of Visitors to the U.S. Air Force Academy, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 5(a), Public Law 87–758, the Speaker had appointed Mr. KIRWAN, of Ohio, and Mr. EDWARDS, of Alabama, as members of the National Fisheries Center and Aquarium Advisory Board, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 2(b), Public Law 89–491, the Speaker had appointed Mr. DONOHUE, of Massachusetts, Mr. MARSH, of Virginia, Mr. SAYLOR, of Pennsylvania, and Mr. POFF, of Virginia, as members of the American Revolution Bicentennial Commission on the part of the House.

The message also informed the Senate that, pursuant to the provisions of 14 United States Code 194(a), the Speaker had appointed Mr. ST. ONGE, of Connecticut, and Mr. WYATT, of Oregon, as members of the Board of Visitors to the U.S. Coast Guard Academy, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 21(a), Public Law 89-236, the Speaker had appointed Mr. CELLER, of New York, Mr. FEIGHAN, of Ohio, Mr. RODINO, of New Jersey, Mr. MCCULLOCH, of Ohio, and Mr. MOORE, of West Virginia, as members of the Select Commission on Western Hemisphere Immigration, on the part of the House.

This message also informed the Senate that, pursuant to the provisions of 46 United States Code 1126c, the Speaker had appointed Mr. CAREY, of New York, and Mr. BURKE of Florida, as members of the Board of Visitors to the U.S. Merchant Marine Academy, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of 16 United States Code 715a, the Speaker had appointed Mr. KARSTEN, of Missouri, and Mr. CONTE, of Massachusetts, as members of the Migratory Bird Conservation Commission, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 2(a), Public Law 89-801, the Speaker had appointed Mr. KASTENMEIER, of Wisconsin, Mr. EDWARDS, of California, and Mr. POFF, of Virginia, as members of the National Commission on the Reform of Federal Criminal Laws, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 3, Public Law 86-380, the Speaker had appointed Mr. FOUNTAIN, of North Carolina, Mr. ULLMAN, of Oregon, and Mrs. DWYER, of New Jersey, as members of the Advisory Commission on Inter-Governmental Relations, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 89-187, the Speaker had appointed Mr. ZABLOCKI, of Wisconsin, Mr. GRAY, of Illinois, Mr. BYRNES, of Wisconsin, and Mr. RUPPE, of Michigan, as members of the Father Marquette Tercentenary Commission, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of 20 United States Code 42 and 43, the Speaker had appointed Mr. MAHON, of Texas, Mr. KIRWAN, of Ohio, and Mr. BOW, of Ohio, as members of the Board of Regents of the Smithsonian Institution, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 86-420, the Speaker had appointed Mr. NIX, of Pennsylvania, 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, 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, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 10(a), Public Law 474, 81st Congress, the Speaker had appointed Mr. HALEY, of Florida, Mr. UDALL, of Arizona, and Mr. BERRY, of South Dakota, as members of the Joint Committee on Navajo-Hopi Indian Administration, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 6, Public Law 754, 81st Congress, the Speaker had appointed Mr. STAGGERS, of West Virginia, and Mr. GROVER, of New York, as members of the Federal Records Council, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 1, Public Resolution 32, 73d Congress, the Speaker had appointed Mr. KARSTEN, of Missouri, Mr. HAYS, of Ohio, and Mr. CUNNINGHAM, of Nebraska, as members of the U.S. Territorial Expansion Memorial Commission, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 601, title 6, Public Law 250, 77th Congress, the Speaker had appointed Mr. MILLS, of Arkansas, Mr. KING, of California, Mr. BYRNES, of Wisconsin, Mr. MAHON, of Texas, Mr. KIRWAN, of Ohio, and Mr. BOW, of Ohio, as members of the Committee To Investigate Nonessential Federal Expenditures, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 2(a), Public Law 85-874, the Speaker had appointed Mr. WRIGHT, of Texas, Mr. THOMPSON, of New Jersey, and Mr. FRELINGHUYSEN, of New Jersey, as members ex officio of the Board of Trustees of the John F. Kennedy Center for the Performing Acts, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 1, Public Law 689, 84th Congress, the Speaker had appointed Mr. HAYS, of Ohio, Mr. RODINO, of New Jersey, Mr. RIVERS, of South Carolina, Mr. CLARK, of Pennsylvania, Mr. BROOKS, of Texas, Mr. ARENDS, of Illinois, Mr. CHAMBERLAIN, of Michigan, Mr. BATES, of Massachusetts, and Mr. FINDLEY, of Illinois, as members of the U.S. group of the North Atlantic Treaty Parliamentary Conference, on the part of the House.

The message further informed the Senate that, pursuant to the provisions of section 1, Public Law 372, 84th Congress, as amended, the Speaker had appointed Mr. THOMPSON, of New Jersey, Mr. MURPHY, of New York, Mr. HALPERN, of New York, and Mr. KUPFERMAN, of New York, as members of the Franklin Delano Roosevelt Memorial Commission, on the part of the House.

The message also informed the Senate that, pursuant to the provisions of section 3, Public Law 88-606, the Speaker had appointed Mr. BARING, of Nevada, Mr. TAYLOR, of North Carolina, Mr. UDALL, of Arizona, Mr. SAYLOR, of Pennsylvania, Mr. BURTON, of Utah, and Mr. KYL, of Iowa as members of the Public Land Law Review Commission, on the part of the House.

The message announced that the House had agreed to the concurrent resolution (S. Con. Res. 2) continuing the Joint Committee on the Organization of the Congress.

FOOD FOR A STARVING WORLD

Mr. CARLSON. Mr. President, it is obvious to anyone concerned that we must develop a new approach to the problem of a food-short, starving world. We cannot continue to be the world's breadbasket. We can no longer be the storehouse of nations. We do not have the food with which to do it, and therefore, we must develop a new approach to this problem.

The Honorable GEORGE MCGOVERN, speaking at the annual meeting of the National Limestone Institute in Washington, D.C., on January 18, stated:

> One of the most difficult and frustrating problems that we face in speeding the adoption of modern agricultural practices in the developing countries of Asia, and Africa and Latin America, where most of the people of this world live, is to find a way to carry knowledge to the individual farm operator. We have the knowledge and the techniques. The missing ingredient is how to get that knowledge and techniques accepted and put into practice by the millions of people who are still trying to scratch out an existence with methods that aren't much different from the days of Moses.

I know of no one more qualified to discuss this subject than the distinguished Senator from South Dakota, who in 1961 was appointed by the late President Kennedy to take charge of the newly created White House Office on Food for Peace.

Speaking before the National Limestone Institute, Senator MCGOVERN stressed not only the importance of food in supplying nutrition to hungry people all over the world, but also stressed the importance of food as a part of a world peace program.

I ask unanimous consent that his address before the National Limestone Institute be made a part of these remarks.

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

ADDRESS OF SENATOR GEORGE MCGOVERN BEFORE THE NATIONAL LIMESTONE INSTITUTE

Chairman Nettels, President Bob Koch, my distinguished colleagues in the Congress, ladies and gentlemen. It is true as the Chairman has just said that my theme tonight is a broad bipartisan one in character, and I am especially grateful to be introduced so kindly by the State Chairman of the Kansas Republican Party. I am just hopeful that I can work out some way to persuade the Republican Chairman in my own State to be equally kind when he introduces me in South Dakota.

I have come to feel almost a part of the National Limestone Institute, and I am very proud of the relationship that I have had with this organization in the few years I have been privileged to serve in Washington. I am grateful for the opportunity that you have given me to stand in this place tonight. This honor has been given over the years to some of the men in public life that I most admire; men from both of our great political parties who have been an inspiration to me.

I have especially appreciated working with you in recent years to arouse our fellow-citizens to the absolute necessity of facing up to the Food and Population Crisis that confronts the world today. I am grateful for the tireless and the highly capable man

who represents you here in Washington, your President Bob Koch. I have come to the conclusion that there is only one thing that Bob is really incapable of doing, that is turning down a job that he feels is important and worth doing. As a consequence of that quality, he is both greatly appreciated and I am afraid he is greatly overworked. As all of you in the NLI know, he agreed to accept the responsibility of the position as Executive Director of the Committee on the World Food Crisis a little over a year ago and it has been a very arduous addition to his efforts, which he has discharged wonderfully well, as he always does in any undertaking. I might say, Bob, that I needed your organizational genius on my side in the U.S. Senate this afternoon when I made an effort as a comparatively new member of that body to try to do something about limiting debate. I learned that the filibuster is still a more powerful institution than the forces a Junior Senator from South Dakota can rally in opposition to it, at least at the moment.

My admiration for the National Limestone Institute runs beyond your President, as distinguished as he is. You have given our country outstanding service down through the years both individually and collectively. Not the least of these services has been to defend and to promote successfully a Soil Conservation Program which, now when we most need it, assures this country the capacity to meet our own food demands and also to lead the world in a tremendously important effort—the battle against hunger.

That battle in my judgment is the most important one, with the most urgent priority, that confronts the people of the United States. It is more important than a race to the moon, as important as it may be. The moon may very well be made of green cheese, but we can't bring it back to earth to eat by any means yet found and it is the empty stomachs here on this earth that ought to be our primary concern.

I was traveling with a small group of other Congressmen in Egypt some ten years ago when the Soviet Union launched its first sputnik into outer space. That was a very important scientific achievement. We were in a rather primitive part of that country, and it was two or three days before we learned of what had happened. In spite of the sensational way in which that event was announced, and in spite of its significance, we quickly learned that there were far more people in Egypt concerned about who could put food on their table than who had launched the first sputnik into outer space. This is true in all of the less developed, uncommitted nations. So, we are talking tonight about the most urgent priority of our time—the battle against hunger.

We are concerned about World Communism, which is a challenge to all of the things that we hold worthwhile in this country. We have demonstrated our willingness, if a single Viet Cong sticks his head up in the jungle, to expend hundreds of thousands, if not, millions of dollars and risk the lives of some of our best men, to try to dispose of him and the threat he represents. Yet the best single defense that we have been able to find in the last twenty years against the appeal of Communism is a full stomach and a hopeful heart, but we respond to that opportunity timidly and hesitantly although the costs are relatively small and no loss of American lives is involved.

Senator George Aiken once made the statement to a group of visiting farm people here in Washington that in the years since World War II American food has prevented more countries from sliding down the hill into Communism, than all of the sophisticated military hardware that we have shipped to our friends around the world, and that is true. Our food has done more to spread and strengthen freedom and democracy than military might.

One of the basic strengths of the American system is the partnership in many areas of our national life between important public purposes and private enterprise. For example, the seed corn industry and its salesmen had a major role in the almost universal adoption a few years ago of new hybrid varieties of corn which set off a great surge in our productivity. In the same manner your Industry has transmitted to hundreds of thousands of farms across this country the materials and the soil building practices essential to the basic soil resource of our country and to the well being of the American people.

One of the most difficult and frustrating problems that we face in speeding the adoption of modern agricultural practices in the developing countries of Asia, and Africa and Latin America, where most of the people of this world live, is to find a way to carry knowledge to the individual farm operator. We have the knowledge, and the techniques. The missing ingredient is how to get that knowledge and techniques accepted and put into practice by the millions of people who are still trying to scratch out an existence with methods that aren't much different from the days of Moses.

It is not too difficult to train a few dozen or even a hundred technicians for a developing country. But it is very hard to reach all the people and to secure the acceptance and the practice of new knowledge and of new techniques by large numbers of individual producers, particularly when most of them are illiterate. Congress Bob Dole of Kansas and others, including myself, have suggested a farmer-to-farmer corps as one practical device that we might use to reach out onto the farms of the emerging countries. That authority is incorporated in the new Food for Peace or Food for Freedom legislation passed by the Congress just before we adjourned last year. *But we are also going to have to stimulate the appearance of your private counterparts, fertilizer and other agricultural supply businesses with their promotion and sales techniques—actually educational techniques—to get necessary results as measured by the crucial statistics of production in the race between food supplies on one hand and hungry stomachs on the other.*

One American feed company that I happen to know about was able to put several hundred salesmen promoting poultry and egg production into the field in Colombia the third year after it had opened a plant in that country. That was done at no cost to the American taxpayer as a part of their private business operation. I don't know how any government could duplicate that task so quickly even at great public expense. But we know that our task is great, and that success depends on reaching and getting the acceptance by millions of producers of new agricultural methods.

The Indian food crisis of the last few months has dramatized the food crisis. Congressman W. R. Poage, the Chairman of the House Agricultural Committee, and some of his colleagues have just come back from taking a close look at that potentially tragic situation which is in the minds of all of us tonight. But what we are really confronted with is an even larger problem of world-wide chronic hunger. Half of all the human beings on this planet are suffering from undernourishment in one form or another. Either they don't have enough to eat or they have the wrong kinds of things to eat, lacking in protein, vitamins and minerals essential to health. Furthermore, the increase of food production in the world is now moving only half as fast as the increase in the number of stomachs to feed. Unless we can find some way to do a better job of balancing food supplies and food productivity in the world with population growth then cataclysmic famines as deadly as a nuclear war can face us within 20 or 25 years and that means within the lives of most of the people in this room. There will be no peace in that kind of a world.

Nikita Khrushchev warned the Red Chinese some years ago that if there were a nuclear war the survivors would envy the dead. Famines of the kind that are projected when we look at the food and population curves, can be just as devastating as the nuclear prospect. The United States cannot escape the responsibility, either morally or from the standpoint of naked self-interest, of leading a worldwide war against hunger. Ultimately we must mesh our domestic farm policy into a world food policy that takes recognition of the stark facts of hunger and want. Even the most callous individuals cannot contemplate lightly the prospect of living on an island of plenty in a world wracked by massive famine. There will be no security—no peace—in that kind of a world.

We have been moving toward a constructive world food policy for more than 20 years. We have made some very significant strides in that direction, but we have been moving far too slowly if a crisis is to be averted.

The first World Food Congress was held 23 years ago, in 1944, at Hot Springs, Virginia. Out of that came the Food and Agricultural Organization of the United Nations. Its first Director General, Lord John Boyd Orr, who has since been awarded the Nobel Peace Prize, worked unsuccessfully but courageously, and I think brilliantly, for a World Food Board. It would have been a great multi-lateral world agency that pooled the excess production of the developed countries, beyond their normal trade requirements, in an international effort to achieve Freedom From Want. Some 10 years later in 1954, as Mr. Nettels reminded us, during the administration of President Eisenhower, the Congress authorized the use of our unwanted surplus commodities to help food deficit countries. That was a landmark step, although it was limited largely to the use of surpluses that had accumulated in spite of very strenous efforts to prevent their accumulation. In 1961, the late President Kennedy created the first full-time White House Office on Food For Peace and gave me the privilege of heading up an effort to expand and more effectively use our Food For Peace program.

In 1962, I was privileged as a U. S. delegate, to propose the Food for Freedom program which the U. N. Food and Agriculture Organization adopted and now conducts. It is relatively small, compared to need, but it is a beginning at multi-lateral participation in a War Against Hunger.

In 1966 this Nation made another landmark decision on the road to an intelligent, common sense world food policy when the Congress removed the limitations which heretofore had confined our Food For Peace efforts to surplus disposal and authorized for the first time the deliberate production of food to help meet the needs of the food deficit countries of the world. We also very substantially increased the dollar authorizations in the new Food For Peace Act of 1966. The importance of those actions, of course, will now depend on the skill and the wisdom, with which they are implemented.

President Johnson has recently underlined, and I think on good grounds, the need for other Nations with a surplus food capacity to join with us in assisting the hunger areas of the world. If a nation cannot donate food, perhaps it can provide some other aid to help meet the food needs of less developed parts of the world. As the President said in his Food For Freedom message to Congress early last year, we must go beyond dealing with spectacular emergencies and deal with the invisible, silent hunger, the chronic malnutrition, which claims the lives of some 3 million children every year, cripples other millions of children both mentally

and physically, and so saps the energy of whole nations that hunger is the chief barrier to economic and social development, and perhaps to political stability in the world.

We are going to have to do what we can within the limit of our resources, within reason, to eliminate the causes of malnutrition. Those causes can be eliminated in a world which has both the resources and the know-how to balance food production and population growth.

Dealing with the causes, and with the rising food and population crisis, requires 4 steps.

First of all, we and other advanced nations must gear our food production to mounting world food needs to prevent starvation and to assist the developing countries to increase their own food producing capacity.

Secondly, we must encourage the food deficit countries to strengthen their own food handling and food distribution facilities, including their ports, their storage capacity, their processing and distribution facilities so that additional food coming in from outside or accumulations of food in certain parts of their own countries can be moved efficiently and protected for proper use in areas of need.

Thirdly, we must stimulate in every reasonable way greater attention and investment in rural development and food production in the emerging countries. That is a high priority item in the Food For Peace Act of 1966.

Fourth, we must encourage and assist as best we can more effective population control measures in the developing world. Here again, that is one of the high priority purposes embodied in the Food For Peace Act of 1966.

The War Against Hunger will not be won, of course, by giving arbitrary orders in any of those areas and abandoning people who have difficulty complying immediately with the criteria that we seek to lay down. Social change comes very slowly in any society and it is especially difficult to impose from the outside. We are discovering that in our own country. For example, even a great, enlightened country such as the United States might have great difficulty meeting a requirement that we end crime in our own streets as a condition of qualifying for membership in the world community. It might take a little time to accomplish that desirable purpose. The South Vietnamese, with over 100,000 army desertions annually, have not been able to meet the original criteria that we laid down as a condition for substantial American military support in their effort. Nonetheless, we have not terminated our aid to them, and we cannot expect countries that are faced with 90 percent or more illiteracy, with religious taboos, with land tenure problems, with a primitive tax structure and underdeveloped economy to transform their agriculture in four or five years. We can't expect less developed countries to be able to respond as rapidly as we do to new technology. Even in this relatively enlightened country of ours, it sometimes takes public incentives and a good many years to accomplish reforms that we recognize are needed. Forty years after Hugh Bennett's first eye-opening report on soil erosion, for instance, we still have only about one-third of our farmland under permanent conservation practices.

The War On Hunger is going to take patience and persistence. It cannot be won in a year or in a few years. We are not going to get immediate acceptance of all of the desirable criteria that we seek. But if it is won, and I am convinced it can be, this war will return big dividends to the people of the United States, even in terms of dollar resources for this country, as well as in terms of peace and security.

The State University of South Dakota at Brookings has conducted a preliminary study to determine what would be the impact on the economy of our State if we could bring diverted farmland back into cultivation—land which has been taken out under various crop control programs in recent years—and then find a useful outlet at a fair price for the producers. It was concluded that in our State alone the full use of our productive capacity would increase income $240 million each year. That study did not take into account the increased transportation, machinery, gasoline and other business that would flow beyond our state boundaries. That kind of impact from a War Against Hunger will be felt across the whole American economy as we move to meet the challenge.

The provision of know-how to the less developed countries is a task of government, of our agricultural education institutions and of private business. It must be done if hunger is finally to be eliminated, for the United States cannot feed the world. Every productive acre on the planet will be needed in production before food and population can be brought into balance. I join with those who hope that we will be able to find more effective ways to enlist private American business in this effort. These businesses can provide not only the salesmen-educators, capital, and agribusiness know-how, but they can demonstrate the effectiveness of our system of freedom to the emerging countries which have yet to determine the kind of political arrangements under which they are finally going to live.

Our great concern, it seems to me, must be with doing a better job of marshalling our resources and our know-how to meet this greatest challenge of our times.

I look forward, as I know my colleagues in the Congress do, to working with you to meet both domestic and world challenges. Victory in the War Against Hunger is, in my judgment, the most important enterprise of our time.

AT ARLINGTON TODAY

Mr. HARTKE. Mr. President, we have buried "Gus" Grissom today.

He lies in Arlington with our men of many wars.

Beside him, and all about this first astronaut, are the men who know him best; those who have died before him in the service of his country.

They will know him as a youngster in Mitchell, Ind., who gazed at the stars and became one with them.

They will know him as Lt. Col. Virgil I. Grissom, U.S. Air Force, space age pioneer, who has died in his country's service.

Lieutenant Colonel Grissom was one of the seven Mercury astronauts selected by NASA in April 1959. He piloted the Liberty Bell 7 spacecraft—the second and final suborbital Mercury test flight—on July 21, 1961. This flight lasted 15 minutes and 37 seconds, attained an altitude of 118 statute miles, and traveled 302 miles downrange from the launch pad at Cape Kennedy.

On March 23, 1965, he served as command pilot on the first manned Gemini flight, a three-orbit mission during which the crew accomplished the first orbital trajectory modifications and the first lifting reentry of a manned spacecraft. Subsequent to this assignment, he served as backup command pilot for Gemini 6.

He died as command pilot for the first three-man Apollo flight—Apollo I.

We, the living, have known him for his courage and his leadership in circumstances unprecedented in man's exploration of the unknown. Our State of Indiana joins in saluting a man among us who has served his country well.

UNITED STATES-SOVIET CONSULAR CONVENTION

Mr. SCOTT. Mr. President, I speak in behalf of the United States-Soviet Consular Convention. I do so in the firm belief that the Senate should advise and consent to the ratification of this important agreement.

I am not unaware of the opposition to this convention. In my own office, some 100 letters and telegrams have been received. Many, citing publications of the Liberty Lobby and other groups, express fears of Communist subversion and infiltration.

Now I do not, for one moment, question that these are legitimate areas for concern, but I do question whether their relevance to the ratification of this convention is properly understood. I cannot escape the conclusion that much of the opposition to ratification stems simply from misunderstanding of the question we are being asked to decide. For the record, it seems relevant, once more, to review what this convention will and will not do.

The Consular Convention does not require, authorize, or propose the opening of a single Soviet consulate in the United States, or a single U.S. consulate in the Soviet Union.

Should a consulate be opened in the United States and one opened at, say, Leningrad, the opening of such a consulate would not extend the security burdens of the FBI to cover more than an additional 15 persons, which hardly seems enough to justify the current ruckus surrounding this controversy.

This convention does not, by itself, permit the Soviets to send a single additional person to this country, nor does it permit us to send anyone to the U.S.S.R. Since, under the Constitution, the President can agree to the reciprocal opening of consulates in the United States and a foreign country at any time, approval of the convention has no bearing on this question.

What this convention does do, however, is to say to the Soviets that if additional consulates are to be opened—and this could be done only on a reciprocal basis and as the result of specific negotiations for this purpose—then this convention says to the Soviets that certain ground rules will be followed. What these ground rules represent is a legal framework to make possible important forward steps in the field of consular protection and services.

First, the convention guarantees immediate notification by the receiving state to the consular offices of the sending state in the event that one of the citizens of the sending state is arrested. The term, "immediate" is defined in the convention to mean from 1 to 3 days.

Secondly, the convention provides for access to any arrested citizen without delay. The convention specifies that "without delay" is to be within 2 to 4 days. Furthermore, it is provided that this access is to be granted on a continuing basis.

Finally, the convention differs from earlier consular conventions in that it provides full immunity for all consular officers and employees from the criminal jurisdiction of the receiving state. Without such immunity for our consular personnel in the Soviet Union, they would serve there under a constant threat of being the victims of false charges in reprisal for action taken by this country when Soviet personnel are, in fact, found to be engaged in espionage activities. The temptation to act against American consular personnel serving in the Soviet Union without diplomatic immunity would be eliminated.

The case for ratification would not be complete if it did not take cognizance of the estimated 18,000 Americans who travel annually in the Soviet Union.

I might add that this number has grown from 5,000 to 18,000 in the last few years. The number of Soviets traveling in this country is estimated as being between 700 and 900 persons. In the Consular Convention, for those accused of crimes, we have an opportunity to afford protections of access to American consular personnel never before possible in the Soviet Union. Even the Soviet citizens in their own country enjoy no such right. They are held incommunicado until the investigation of a criminal is completed, and this can take many months. Yet, with this Convention, Americans would be guaranteed notification and access rights not previously allowed. For myself, I would not want to feel that I had not taken every step possible to guarantee the safety of these Americans assigned or traveling abroad.

We come then to the real issue before us—have we an obligation to provide better tools for the protection of Americans in the U.S.S.R.? My intended vote for ratification indicates my belief that the answer clearly is "Yes."

Mr. President, there is another point. The Office of the Legal Adviser of the Department of State on July 7, 1964, wrote a letter to me. I ask unanimous consent that the letter from Robert E. Lee, Acting Assistant Secretary for Congressional Relations, Department of State, be printed in the RECORD.

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

DEPARTMENT OF STATE,
Washington, D.C., July 7, 1964.

Hon. HUGH SCOTT,
U.S. Senate.

DEAR SENATOR SCOTT: Thank you for your letter of June 26, in which you asked for a statement from the office of the Department's Legal Adviser on what legal effect, if any, the U.S.-U.S.S.R. Consular Convention, which was signed on June 1, 1964, would have on the United States' nonrecognition of the Soviet takeover of the Baltic States of Latvia, Estonia and Lithuania, and on our recognition of the representatives of the last free governments of these countries.

The office of the Legal Adviser confirms that the Consular Convention, if it is ratified and enters into force, would have no effect on our consistent and emphatic refusal to recognize the illegal annexation of Latvia, Estonia and Lithuania by the Soviet Government, or on our continued recognition of the diplomatic and consular representatives of the last free governments of those countries.

A copy of the Convention is enclosed. If the Department can be of further assistance, please do not hesitate to let me know.

Sincerely yours,

ROBERT E. LEE,
Acting Assistant Secretary for Congressional Relations.

Enclosure:
Consular Convention Text.

Mr. SCOTT. Mr. President, the legal adviser of the Department of State in the letter addressed to me on July 7, 1964, assured me that if the convention is ratified it "would have no effect on our consistent and emphatic refusal to recognize the illegal annexation of Latvia, Estonia, and Lithuania by the Soviet Government, or on our continued recognition of the diplomatic and consular representatives of the last free governments of those countries."

Mr. President, I also ask unanimous consent to have printed in the RECORD at the conclusion of my remarks the text of the consular convention.

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

(See exhibit 1.)

Mr. SCOTT. Mr. President, I would like to point out something here. What has been lost sight of is the fact that 18,000 Americans go to the Soviet Union each year. Nine hundred Russians come here. The addition of a consulate adds 15 people, which does not, to my mind, greatly increase the security risk, but we have constituents traveling in Russia all the time. We also have constituents who are employees of the Foreign Service. Immunity presently extends to the people who work for the embassies. The consul, the minister, all have immunity. The stenographer has no immunity at all unless we have such a convention. The security aspects are worse now than if we were to ratify the convention because that stenographer or a file clerk could be blackmailed, held incommunicado, and sent to Siberia for 9 months, while the boss could not. Moreover, a traveler over there, a constituent of mine, could be held there for 9 months.

Under this convention he would have more rights than Soviet citizens. He would be entitled to a lawyer, and entitled to be sprung from the pokey in 3 days. Who is more likely to be stuck in the pokey: 18,000 Americans traveling over there or 900 Russians over here?

Mr. President, a Soviet citizen who is stuck in the pokey in this country has the benefit of all of the protection of the laws of the United States. Here he has the sanctuary which our laws provide and which our courts guarantee. He has the right of a trial by jury, he has the right to demand an attorney, he has the right to be confronted by his accusers, and he has the right of indictment. In other words, he has the right of every American in this country.

Americans in the Soviet Union have none of those rights. It will be recalled that Newcomb Mott, who allegedly committed suicide, may well have gone to his end out of the frustrations of being held incommunicado in a Soviet prison which prevented our Embassy people from having the opportunity to secure for him the rights which this convention would guarantee.

Mr. President, I am not going to be moved by the Liberty Lobby, and I am not going to be moved by the nervous Nellies or hysterical people who yell, "Communist danger" every time we try to do something which reasonably enables us to protect our own people. For this reason I am concerned about my constituents. I do not want them in a Russian pokey, and I want them to have every right that this treaty would guarantee. The odds are 20-to-1 that we are more likely to need this convention than they are, and those are pretty good odds, even in Las Vegas. Certainly they are pretty good odds when a treaty is being written.

EXHIBIT 1

CONSULAR CONVENTION BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA

The Government of the Union of Soviet Socialist Republics and the Government of the United States of America,

Desiring to cooperate in strengthening friendly relations and to regulate consular relations between both states,

Have decided to conclude a consular convention and for this purpose have agreed on the following:

DEFINITIONS

Article 1

For the purpose of the present Convention, the terms introduced hereunder have the following meaning:

1) "Consular establishment"—means any consulate general, consulate, vice consulate or consular agency;

2) "Consular District"—means the area assigned to a consular establishment for the exercise of consular functions;

3) "Head of consular establishment"—means a consul general, consul, vice consul, or consular agent directing the consular establishment;

4) "Consular officer"—means any person, including the head of the consular establishment, entrusted with the exercise of consular functions. Also included in the definition of "consular officer" are persons assigned to the consular establishment for training in the consular service.

5) "Employee of the consular establishment"—means any person performing administrative, technical, or service functions in a consular establishment.

OPENING OF CONSULAR ESTABLISHMENTS, APPOINTMENT OF CONSULAR OFFICERS AND EMPLOYEES

Article 2

1. A consular establishment may be opened in the territory of the receiving state only with that state's consent.

2. The location of a consular establishment and the limits of its consular district will be determined by agreement between the sending and receiving states.

3. Prior to the appointment of a head of a consular establishment, the sending state shall obtain the approval of the receiving state to such an appointment through diplomatic channels.

4. The diplomatic mission of the sending state shall transmit to the Foreign Affairs Ministry of the receiving state a consular commission which shall contain the full name of the head of the consular establishment his citizenship, his class, the consular district assigned to him, and the seat of the consular establishment.

5. A head of a consular establishment may enter upon the exercises of his duties only after having been recognized in this capacity

by the receiving state. Such recognition after the presentation of the commission shall be in the form of an exequatur or in another form and shall be free of charge.

6. The full name, function and class of all consular officers other than the head of a consular establishment, and the full name and function of employees of the consular establishment shall be notified in advance by the sending state to the receiving state.

The receiving state shall issue to each consular officer an appropriate document confirming his right to carry out consular functions in the territory of the receiving state.

7. The receiving state may at any time, and without having to explain its decision, notify the sending state through diplomatic channels that any consular officer is persona non grata or that any employee of the consular establishment is unacceptable. In such a case the sending state shall accordingly recall such officer or employee of the consular establishment. If the sending state refuses or fails within a reasonable time to carry out its obligations under the present paragraph, the receiving state may refuse to recognize the officer or employee concerned as a member of the consular establishment.

8. With the exception of members of the staff of the diplomatic mission of the sending state, as defined in Paragraph c of Article 1 of the Vienna Convention on Diplomatic Relations, no national of the sending state already present in the receiving state or in transit thereto may be appointed as a consular officer or employee of the consular establishment.

Article 3

Consular officers may be nationals only of the sending state.

Article 4

The receiving state shall take the necessary measures in order that a consular officer may carry out his duties and enjoy the rights, privileges, and immunities provided for in the present Convention and by the laws of the receiving state.

Article 5

1. The receiving state shall either facilitate the acquisition on its territory, in accordance with its laws and regulations, by the sending state of premises necessary for its consular establishment or assist the latter in obtaining accommodation in some other way.

2. It shall also, where necessary, assist the sending state in obtaining suitable accommodation for the personnel of its consular establishment.

Article 6

1. If the head of the consular establishment cannot carry out his functions or if the position of head of a consular establishment is vacant, the sending state may empower a consular officer of the same or another consular establishment, or one of the members of the diplomatic staff of its diplomatic mission in the receiving state, to act temporarily as head of the consular establishment. The full name of this person m ıst be transmitted in advance to the Ministry of Foreign Affairs of the receiving state.

2. A person empowered to act as temporary head of the consular establishment shall enjoy the rights, privileges and immunities of the head of the consular establishment.

3. When, in accordance with the provisions of paragraph 1 of the present Article, a member of the diplomatic staff of the diplomatic mission of the sending state in the receiving state is designated by the sending state as an acting head of the consular establishment, he shall continue to enjoy diplomatic privileges and immunities.

CONSULAR FUNCTIONS

Article 7

A consular officer shall be entitled within his consular district to perform the following functions, and for this purpose may apply orally or in writing to the competent authorities of the consular district:

1. To protect the rights and interests of the sending state and its nationals, both individuals and bodies corporate;

2. To further the development of commercial, economic, cultural and scientific relations between the sending state and the receiving state and otherwise promote the development of friendly relations between them;

3. To register nationals of the sending state, to issue or amend passports and other certificates of identity, and also to issue entry, exit, and transit visas;

4. To draw up and record certificates of birth and death of citizens of the sending state taking place in the receiving state, to record marriages and divorces, if both persons entering into marriage or divorce are citizens of the sending state, and also to receive such declarations pertaining to family relationships of a national of the sending state as may be required under the law of the sending state, unless prohibited by the laws of the receiving state;

5. To draw up, certify, attest, authenticate, legalize and take other actions which might be necessary to validate any act or document of a legal character, as well as copies thereof, including commercial documents, declarations, registrations, testamentary dispositions, and contracts, upon the application of a national of the sending state, when such document is intended for use outside the territory of the receiving state, and also for any person, when such document is intended for use in the territory of the sending state;

6. To translate any acts and documents into the Russian and English languages and to certify to the accuracy of the translations;

7. To perform other official consular functions entrusted to him by the sending state if they are not contrary to the laws of the receiving state.

Article 8

1. The acts and documents specified in Paragraph 5 of Article 7 of the present Convention which are drawn up or certified by the consular officer with his official seal affixed, as well as copies, extracts, and translations of such acts and documents certified by him with his official seal affixed, shall be receivable in evidence in the receiving state as official or officially certified acts, documents, copies, translations, or extracts, and shall have the same force and effect as though they were drawn up or certified by the competent authorities or officials of the receiving state; provided that such documents shall have been drawn and executed in conformity with the laws and regulations of the country where they are designed to take effect.

2. The acts, documents, copies, translations, or extracts, enumerated in paragraph 1 of the present Article shall be authenticated if required by the laws of the receiving state when they are presented to the authorities of the receiving state.

Article 9

If the relevant information is available to the competent authorities of the receiving state, such authorities shall inform the consular establishment of the death of a national of the sending state.

Article 10

1. In the case of the death of a national of the sending state in the territory of the receiving state, without leaving in the territory of his decease any known heir or testamentary executor, the appropriate local authorities of the receiving state shall as promptly as possible inform a consular officer of the sending state.

2. A consular officer of the sending state may, within the discretion of the appropriate judicial authorities and if permissible under then existing applicable local law in the receiving state:

a) take provisional custody of the personal property left by a deceased national of the sending state, provided that the decedent shall have left in the receiving state no heir or testamentary executor appointed by the decedent to take care of his personal estate; provided that such provisional custody shall be relinquished to a duly appointed administrator;

b) administer the estate of a deceased national of the sending state who is not a resident of the receiving state at the time of his death, who leaves no testamentary executor, and who leaves in the receiving state no heir, provided that if authorized to administer the estate, the consular officer shall relinquish such administration upon the appointment of another administrator;

c) represent the interests of a national of the sending state in an estate in the receiving state, provided that such national is not a resident of the receiving state, unless or until such national is otherwise represented: provided, however, that nothing herein shall authorize a consular officer to act as an attorney at law.

3. Unless prohibited by law, a consular officer may, within the discretion of the court, agency, or person making distribution, receive for transmission to a national of the sending state who is not a resident of the receiving state any money or property to which such national is entitled as a consequence of the death of another person, including shares in an estate, payments made pursuant to workmen's compensation laws, pension and social-benefits systems in general, and proceeds of insurance policies.

The court, agency, or person making distribution may require that a consular officer comply with conditions laid down with regard to: (a) presenting a power of attorney or other authorization from such non-resident national, (b) furnishing reasonable evidence of the receipt of such money or property by such national, and (c) returning the money or property in the event he is unable to furnish such evidence.

4. Whenever a consular officer shall perform the functions referred to in paragraph 2 and 3 of this Article, he shall be subject, with respect to the exercise of such functions, to the laws of the receiving state and to the civil jurisdiction of the judicial and administrative authorities of the receiving state in the same manner and to the same extent as a national of the receiving state.

Article 11

A consular officer may recommend to the courts or to other competent authorities of the receiving state appropriate persons to act in the capacity of guardians or trustees for citizens of the sending state or for the property of such citizens when this property is left without supervision.

In the event that the court or competent authorities consider that the recommended candidate is for some reason unacceptable, the consular officer may propose a new candidate.

Article 12

1. A consular officer shall have the right within his district to meet with, communicate with, assist, and advise any national of the sending state and, where necessary, arrange for legal assistance for him. The receiving state shall in no way restrict the access of nationals of the sending state to its Consular establishments.

2. The appropriate authorities of the receiving state shall immediately inform a consular officer of the sending state about the arrest or detention in other form of a national of the sending state.

3. A consular officer of the sending state shall have the right without delay to visit and communicate with a national of the sending state who is under arrest or otherwise detained in custody or is serving a sentence of imprisonment. The rights referred to in this paragraph shall be exercised in conformity with the laws and regulations of

the receiving state, subject to the proviso, however, that the said laws and regulations must not nullify these rights.

Article 13

1. A consular officer may provide aid and assistance to vessels registered under the flag of the sending state which have entered a port in his consular district.

2. Without prejudice to the powers of the receiving state, a consular officer may conduct investigations into any incidents which occurred during the voyage on vessels registered under the flag of the sending state, and may settle disputes of any kind between the master, the officers and the seamen insofar as this may be authorized by the laws of the sending state. A consular officer may request the assistance of the competent authorities of the receiving state in the performance of such duties.

3. In the event that the courts or other competent authorities of the receiving state intend to take any coercive action on vessels registered under the flag of the sending state while they are located in the waters of the receiving state, the competent authorities of the receiving state shall, unless it is impractical to do so in view of the urgency of the matter, inform a consular officer of the sending state prior to initiating such action so that the consular officer may be present when the action is taken. Whenever it is impractical to notify a consular officer in advance, the competent authorities of the receiving state shall inform him as soon as possible thereafter of the action taken.

4. Paragraph 3 of this Article shall not apply to customs, passport, and sanitary inspections, or to action taken at the request or with the approval of the master of the vessel.

5. The term "vessel", as used in the present Convention, does not include warships.

Article 14

If a vessel registered under the flag of the sending state suffers shipwreck, runs aground, is swept ashore, or suffers any other accident whatever within the territorial limits of the receiving state, the competent authorities of the receiving state shall immediately inform a consular officer and advise him of the measures which they have taken to rescue persons, vessel, and cargo.

The consular officer may provide all kinds of assistance to such a vessel, the members of its crew, and its passengers, as well as take measures in connection with the preservation of the cargo and repair of the ship, or he may request the authorities of the receiving state to take such measures.

The competent authorities of the receiving state shall render the necessary assistance to the consular officer in measures taken by him in connection with the accident to the vessel.

No customs duties shall be levied against a wrecked vessel, its cargo or stores, in the territory of the receiving state, unless they are delivered for use in that state.

If the owner or anyone authorized to act for him is unable to make necessary arrangements in connection with the vessel or its cargo, the consular officer may make such arrangements. The consular officer may under similar circumstances make arrangements in connection with cargo owned by the sending state or any of its nationals and found or brought into port from a wrecked vessel registered under the flag of any state except a vessel of the receiving state.

Article 15

Articles 13 and 14, respectively, shall also apply to aircraft.

RIGHTS, PRIVILEGES, AND IMMUNITIES

Article 16

The national flag of the sending state and the consular flag may be flown at the consular establishment, at the residence of the head of the consular establishment, and on his means of transport used by him in the performance of his official duties. The shield with the national coat-of-arms of the sending state and the name of the establishment may also be affixed on the building in which the consular establishment is located.

Article 17

The consular archives shall be inviolable at all times and wherever they may be. Unofficial papers shall not be kept in the consular archives.

The buildings or parts of buildings and the land ancillary thereto, used for the purposes of the consular establishment and the residence of the head of the consular establishment, shall be inviolable.

The police and other authorities of the receiving state may not enter the building or that part of the building which is used for the purposes of the consular establishment or the residence of the head of the consular establishment without the consent of the head thereof, persons appointed by him, or the head of the diplomatic mission of the sending state.

Article 18

1. The consular establishment shall have the right to communicate with its Government, with the diplomatic mission and the consular establishments of the sending state in the receiving state, or with other diplomatic missions and consular establishments of the sending state, making use of all ordinary means of communication. In such communications, the consular establishment shall have the right to use code, diplomatic couriers, and the diplomatic pouch. The same fees shall apply to consular establishments in the use of ordinary means of communication as apply to the diplomatic mission of the sending state.

2. The official correspondence of a consular establishment, regardless of what means of communication are used, and the sealed diplomatic pouch bearing visible external marks of its official character, shall be inviolable and not subject to examination or detention by the authorities of the receiving state.

Article 19

1. Consular officers shall not be subject to the jurisdiction of the receiving state in matters relating to their official activity. The same applies to employees of the consular establishment, if they are nationals of the sending state.

2. Consular officers and employees of the consular establishment who are nationals of the sending state shall enjoy immunity from the criminal jurisdiction of the receiving state.

3. This immunity from the criminal jurisdiction of the receiving state of consular officers and employees of the consular establishment of the sending state may be waived by the sending state. Waiver must always be expressed.

Article 20

1. Consular officers and employees of the consular establishment, on the invitation of a court of the receiving state, shall appear in court for witness testimony. Taking measures to compel a consular officer or an employee of the consular establishment who is a national of the sending state to appear in court as a witness and to give witness testimony is not permissible.

2. If a consular officer or an employee of the consular establishment who is a national of the sending state for official reasons or for reasons considered valid according to the laws of the receiving state cannot appear in court, he shall inform the court thereof and give witness testimony on the premises of the consular establishment or in his own abode.

3. Whenever under the laws of the receiving state an oath is required to be taken in court by consular officers and employees of the consular establishment, an affirmation shall be accepted in lieu thereof.

4. Consular officers and employees of the consular establishment may refuse to give witness testimony on facts relating to their official activity.

5. The provisions of paragraphs 1, 2, 3, & 4 shall also apply to proceedings conducted by administrative authorities.

Article 21

1. Immovable property, situated in the territory of the receiving state, of which the sending state or one or more persons acting in its behalf is the owner or lessee and which is used for diplomatic or consular purposes, including residences for personnel attached to the diplomatic and consular establishments, shall be exempt from taxation of any kind imposed by the receiving state or any of its states or local governments other than such as represent payments for specific services rendered.

2. The exemption from taxation referred to in paragraph 1 of this Article shall not apply to such charges, duties, and taxes if, under the law of the receiving states, they are payable by the person who contracted with the sending state or with the person acting on its behalf.

Article 22

A consular officer or employee of a consular establishment, who is not a national of the receiving state and who does not have the status in the receiving state of an alien lawfully admitted for permanent residence, shall be exempt from the payment of all taxes or similar charges of any kind imposed by the receiving state or any of its states or local governments on official emoluments, salaries, wages, or allowances received by such officer or employee from the sending state in connection with the discharge of his official functions.

Article 23

1. A consular officer or employee of a consular establishment who is not a national of the receiving state and who does not have the status in the receiving state of an alien lawfully admitted for permanent residence, shall, except as provided in paragraph 2 of this Article, be exempt from the payment of all taxes or similar charges of any kind imposed by the receiving state or any of its states or local governments, for the payment of which the officer or employee of the consular establishment would otherwise be legally liable.

2. The exemption from taxes or charges provided in paragraph 1 of this Article does not apply in respect to taxes or charges upon:

a) The acquisition or possession of private immovable property located in the receiving state if the persons referred to in paragraph 1 of this Article do not own or lease this property on the behalf of the sending state for the purposes of the consular establishment;

b) Income received from sources in the receiving state other than as described in Article 22 of the present Convention;

c) The transfer by gift of property in the receiving state;

d) The transfer at death, including by inheritance, of property in the receiving state.

3. However, the exemption from taxes or similar charges provided in paragraph 1 of this Article, applies in respect to movable inherited property left after the death of a consular officer or employee of the consular establishment or a member of his family residing with him if they are not nationals of the receiving state or aliens lawfully admitted for permanent residence, and if the property was located in the receiving state exclusively in connection with the sojourn in this state of the deceased as a consular officer or employee of the consular establishment or member of his family residing with him.

Article 24

A consular officer or employee of a consular establishment and members of his family residing with him, who are not nationals of the receiving state and who do not have the status in the receiving state of aliens lawfully admitted for permanent residence, shall be exempt in the receiving state from service in the armed forces and from all other types of compulsory service.

Article 25

A consular officer or employee of a consular establishment and members of his family residing with him who do not have the status in the receiving state of aliens lawfully admitted for permanent residence, shall be exempt from all obligations under the laws and regulations of the receiving state with regard to the registration of aliens, and obtaining permission to reside, and from compliance with other similar requirements applicable to aliens.

Article 26

1. The same full exemption from customs duties and internal revenue or other taxes imposed upon or by reason of importation shall apply in the receiving state to all articles, including motor vehicles, imported exclusively for the official use of a consular establishment, as apply to articles imported for the official use of the diplomatic mission of the sending state.

2. Consular officers, and employees of the consular establishment, and members of their families residing with them, who are not nationals of the receiving state, and who do not have the status in the receiving state of aliens lawfully admitted for permanent residence, shall be granted, on the basis of reciprocity, the same exemptions from customs duties and internal revenue or other taxes imposed upon or by reason of importation, as are granted to corresponding personnel of the diplomatic mission of the sending state.

3. For the purpose of paragraph two of this Article the term "corresponding personnel of the diplomatic mission" refers to members of the diplomatic staff in the case of consular officers, and to members of the administrative and technical staff in the case of employees of a consular establishment.

Article 27

Subject to the laws and regulations of the receiving state concerning zones entry into which is prohibited or regulated for reasons of national security, a consular officer shall be permitted to travel freely within the limits of his consular district to carry out his official duties.

Article 28

Without prejudice to their privileges and immunities, it is the duty of all persons enjoying such privileges and immunities to respect the laws and regulations of the receiving state, including traffic regulations.

Article 29

1. The rights and obligations of consular officers provided for in the present Convention also apply to members of the diplomatic staff of the diplomatic mission of the Contracting Parties charged with the performance of consular functions in the diplomatic mission and who have been notified in a consular capacity to the Ministry of Foreign Affairs of the receiving state by the diplomatic mission.

2. Except as provided in paragraph 4 of Article 10 of the present Convention, the performance of consular functions by the persons referred to in paragraph 1 of this Article shall not affect the diplomatic privileges and immunities granted to them as members of the diplomatic mission.

FINAL PROVISIONS

Article 30

1. The present Convention shall be subject to ratification and shall enter into force on the thirtieth day following the exchange of instruments of ratification, which shall take place in Washington as soon as possible.

2. The Convention shall remain in force until six months from the date on which one of the Contracting Parties informs the other Contracting Party of its desire to terminate its validity.

In witness whereof the Plenipotentiaries of the two Contracting Parties have signed the present Convention and affixed their seals thereto.

Done in Moscow on June 1, 1964, in two copies, each in the Russian and the English language, both texts being equally authentic.

For the Government of the Union of Soviet Socialist Republic.

For the Government of the United States of America.

PROTOCOL TO THE CONSULAR CONVENTION BETWEEN THE GOVERNMENT OF THE UNION OF THE SOVIET SOCIALIST REPUBLICS AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA

1. It is agreed between the Contracting Parties that the notification of a consular officer of the arrest or detention in other form of a national of the sending state specified in paragraph 2 of Article 12 of the Consular Convention between the Government of the Union of Soviet Socialist Republics and the Government of the United States of America of June 1, 1964, shall take place within one to three days from the time of arrest or detention depending on conditions of communication.

2. It is agreed between the Contracting Parties that the rights specified in paragraph 3 of Article 12 of the Consular Convention of a consular officer to visit and communicate with a national of the sending state who is under arrest or otherwise detained in custody shall be accorded within two to four days of the arrest or detention of such national depending upon his location.

3. It is agreed between the Contracting Parties that the rights specified in paragraph 3 of Article 12 of the Consular Convention of a consular officer to visit and communicate with a national of the sending state who is under arrest or otherwise detained in custody or is serving a sentence of imprisonment shall be accorded on a continuing basis.

The present Protocol constitutes an integral part of the Consular Convention between the Government of the Union of Soviet Socialist Republics and the Government of the United States of America of June 1, 1964.

Done at Moscow on June 1, 1964, in two copies, each in the Russian and the English language, both texts being equally authentic.

For the Government of the Union of Soviet Socialist Republics.

For the Government of the United States of America.

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

Mr. SCOTT. I yield to the distinguished majority leader.

Mr. MANSFIELD. Mr. President, I am delighted that the distinguished Senator from Pennsylvania [Mr. SCOTT] has taken the floor this morning to expound his views on the proposed consular treaty and to indicate the reasons why he supports it.

I would point out that this treaty was initiated by the United States in the latter years of the Eisenhower administration. I would point out furthermore that what we get out of this treaty is equal protection for our citizens in the Soviet Union and we give them a chance to be protected; whereas, now Soviet citizens here get such protection automatically under American law. Actually this treaty would place American citizens attached to the embassies in the Soviet Union on a better footing than Soviet citizens themselves. As the Senator stated it might be that had this treaty been in effect at the time of Newcomb Mott, Newcomb Mott might still be alive today.

Mr. President, there is one other thing that should be brought up. Great Britain and Japan have entered into consular agreements with the Soviet Union, which apply not only to consular staffs but also to their families. Those agreements go far beyond this proposal which I think is overwhelmingly in our favor, because, as the Senator from Pennsylvania noted succinctly and pointedly there are 20 times as many U.S. citizens visiting in the Soviet Union as there are Soviet citizens visiting in this Nation. Why should we place our citizens under a handicap? Why should we not give our people some degree of diplomatic protection so they will not be put in the "pokey," as the Senator from Pennsylvania stated, with no recourse under Soviet law, and where they could be held for 9 months without anybody knowing about it.

Mr. President, I thoroughly support the Senator from Pennsylvania in what he had to say and I hope this proposal will be considered on the basis of its merits and not on the basis of pressure groups, whether they are domestic or tied to foreign countries. This is a matter in the national interest which affects American citizens, and they are entitled to the protection which is sought in the treaty. I hope that the Senate, on the basis of logic, reason, and national interest alone will see that they get that protection as the Senator indicated.

Mr. SCOTT. I want to thank the Senator and point out how often those who are extremists on either end defeat their own cause——

Mr. MANSFIELD. And hurt our country.

Mr. SCOTT. Yes—the extremists on the far right who deliberately lobby in this country with what I call their tunnel vision are actually serving the cause of the left, which they do not intend to do, but that is what happens when they get too far on the edge and forget that the world is round and end up on the other side of the argument.

Mr. AIKEN. Mr. President, I think it is about time someone made the statement which has just been made by the Senator from Pennsylvania.

I will have to say that a month ago I had not given too serious consideration to the proposal for a consular treaty between the United States and Russia. However, during the past few days, I have been deluged by professionally inspired hate mail. Obviously, this is organization mail which has been promoted by what I believe to be well-paid agitators who may have collected money from those who came to America from other countries to seek freedom. Perhaps not. Perhaps they got it from other sources. But, certainly, this is a professional job that is being done on Congress at this time. So far as I am concerned, it is ineffective.

I have made up my mind that I will support this consular treaty if for no

other reason than to tell these professional agitators that they are not going to run this country if I can help it.

Perhaps these people help out at election time by rounding up votes. I do not know about that for sure. Maybe they contribute more or less to certainly what they consider to be meritorious organizations. But, I do believe that when they come to this country, it is up to them to accept the rules and regulations of America and not spend their time agitating hate against the countries from which they came.

I realize that this consular treaty is a treaty with Russia and Russia at this time is certainly not entitled to special consideration on our part. I expect there are people from old world countries who are very much interested in thwarting this treaty, for one purpose or another.

I want to thank the Senator from Pennsylvania [Mr. SCOTT] for putting this subject in its proper light. It is time those folks find out that they cannot come to America and flout our regulations and our traditions, or break our laws and agitate continually for war and violence in other parts of the world and have their actions endorsed by the U.S. Senate.

Mr. SCOTT. I am glad the majority leader has pointed out the fact that the British and the Japanese have more favorable agreements with Russia than the one we are proposing. This finds us lagging in that regard.

I have also been somewhat concerned over the argument which, on its face, would seem to have merit, that we cannot trust the Russians to keep a treaty.

On this point, I inquired of those in whom I have confidence, and the answer is that there are various remedies the United States can take if it finds any violation of the consular convention, as with any other treaty.

One, the United States can declare the person in violation to be persona non grata and can kick him out of the country.

Two, we can kick their consulate out, as happened when the Russians had a consulate in New York, and they then withdrew their consulates in San Francisco and New Orleans.

Three, we can denounce the convention if they have not lived up to it.

Thus, there are at least three methods to protect the security of the United States.

I therefore am not convinced by the argument that the Russians will not keep this convention. It is to their interests to keep it.

Finally, I belong to the organization known as the Committee of One Million Against the Admission of Communist China to the United Nations. None of us in the Senate has to establish his anti-Communist credentials. None of us has to establish the fact that he is security conscious in the Senate. But, I see nothing wrong in doing something which will mutually benefit the United States and the Government of the Soviet Union at a time when the Government of China is only semiexistent. That would be a reason to be glad we have done something in our own interest, even though it requires us to deal with the second largest nation in the world at a time when the first largest nation in the world is in one heck of a state. Thus, I am not too much concerned. Communism has plenty of problems of its own. I am concerned only with the security of the United States and that is why I support this consular convention.

Mr. MANSFIELD. Mr. President, I agree fully with what the distinguished Senator from Vermont [Mr. AIKEN], the ranking Republican Member in this body, has just said. There is no room for a double loyalty in this country. You are either a citizen or you are not; you either aspire to American citizenship or you do not. I think that should be kept in mind at all times.

I also point out that there seems to be an impression going around that a number of consulates in both countries will be opened. The fact is, only one is even under consideration, as to the time to set it up, if the protocol agreement is ratified. Even if the agreement is not ratified, the President has the power to allow a consulate to be set up in this country or to arrange to open one abroad. If he did it under a reciprocal basis, without this treaty, our consulates in the Soviet Union would have to operate under Soviet law and would be denied the diplomatic protection to which any American operating in that category should get. I hope that the Senate will see to it that this is done and Americans working in the Soviet Union get the protection to which they are entitled.

Mr. SCOTT. Would not the Senator agree that we cannot stand for a double standard where an employer in the Foreign Service, rather than the Soviet Union, has certain immunities which his secretary and his file clerk do not possess.

Mr. MANSFIELD. Exactly.

Mr. SCOTT. I thank the Senator.

AGRICULTURE DEPARTMENT PAYMENTS TO FARMERS

Mr. HOLLAND. Mr. President, I have just noticed on the ticker, on the Associated Press, outside the Senate Chamber, a release from the Department of Agriculture showing the amounts of payments made by that Department to farmers in 1966 for complying with its programs.

The amount of the payments totaled a record high of $3.27 billion compared to $2.45 billion in 1965.

The contents of this release are a matter of great importance and one for grave consideration by the Senate. I therefore ask unanimous consent to have the item from the Associated Press ticker printed in the RECORD.

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

FARM PAYMENTS

WASHINGTON (AP).—The Agriculture Department today reported Government payments made to farmers in 1966 for complying with its programs totaled a record $3.27 billion compared to $2.45 billion in 1965.

The payments included $1.29 billion for the feed grain program compared with $1.39 billion in 1965; $786 million compared with $70 million for the cotton program; $683 million compared with $525 million for the wheat program; $224 million compared with $215 million for the conservation payment program; $135 million compared with $160 million for the soil bank land retirement program; $61 million compared with $64 million for the sugar program; $34 million compared with $18 million for wool incentive payments; and $44 million compared with none for the new cropland adjustment program.

The department also reported farm prices in 1966 averaged 80 per cent of the parity price goal of farm programs compared with 77 per cent in 1965.

Mr. LAUSCHE. Mr. President, will the Senator from Florida yield for a question?

Mr. HOLLAND. I yield.

Mr. LAUSCHE. Can the Senator explain why the amount has increased by almost 33⅓ percent?

Mr. HOLLAND. Yes, I think I can. Perhaps it would tend to explain my answer if I read the amounts in the various programs.

The release from the Department of Agriculture shows that for the feed grains program, the amount for 1966 went down from the year before only slightly—that is, from $1.39 billion to $1.29 billion.

For the cotton program, it went up exceedingly high, to $786 million compared with only $70 million the year before, showing an increase of over $700 million.

Mr. LAUSCHE. Under the cotton program, is the subsidy we are paying to processors included in that amount, or not?

Mr. HOLLAND. Yes; but it is an indirect subsidy now. The subsidy under the new law is somewhat camouflaged. It is paid to the farmers but it really goes to the textile industry in the largest part. The reason for much of this total increase is in the figures which I have just read which are applicable to the cotton program.

In the wheat program, it went up to $683 million compared with $525 million for 1965.

In the conservation payment program it was almost identical, $224 million for 1966, compared with $215 million for 1965.

In the soil bank program—which is on the way out, as the distinguished Senator knows—it was $135 million, compared with $160 million for 1965.

In the sugar program it was $61 million compared with $64 million in 1965.

In the wool incentive program, it was $34 million compared with $18 million for 1965.

So the principal increases would appear to be the ones that I have mentioned for cotton and wool, plus, of course, the brand new program for the cropland adjustment program, which was $44 million. There was no such program in 1965.

Mr. LAUSCHE. Mr. President, will the Senator read the figure for cotton payments?

Mr. HOLLAND. The cotton payments for 1966 were $786 million, compared with $70 million in 1965.

Mr. LAUSCHE. That is the greatest increase.

Mr. HOLLAND. That is the largest amount. There are two other sizable

increases, one being for the wool incentive program and the other of the new cropland adjustment program, which was $44 million, and which was not in operation in 1965.

Mr. LAUSCHE. And the cotton program, according to the Senator from Florida, embraces money that goes not to the cotton farmer, but to the manufacturer of textile goods?

Mr. HOLLAND. It is largely an indirect subsidy to the textile manufacturers.

Mr. TALMADGE. Mr. President, will the Senator from Florida yield?

Mr. HOLLAND. I yield to the Senator from Georgia.

Mr. TALMADGE. Does the Senator have the figure of the reduction of money from Commodity Credit loans?

Mr. HOLLAND. I have that information at my office; I do not have it here. The items I have placed in the RECORD do not cover that item. The Commodity Credit situation is a troublesome one to the Senator from Florida, because whereas the Department of Agriculture and the Bureau of the Budget have been working with me for the last 2 or 3 years, as the Senator knows, to restore the deficits in the Commodity Credit Corporation capital structure to bring about a sound current condition, this year they have run back in the other direction and have put in by way of restoration less than half of the established deficit they had allowed for 1966, besides not going back to the deficit for 1961, which they had assured us they would restore.

I am sorry I do not have that figure. I will be glad to have the Senator from Georgia put it in the RECORD.

Mr. TALMADGE. I do not have the figures at hand. The able Senator from Florida serves as able chairman of the Subcommittee on Agricultural Appropriations. I think the committee will determine that there is less money going for loans for the Commodity Credit Corporation, and more money going directly to the farmers. The purpose is to try to divert cotton from going into storehouses and attempt to get the money to go to the cotton farmers.

Mr. HOLLAND. I realize that is the purpose of the legislation which was so ably handled by the Senator from Georgia. I am sorry I cannot supply the figures, but I am certain those figures will come out in detail when we have hearings on the agricultural appropriation bill. I shall be happy to have them supplied by the Senator from Georgia, or I shall be glad to do so.

Mr. TALMADGE. I thank the Senator. I am sure that, as has been his custom, the Senator will proceed very thoroughly into these matters, as he always has.

Mr. HOLLAND. The sole purpose of my putting these items in the RECORD at this time is that the official report of the Department of Agriculture shows the immense sums, not of loans, but of direct payments, made by the Department of Agriculture under legislation we passed here—and the Department is not responsible for that—in the last reporting year, 1966.

I think in these days when we are trying to learn where these funds are being spent, we need the reporting of such immense expenditures, funds which have been spent by all departments, whether it be the Department of Agriculture or other departments.

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

Mr. HOLLAND. I yield.

Mr. TALMADGE. I certainly share the feeling of the Senator from Florida that the Congress of the United States should look into every expenditure of the Government, but I do not think we should select the farmers who earn the lowest income of any citizens to be the first victims of an economy wave.

Mr. HOLLAND. The Senator from Florida serves not only on the Agriculture Legislative Committee but also, as the Senator from Georgia has said, as chairman of the Appropriations Subcommittee on Agricultural Appropriations. He shares sympathy with the agricultural producers expressed by the Senator from Georgia. At the same time he thinks this immense amount of over $3 billion should be investigated carefully by the Senate and House committees, because the public will be looking at it as one place where there may be a possibility for economy.

JOHN CONNOR PROVIDED SOUND LEADERSHIP AS SECRETARY OF COMMERCE

Mr. RANDOLPH. Mr. President, John Connor's resignation as Secretary of Commerce represents a loss to President Johnson's administration and to the people of our Nation.

Secretary Connor has been one of the most dedicated and effective spokesmen American business has had in government in this century. He is a man of strong personal convictions and great vision. He brought to his post within the administration an extraordinary ability to communicate the views of his associates in business and industry. He has done a magnificient job of carrying to his own contacts in the business world the complexity of the challenges confronting both business and Government.

Secretary Connor has worked closely with the Congress and its committees. And I know that the Members of this Chamber have found him among the most responsive and cooperative of witnesses, a man with the breadth of mind, the background, and the understanding to place the most complex issues in perspective.

As chairman of the Committee on Public Works it has been my privilege to work closely with Secretary Connor on such legislation as the Appalachian Regional Development Act, the Public Works and Economic Development Act of 1965 and Federal aid highway legislation. The Secretary has been helpful in these matters and the committee and the Senate have profited from his counsel on this legislation and on many other occasions.

Thanks, in large part, to the groundwork done by the Department of Commerce under Secretary Connor's leadership, the 89th Congress was able to write into law a remarkably comprehensive and enlightened program to strengthen the private economy.

The broad range of this program includes the most extensive mutual cooperation between private business and Government in our history.

We are well acquainted with the balance-of-payments problems which have chronically plagued our economy for years. Today we stand a better chance of overcoming those deficits because Secretary Connor and President Johnson, working with other members of the administration, succeeded in driving home to business interests the absolute necessity for a workable voluntary program.

The improvements we have experienced through the voluntary program are encouraging. And we have every reason to feel encouraged by the steady increase in the value of exports, the sales of U.S. goods through exhibits and trade centers abroad and by the continued attraction of foreign visitors to our country this past 2 years.

In each of these successful efforts, Secretary Connor has performed a decisive role.

He has had the intelligence and determination to pursue the goals established for his Department by the Congress and by the President. He has done so with selflessness and devotion.

I recall, as do many West Virginians, the visit of the Secretary when he gave a significant address at the Morgantown, W. Va., showcase.

I wish John Connor well on his return to private business. I am sure the President will call on him many times in the future for his continued assistance and guidance.

PRESIDENT JOHNSON'S AIR POLLUTION MESSAGE

Mr. BAYH. Mr. President, as a member of the Senate Subcommittee on Air and Water Pollution, I have learned firsthand the dangers we face from an environment that grows more polluted with every passing year. Under the Clean Air Act and its amendments, we have begun to attack the problem of pollution of our air resource. I say "begun" because the surface of this problem has been barely scratched. As President Johnson pointed out in his message, we have a long way to go.

The people of my State have learned the dangers of air pollution and the difficulties involved in controlling it. Recently, Indiana and Illinois agreed on an interstate air pollution compact designed to prevent sources in one State from polluting the air of the other. With the cosponsorship of Senator DIRKSEN, Senator HARTKE, and Senator PERCY, I have introduced S. 470 to grant the consent and approval of Congress to this compact. Our State legislatures adopted this agreement because they realized that in order for one State to battle air pollution successfully, the other State must also be making a concerted effort to reduce the emissions from stationary sources.

This compact is not yet all that we might wish it to be and it has taken perhaps too long to achieve this much con-

trol. Nevertheless, when we have achieved our goal, Indiana and Illinois will have the first effective interstate compact in the Nation, despite the fact that there are more than 70 areas in this country with serious interstate air pollution problems.

It is evident that a great deal remains to be done in regard to the problem of facilities in one State polluting another. The basic elements of the situation in my State are applicable to many other interstate industrial centers. We as a Nation are beginning to learn that there is no point in expecting one State or locality to clean up its air, when it will still be polluted by the emissions from another area. Similarly, we would be foolish to expect an industry to install control devices when its competitor in another community does not have to bear the cost of controls.

For these reasons I am in agreement with the President's proposal to establish minimum emission control levels on a national basis for those industries which engage in interstate commerce, and which contribute significantly to the problem of air pollution. Similarly, I endorse his proposal that regional air quality commissions be established in those areas where the air pollution problem is interstate in nature.

In addition to providing expanded authority to deal with stationary sources of air pollution, the President's proposed legislation would logically extend the 1955 legislation for regulating motor vehicles. Under the 1965 Amendments to the Clean Air Act, Secretary Gardner has set emission standards that will bring all new automobiles under control beginning with model year 1968. Under the proposed new legislation the Secretary would be authorized to grant funds to the States to assist in establishing inspection programs for motor vehicle emission controls. Such inspection programs will insure that the pollution control devices on our new automobiles will continue to work efficiently, and the proposed authority has my full support.

It seems to me that the administration has proposed an effective instrument which would help wage and win the battle against air pollution problems. I recommend that serious consideration be given this measure in the near future.

PROPOSED REVISION OF THE SOCIAL SECURITY PROGRAM

Mr. YOUNG of North Dakota. Mr. President, a great deal has been said recently regarding the necessity to revise our social security program and update the benefits provided under it. Before long, we will be considering legislation aimed at accomplishing this very goal.

On January 18, 1967, the Fargo Forum, North Dakota's largest newspaper, carried an editorial headlined "Congressmen Should Take Really Good Look at Whole Social Security Program." Since I believe the alternatives proposed in this editorial offer some excellent food for thought for each of us as we proceed with consideration of this legislation, I ask unanimous consent that this editorial be included in the RECORD at the conclusion of my remarks.

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

(See exhibit 1.)

Mr. YOUNG of North Dakota. Mr. President, I do not profess to be fully knowledgeable regarding the feasibility of all the proposals presented in this editorial, but certainly we must be alert to the ever-rising cost of the social security program and the burden this is placing on young working people who must bear this load for many years before they can become eligible for any benefits whatsoever. If this matter is not squarely faced soon, it will be the major problem confronting us in social security legislation in future years. It may be more equitable, as the editorial suggests, to pay some of the cost of the present program out of Treasury funds.

EXHIBIT 1

CONGRESSMEN SHOULD TAKE REALLY GOOD LOOK AT WHOLE SOCIAL SECURITY PROGRAM

One of the major conflicts coming up in this session of Congress will center around the desire of both parties to boost Social Security payments.

President Johnson, in his State of the Union message asked for a 20 per cent across the board increase.

Rep. Gerald R. Ford, of Michigan, House Republican leader, has already taken issue with this approach.

"The 20 per cent overall average increase in benefits suggested by the President would mean a sharp increase in Social Security taxes—taxes which already rose .4 per cent this month to an all time high of 8.8 per cent, divided equally between employers and employes," Rep. Ford declared.

The Republican approach calls for an immediate increase in benefits of 8 per cent, and, in the future, automatic increases whenever the Consumer Price Index rises 3 per cent or more. Mr. Ford claims this solution would require no tax increase.

With both parties on record for an increase, there will be no avoiding it. It is a good bet that the increase will be less than the President's 20 per cent and more than the Republicans' 8 per cent. To keep the system financially sound, undoubtedly Congress will raise the tax by one device or another.

Neither party apparently wants to examine the Social Security program in detail or examine the charges that it is unsound and inequitable.

Two economists, Prof. James M. Buchanan of the University of Virginia and Prof. Colin D. Campbell of Dartmouth College, have come up with proposals to convert Social Security from a system that is "compulsory, costly and commercially unsound" into one that they described as voluntary, less costly to contributors and actuarially sound.

They propose to accomplish this by removing the inequities through which the younger payrollers who will pay the maximum Social Security tax throughout their working life are compelled to finance the retirement of a great many persons whose contributions fell far short of the amount needed to pay for the pensions they receive or will receive.

To remove these inequities, they propose that the net debt of Social Security (obligations above and beyond fund balances) be transferred to the Treasury Department through issuance of special, non-interest bonds which would be held in the Social Security trust fund and redeemed from time to time by cash from the Treasury. This would transfer to the general taxpayer the obligation which is now charged against those payroll taxpayers who will pay for more Social Security than they can ever hope to receive.

The professors contend that once this were accomplished, a voluntary withdrawal option could be introduced. Then, they contend, nobody would be compelled to contribute more than the cost of his own retirement insurance.

According to their calculations after such a change had been accomplished, the same Social Security benefits which in 1966 cost 7.7 per cent of the pay roll could be purchased for 4.5 per cent.

Certainly, with the politicians always ready to increase the benefits whenever an election year rolls around, it would be a good idea for Congress to take a really good look at the whole Social Security program. Perhaps those young payrollers who will be contributing for the next 30 to 40 years should let their representatives know they aren't too happy with their costs balanced against their prospective returns.

MEDAL OF HONOR—1ST LT. FRANK S. REASONER

Mr. JORDAN of Idaho. Mr. President, the final measure of the greatness of our Nation is in the quality of the men it produces.

1st Lt. Frank S. Reasoner, USMC, of Kellogg, Idaho, was an American having the qualities of greatness.

I was deeply honored today to observe ceremonies in the Pentagon conferring posthumous honors on this man who represented the very best in our traditions of honor, sacrifice, and courage.

The Secretary of the Navy awarded the Medal of Honor to Lieutenant Reasoner for his action on July 12, 1965, when he gave up his life to save one of his men in action against the Vietcong in Vietnam.

His medal was received by his wife, Mrs. Sally Reasoner, who, since the tragic loss of her husband, has proven an extremely courageous person in her own right.

Lieutenant Reasoner was the kind of man who has given the U.S. Marine Corps its superb reputation of service to our country. According to reports, his last words were:

Get those wounded men out of here.

He was a dedicated marine. His aspiration was to serve well. This aspiration was more than fulfilled.

Vietnam was Lieutenant Reasoner's only combat experience. But he had worked hard to earn the position of commanding officer, Company A, 3d Reconnaissance Battalion which he occupied in July of 1965.

After graduation from Kellogg High School in 1955, he enlisted in the Marines. He entered the U.S. Military Academy from the ranks in 1958 on the appointment of my distinguished predecessor, the late Senator Henry Dworshak. He distinguished himself at the Academy, gaining recognition as the school's outstanding boxer after winning an unprecedented four straight brigade championships in four different weight classes.

Prior to graduation, he wrote to Senator Dworshak thanking him for his appointment and saying he realized that his entry into the Academy "was the beginning of an opportunity that comes to very few young men."

He wrote:

I shall try to make you proud of my accomplishments in the future.

Senator Dworshak would, indeed, have been proud of Frank Reasoner, as am I and all other Idahoans.

Lieutenant Reasoner, who has now been honored with the highest military award for bravery that can be given to any citizen of this country, was admired and respected by those who served with him. Lt. William Henderson, who was with him before he was shot, spoke for many when he said:

He wanted to be where the troops were. He was as good an officer as I've ever met. He didn't have to be out there.

He did not have to be out there, but he was. And his fellow marines of 3d Reconnaissance Battalion of the 3d Marine Division paid tribute to him by naming their camp in Vietnam Camp Reasoner.

Men such as Frank Reasoner are rare men. Today he joined the company of eight other Idahoans who have been awarded the Medal of Honor: Pvt. Thomas C. Neibaur, of Sugar City, World War I; Pfc. Leonard C. Brostrom of Preston, World War II; Pvt. Junior Van Noy, of Preston, World War II; Sgt. David B. Bleak, of Shelley, Korea; Capt. Dan D. Schoonover, of Boise, Korea; Sgt. James E. Johnson, of Pocatello, Korea; Lt. Col. Reginald R. Myers, of Twin Falls, Korea; Maj. Bernard F. Fisher, of Kuna, Vietnam. Of these nine Medals of Honor awarded to Idahoans, five have been awarded posthumously.

For men who have sacrificed their lives in extraordinary valor no award, even the Medal of Honor, can adequately fulfill the debt of the Nation. We can never really repay for what they have given for their country. But we can remember. And our gratitude is profound.

Lt. Frank S. Reasoner's devotion is now made a permanent memory to this Nation. May it always serve as an inspiration to those who serve—of unselfish dedication beyond duty, the highest quality a man can exhibit.

I ask unanimous consent that the citation be printed at this point in the RECORD.

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

The President of the United States in the name of The Congress takes pride in presenting the Medal of Honor posthumously to First Lieutenant Frank S. Reasoner, United States Marine Corps, for service as set forth in the following citation:

"For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving as Commanding Officer, Company A, 3d Reconnaissance Battalion, 3d Marine Division in action against hostile Viet Cong forces near Danang, Vietnam on 12 July 1965. The reconnaissance patrol led by Lieutenant Reasoner had deeply penetrated heavily controlled enemy territory when it came under extremely heavy fire from an estimated 50 to 100 Viet Cong insurgents. Accompanying the advance party and the point that consisted of five men, he immediately deployed his men for an assault after the Viet Cong had opened fire from numerous concealed positions. Boldly shouting encouragement, and virtually isolated from the main body, he organized a base of fire for an assault on the enemy positions. The slashing fury of the Viet Cong machine gun and automatic weapons fire made it impossible for the main body to move forward. Repeatedly exposing himself to the devastating attack he skillfully provided covering fire, killing at least two Viet Cong and effectively silencing an automatic weapons position in a valiant attempt to effect evacuation of a wounded man. As casualties began to mount his radio operator was wounded and Lieutenant Reasoner immediately moved to his side and tended his wounds. When the radio operator was hit a second time while attempting to reach a covered position, Lieutenant Reasoner courageously running to his aid through the brazing machine gun fire fell mortally wounded. His indomitable fighting spirit, valiant leadership and unflinching devotion to duty provided the inspiration that was to enable the patrol to complete its mission without further casualties. In the face of almost certain death he gallantly gave his life in the service of his country. His actions upheld the highest traditions of the Marine Corps and the United States Naval Service."

POLITICAL EDUCATION ACTIVITIES OF JOHN BIRCH SOCIETY

Mr. McGEE. Mr. President, a time-tested Biblical quotation admonishes: "Physician, heal thyself."

That quotation seemed aptly appropriate to me as I read in the January 29, 1967, Washington Post, the article describing a film produced by the John Birch Society and apparently designed to convince viewers that the civil rights movement in America is a step on "the vicious road to tyranny."

The film, entitled "Anarchy U.S.A.," attempts to equate and link the tactics of Communists in China and Cuba with tactics supposedly now being copied by civil rights groups in America.

As one studies the various "tactics" which are examined and deplored by the Birch sponsors of the film, however, one cannot help noticing not merely a similarity, but an identical course of action as that espoused by Birchers themselves.

In the movie we are told that the civil rights movement uses as one tactic the creation of the appearance of popular support. Yet, Birch founder Robert Welch has continually admonished his followers to "establish front groups—little fronts, big fronts, temporary fronts, permanent fronts, all kinds of fronts."

In the movie we are told that another "tactic" of the civil rights movement is to "divide the people." One might ask, "How?" By demanding the impeachment of Chief Justice Earl Warren? By demanding that we get the United Nations out of the United States and the United States out of the U.N.? By attempting to link a large percentage of the Protestant ministry to communism? By getting people to listen to the "dial-a-smear" telephonic device which parades under the patriotic name of "Let Freedom Ring"? By "going to work and taking over the PTA"? All of these and many other courses of action are advocated by Mr. Welch and his Birch Society devotees, and all are designed to "divide the people."

Also in the Birch-produced movie against the civil rights movement we are told that another "tactic" of the movement is to "neutralize the opposition." Again, one is prompted to ask, "How?" Perhaps, as Mr. Welch suggests, a "stable of speakers" should be made available to propagandize unsuspecting audiences. Or magazine articles should be run "using the question technique which is mean and dirty but very effective." This, too, is advocated by Mr. Welch. And in Welch's organizational Blue Book, he recommends other courses of action designed to "neutralize the opposition." These include the establishment of bookstores which, naturally, carry books espousing the Birch line; the sending of hecklers to meetings to ask embarrassing questions of speakers whose views differ form the Birch Society; the promotion of right-wing radio and TV programs.

Another technique attributed to the civil rights groups in the Birch movie is that of "creating the semblance of revolution." Here again, let us look at what Robert Welch advocates to the Birch followers. He asks for the "establishment and coordination of a powerful letterwriting organization"—letters to Congress, letters to the editors, postcards, bumper stickers, billboards.

The film also alleges, it is reported in the press, that the Communist civil rights leaders are coached to slander any group "that gets in your way." Labels such as Nazi, Fascist, controversial, and extremist are flashed on the screen. Need one be reminded of the oft-quoted instruction from Robert Welch to those who work in his vineyards to practice "mean and dirty tactics" as legitimate devices toward their predetermined goals? Is this not the same Robert Welch who in his mean and dirty tactics called President Eisenhower the dupe of the Communists; and his Secretary of State, John Foster Dulles, a Communist; and his brother Milton Eisenhower an outright Communist?

A final technique apparently employed by the distributors of the film is a fall-back to secrecy. The Communists perfected the techniques of secrecy in the organization of their cells in the 1930's, a practice which the John Birch Society updated and perfected for their own organizational methods. In fact, it was very difficult to identify the origin of the film "Anarchy U.S.A." It took a good bit of digging on the part of a resourceful newspaper writer, William E. Burrows, to unearth the simple fact that this is a film prepared by the John Birch Society, for the John Birch Society, and that it was, in fact, owned by a McLean dentist, Dr. Jack Messner, who admitted under questioning that he is, indeed, a member of the John Birch Society.

What all this suggests, Mr. President, is that in this film the John Birch Society deplores and downgrades the very "Communist" techniques which they themselves not only have copied but have apparently expanded upon. In short, this extremist group of the right wing has stolen the Communist Party's textbook on tactics and is throwing it back at them with a vengeance. It illustrates why some of us so strongly object to some of the current extremist groups in this country. What they profess to believe is disturbing enough, but they have a right to believe it. How they propose to achieve their goals, however, is something else again. It is their techniques, their methods, which we believe have no

place in a free society. In this sense, the extremism of the far left or the extremism of the far right violate the decency of free dialog. They are to be equally condemned.

Mr. President, I ask unanimous consent that the Washington Post article concerning the Birch Society film on the civil rights movement be printed at this point in the RECORD.

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

BIRCH MOVIE ON RIGHTS LINKS NEGROES TO REDS

(By William E. Burrows)

A room full of Fairfax County residents watched a film Thursday night that told them the civil rights movement is a step on the "vicious road to tyranny." They were not told, however, that the movie was made by the John Birch Society.

The film, entitled "Anarchy USA," was shown free by the Support Your Local Police Committee of the 800-member Fairfax County Taxpayers Alliance, a conservative group.

The Fairfax showing follows by two weeks a similar presentation, also without production and distribution credits, in Stamford, Conn.

The 65 persons who came to see it in the Fairfax Main County Library basement were told it was "a fully documented film expose of the reasons behind the organized rioting, general lawlessness throughout the country, and the truth behind the false charges of 'police brutality.'"

Actually, the one-and-a-quarter-hour film hardly mentions police, brutal or otherwise. It's first half deals with Marxist-Leninist plans for world conquest. Its second translates the master plan into one being practiced by American civil rights leaders.

RULES FOR "TAKEOVER"

It uses newsreel clips to depict Communist takeovers on the China mainland and in Cuba, supposedly according to five rules which later are seen to be used by the civil rights movement in the United States.

Rules for a gradual Communist takeover, according to the film, are (respectively), divide the people, create the appearance of popular support, neutralize the opposition, precipitate mob violence and create the semblance of revolution.

If "the Communist-backed civil rights movement" successfully implements these rules, the film concludes, the United States eventually will be divided into Soviet America and Soviet Negro America. The latter would stretch across what the narrator calls the Southern "Black Belt" as far north as the Potomac.

The film also alleges that Communistic civil rights leaders are taught to slander "any group that gets in your way." Labels such as Nazi, Fascist, controversial and extremist are flashed on the screen. The last is "Birchite," the only reference to the Society in the film.

SOURCE OF FILM

When Taxpayers Alliance President Joseph G. Muenzer Jr., a 48-year-old salesman, was asked where the film came from, he said, "I borrowed it from a gentleman." He then suggested the question be directed to John Hemperley, the group's chairman of publicity.

Hemperley had addressed the audience briefly before the movie. Now he stood next to a table filled with paperbacks and pamphlets published by the American Opinion Library while a woman nearby counted dollar bills that had been dropped into a passing plate during intermission.

"We got the film from Dr. Jack Messner, a McLean dentist. I think it's his film," Hemperly said before adding that Messner is a member of the Taxpayers Alliance and that the film "might have been produced by the John Birch Society." He suggested the question be put to Messner.

"I believe it's compiled by the John Birch Society," Messner said later. "We have many films in many areas and I happen to have one of them. They're showing all over the country."

Did that "we" mean he is a member of the Society?

"Yes," Messner said, "I've belonged to the Arlington chapter for a couple of years."

Did he know why the film was not credited to the Birch group?

He said he did not, but suggested the question be asked of someone else, and supplied the name.

"I also have film strips," Messner said. "One is called 'Civil Rights—Red Reconstruction.' The other is 'Show Biz in the Street.' There's also one on the United Nations," he said.

Messner's political education activities include "Let Freedom Ring," which he operates from his home at 1340 Kirby rd. When a certain telephone number is dialed, the caller is treated to a three-minute recorded message, changed weekly.

The thrust of this week's recording is that American troops in Vietnam are commanded by a Russian general.

THE OIL INDUSTRY IN KANSAS

Mr. PEARSON. Mr. President, although my State of Kansas ranks sixth in the production of crude oil by latest figures, this significant advantage may be destroyed if domestic oil production continues to falter.

When we look at the figures for 1966, they tell another story than that which is told in any superficial first reading. Even though revenues were up over the previous year, the industry itself is slowly starving. A recent report gives a clear picture of this situation in Kansas. I ask unanimous consent to have printed in the RECORD an article published in the Wichita Eagle of January 1, 1967. The article was written by the newspaper's oil editor, Ted Brooks. Mr. Brooks developed this story as a yearend report on the status of the oil industry in Kansas.

Also, I ask unanimous consent that a general news story published in the same edition of the Wichita Eagle be printed at this point in the RECORD. It explains the position of individual independent oil operators and how they feel about the deepening depression within the State's oil industry.

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

[From the Wichita Eagle & Beacon, Jan. 1, 1967]

OIL, GAS GAINS DISGUISE LOSS

(By Ted Brooks)

In a numerical contradiction fed by a modest bit of inflation and some paper work, but mostly by the fat of former years, Kansas' petroleum industry in 1966 piled up gross revenues of an estimated $457.8 million.

That topped the previous two years by approximately $20 million. It was scored on the production of—

104.6 million barrels of oil worth $308.3 million;

829.7 billion cubic feet of gas worth $99.6 million;

25 million barrels of natural gas liquids—LP-gas and natural gasoline—worth $50 million.

Oil production held virtually steady with the previous year, but gained in dollar value through an effective price increase of five cents per barrel.

Natural gas had a volumetric gain of 21 billion cubic feet and an inflationary boost in average prices from 11 cents to 12 cents per thousand cubic feet.

Natural gas liquids, extracted at a rate of 68,000 barrels daily, mostly in conjunction with helium production, promised to someday rival oil.

Behind the glitter was an out-of-pocket, immediate loss to the state's petroleum economy of $18 million in business as 600 fewer wells were started than in the previous year. About 3,914 locations were staked, as compared to 4,514 in 1965.

The wells that weren't drilled left in their vacuum a trail of idle rigs, geologists, landmen and field workers, silent machine shops, empty supply houses and slowly fading oil field communities—and a frustrated minority of tax assessors who have failed to understand what is happening.

Added to that out-of-pocket loss was the future production of approximately 300 producers that weren't drilled. They would have produced during their flush period about 2.2 million barrels annually worth $6 million.

Of even greater long-term concern to the state's petroleum economy and the dwindling tax base, was the effect on reserves.

At the first of the year, crude reserves were estimated at approximately 825 million barrels. Allowing five million replacement barrels from discoveries during the year and another 40 million from new development and extension wells, the state's reservoirs showed a 59-million-barrel loss after 104.6-million-barrel sales.

Natural gas reserves are estimated to have held relatively steady.

Estimated at a conservative 16.6 trillion cubic feet at the beginning of the year, one might set them at 16 trillion today.

Recent studies of the Kansas Hugoton field area indicate that 25 trillion cubic feet would be closer to a true reserve figure.

A way out of the drilling depression, if there is a nonpolitical course outside the path of cost-price economics, was indicated by the state's wildcatters.

They punched down approximately 825 holes to net 200 oil and gas discovery wells, details of which are recorded elsewhere in these columns. That compares with 800 wells netting 168 discoveries in 1965.

Exploiting the rising demand for Kansas crude in the face of dwindling supplies were 22 individuals and companies whose enterprise resulted in nearly half (96) of the year's discoveries.

Their aggression, for the most part, was liberally rewarded under the 10-well discovery allowable policy of the state corporation commission that permits extremely rapid pay-out.

The outlook for 1967 is not reassuring for Kansas' bread and butter oil producing industry.

Unless there is a drastic change in the petroleum economy, the only direction is down. Kansas operators have been kidding themselves for five years that the bottom had been reached.

Elsewhere in these columns there is evidence that they have come to the realization that they must move politically and with single purpose if they want to establish an economy they can live in. A few dedicated men could do it—but it will take more than three.

There are other opinions arrayed against them, some of them to be found in these columns.

One contends that Kansas has seen its petroleum day and should be content to die gracefully, or at least without protest.

That is a legitimate thought, but it becomes involved on further thought. When is a state that has produced four billion barrels and has at least four more billion to go ready to die? Not for some time.

[From the Wichita Eagle & Beacon, Jan. 1, 1967]

INDEPENDENTS WOULD END STATE DRILLING DEPRESSION

Looking back on a year that has pushed drilling activity down by 600 wells and a 15 year period in which drilling has been halved, Kansas independent oil men and their allies were unanimous in their year end opinions that positive, remedial action is long over due.

And something is about to be done, according to John Knightley, president of the Kansas Independent Oil & Gas Association, the 1,000-member organization which serves as the spark plug for the state's producing industry.

Knightley said that the primary objective of KIOGA is to raise crude oil prices. There are dozens of contributing causes for low prices, he pointed out, "but we feel that we would be wasting our efforts attempting to solve the price problem outside of the present import structure.

"With the cooperation with other independents in other associations we hope to get an effective raise—not merely restoration—in crude oil prices. And I'm convinced that the so-called KIOGA plan, under which import quotas are assigned directly to independent producers, is the only method through which this is feasible."

First there must be unity, Knightley said. "Too often members within a single association such as ours waste their time quarreling over details that have no significance in reaching the main goal. This gets worse when we meet with representatives of other associations."

KIOGA members, a recent poll showed, are overwhelmingly in favor of pushing the import participation plan to a showdown, Knightley said, and "we hope to sell the idea to others."

The substance of the Kansas slump, and the need for action as urged by Knightley, was spelled out in a Wichita Eagle & Beacon poll of operators.

Without exception, replying oil operators and associated business men, agreed that their difficulties are fundamentally based on low crude oil prices.

George H. Bruce, president of Aladdin Petroleum Corp., Wichita, and head of the National Stripper Well Association, said the price of domestic crude oil produced must be at least $4.00 a barrel if the independent-producing segment of the industry is to survive the mounting ecnomic squeeze—one of producing and selling oil at below replacement costs.

Suggesting a solution, Bruce said "a price of $4.00 per barrel for crude oil to independent producers can be accomplished by allocating import quotas to independent producers. Quotas would be determined by daily production, and applied on all production up to 1,000 barrels per day, with the specific provision that quotas are not calculated on the production of present holders of import quotas."

Herman G. Kaiser, Tulsa, whose Kansas operations are mostly under the Kaiser-Francis banner, said the price structure and oil imports are the major causes of the economic squeeze in which the independent finds himself.

"During the past 10 years the price of domestic crude oil has receded by at least 20 cents per barrel while prices the independent pays for material, labor and services have increased.

"A further adverse factor in Kansas is the newly established ad valorem tax structure. In quite a number of counties these taxes amount to over 10 per cent of the average net income to the oeprator from the sale of oil," Kaiser said.

"A tax of this size is the first step to expropriation," he contended.

H. A. Mayor, president of Southwest Grease & Oil Co., Wichita, said "the importation of foreign crude oil is breaking the back of the domestic oil industry."

Mayor, whose company is a worldwide exporter of lubricating oils and grease products, hit the federal government's policy in the area of imports and exports.

Mayor said his company had lost long-standing accounts with distributors in Mexico when that country closed its borders to importation of lubricating greases three years ago. At about the same time Southwest Grease lost all its business in Canada because of increased duties and exchange rates, Mayor said.

Canada now exports to the U.S. 300,000 barrels daily of tax-free and duty-free oil and Mexico continues to import 30,000 barrels of crude daily, plus a considerable quantity of gas, Mayor said.

B. J. Kellenberger, president of Shenandoah Oil Corp., Fort Worth, opposes Federal Power Commission control of gas and the price to producers. Kellenberger, whose company currently is involved in an extensive search for oil and gas in Kansas, said "the only action that will help the gas business is the removal of FPC regulations or at least an understanding by the FPC for the problems confronting exploration for and the production of natural gas," Kellenberger said.

Kellenberger said "an increase in the price of crude of from 25 cents to 50 cents a barrel is certain to be forthcoming within the next five years, but it is needed urgently at this time."

John S. Stevens, Wichita independent oil operator, agreed government regulations are putting too many restrictions on the domestic producing industry.

"At the same time," Stevens said, "unprorated production of foreign oil has driven world prices down and importation of it into the U.S. has been a major cause of the decline in drilling."

Charles G. Chauncey, president of Western Drilling Tool & Supply Co., Chanute, presented a view of an allied industry.

"The oil field supply business is dependent upon a healthy oil industry. For such 'good times' in the oil industry we have never seen it so deplorable.

"Our people have simplified and cut corners to the point where it is not feasible to operate, much less expand, their operations. The supplies we sell to them have many times increased in cost.

"If something is not done shortly then the U.S. will have to be more dependent on the cheap foreign crude which is helping depress our industry now," Chauncey said.

Ralfe D. Reber, who heads operations of Wichita-based Petroleum Management Inc. would like to see some more incentives for exploratory drilling.

"We have something to be pleased about in the 35 barrel allowable and the discovery bonus. These are extremely helpful in times of tight money, and we hope that they will be continued indefinitely."

Reber said all possibilities to assist the wildcatter should be explored, except for "out and out subsidies," which he vigorously opposes.

Legislation is needed to implement a more equitable ad valorem tax situation and to give Kansas a badly needed water-flood unitization law, Reber said.

Raymond Plank, president of Apache Corp., agrees with the rest of the independent segment of the producing industry that prices are inadequate to support the level of exploration essential to replace reserves in the mid-continent and other areas.

"Refiners, crude oil purchasers, regulatory bodies should be called upon to recognize that current benefits of low crude prices will result to the long-range detriment of their respective interests," Plank said.

His company, based in Minneapolis, Minn., drills approximately 100 wells yearly.

Herbert A. Harms, president of Harms Petroleum Co., Great Bend, said "the answer to the industry's problem is a substantial increase in the price of crude oil. We have inflationary prices on everything we use and in the cost of labor."

GUARDIAN IN THE SENATE

Mr. MAGNUSON. Mr. President, Flight magazine, in its January issue, pays well-deserved editorial tribute to Senator MIKE MONRONEY, of Oklahoma, chairman of the Subcommittee on Aviation of the Committee on Commerce.

As the editorial, entitled "Guardian in the Senate," indicates, aviation has no more steadfast a friend and champion in the U.S. Senate than Senator MONRONEY.

It is further true, as the editorial states, that one of the Senator's busiest years lies ahead with the Federal Aviation Administration and the safety functions of the Civil Aeronautics Board now within the Department of Transportation.

I quite agree that 1967 will, indeed, be a busy year in aviation and that, whatever the legislative and oversight problems that confront the Committee on Commerce concerning the vital and growing field of transportation, Senator MONRONEY will apply his tremendous energy and knowledge toward wise and sound solutions in the public interest.

Mr. President, I ask unanimous consent that the editorial be printed in the RECORD.

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

GUARDIAN IN THE SENATE

We were glad to see Senator Mike Monroney honored in his own home state last month when Oklahoma City dedicated its ultra modern, multi-million dollar supersonic airport and leaders from government and industry gathered there to pay tribute to aviation's most ardent supporter in the U.S. Senate.

Many came from near and far to testify to the Senator's accomplishments for aviation and for his state and nation. Typical of the kudos given Monroney were those delivered by the Hon. G. Joseph Minetti of the Civil Aeronautics Board, including the following excerpts:

"Who does not know that he is the author of the Federal Aviation Act of 1958, now the nation's basic aviation law?

"And who, in or out of aviation, is not familiar with one facet or another of the work he has done in the federal aid-to-airports program which opened the air age to cities large and small? In Oklahoma alone, since the program started, some 73 airports have been built, modernized or enlarged with government assistance.

"Mike Monroney's life has been one of looking ahead, of using today's know-how made possible by yesterday's forethought to prepare for tomorrow.

"His has been one of the dominant voices in aviation matters in the Congress. The foresight and leadership shown by him among like men of vision has shrunken our world and made it more comfortable.

"He has been a guardian, a hand-holder, so to speak, of all of us—the private pilot,

the commercial aviation businessman, the government worker. He has been an innovator and many of his ideas have had a dramatic impact upon the growth of aviation, not only in the United States but throughout the world. Senator Mike's role of a giant in aviation has been established not only because of his years of experience and contact with us all but mainly because of the respect he has earned, working daily in our behalf—yours, mine and every other American's."

As the new year dawns, a year that's destined to be marked by many key decisions in high government circles to affect aviation progress for at least the next decade, we wish Senator Mike Monroney good health and all the necessary vigor required to fight off those who would stymie airplane, airport and air traffic systems development. As aviation's guardian in the Senate, Mike Monroney is going to need a lot of help in 1967, not only from competent industry leaders but from his fellow congressmen.

The present administration will not become famous for constructive aviation policy. Already it suggests a cut in the Federal airport program, seeks exorbitant user charges from general aviation and is working on a plan that would curtail defense contractors' use of business aircraft by disallowing costs over and above airline ticket costs for each passenger carried between any two points in the corporate aircraft.

Also, it is not inconceivable that the new behemoth Department of Transportation will have to be carefully watched as it spreads out and enfolds every agency in the government having anything to do with transportation, except for the Maritime Commission, which the labor unions got exempted.

So, when counting our blessings for the New Year, let's list "Mr. Aviation" in the U.S. Senate way up in the top spot. One of his busiest years lies ahead.

CRIMINAL VANDALISM AT YUGOSLAV EMBASSY AND CONSULATES

Mr. FULBRIGHT. Mr. President, the recent dynamiting at the Yugoslav Embassy in Washington and at Yugoslav consulates elsewhere in the United States is an outrage which must make all patriotic Americans feel angry and ashamed. I associate myself fully with the Department of State in deploring this criminal vandalism and in expressing my sincere apologies to the Government and people of Yugoslavia.

I am hopeful and confident that appropriate Government agencies will take effective measures to prevent the recurrence of criminal violence of this kind and will also take prompt and effective action to apprehend and bring to justice those responsible. Like all patriotic Americans, I am, of course, relieved and grateful that no one was killed or injured in these attacks on the Yugoslav Embassy and consulate.

REV. HIRO HIGUCHI, CHAPLAIN, 442D REGIMENTAL COMBAT TEAM

Mr. INOUYE. Mr. President, this country has been richly blessed through the services of that small band of men who served their country in the Army Chaplain Corps. Their deeds of sacrifice and love have been an inspiration to millions of our fighting men throughout the history of this country. Of these men none can exceed the valor, the deep devotion to the principles for which their whole life has been devoted, the love of Rev. Hiro Higuchi, who served with the 442d Regimental Combat Team in those cruel years of bloody conflict during World War II.

Although Reverend Mr. Higuchi was a pacifist, he saw the great need and the hunger of those lonely men of Japanese extraction who were willing to sacrifice their lives if need be to prove their loyalty and devotion to their country. He shunned the safety of the rear echelon and made as a protector his faith in the God he strove to make these men aware of in their hours of trial.

Because of his exemplary faith and dedication to the men for whom he volunteered to risk his life, Reverend Mr. Higuchi—a man who became a symbol for the Nation's Nisei fighting men—was honored at a banquet held on January 29, 1967, at the Reef Hotel by members of the Army Reserves in Hawaii.

I ask unanimous consent that Advertiser staff writer Bruce Cook's article on Reverend Mr. Higuchi be printed in the RECORD.

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

AND THE 442D'S BRAVE CHAPLAIN HIGUCHI

(By Bruce Cook)

On a Sunday morning in the fall of 1944 a war correspondent sent a dispatch from a little valley in Northern France.

It told of an Army chaplain conducting services as artillery crashed around the GIs who had crawled from their foxholes and squatted on their field packs to listen.

The men were with the 442nd Regimental Combat Team. They had been through some bloody battles and still were fighting in France.

The chaplain said prayers with the men and then delivered his sermon.

"Remember that you are fighting not for yourselves alone, but for all of mankind," he told them. "That from out of this bloodshed and strife will come a new and better world because of your sacrifices * * *"

The dispatch said the soldiers were so inspired by the chaplain's words they marched into combat singing "The Battle Hymn of the Republic."

Some of those same GIs will be at the Reef Hotel tonight to honor that chaplain, a man who became a symbol for the nation's Nisei fighting men.

The Rev. Hiro Higuchi, who will be 60 Tuesday, is retiring as a colonel after 20 years in the Army Reserve, and his friends are seeing him out in style with a banquet.

Higuchi, best known today as Hawaii's do-it-yourself church builder, was splattered with paint and hard at work on his new Manoa Valley Community Church when he took time out for an interview.

"Before we sit down, come, I want to show you the progress we have made on our new church," he said.

We started on a tour of the two-acre site, located a half-block off East Manoa Road.

"This is going to be a beauty spot for all of the people of the valley to enjoy," he said.

As he walked through the complex, wearing a hard hat with the inscription "Colonel Superintendent," Higuchi reminisced about World War II.

HE WAS A PACIFIST

"When the war began I was at the Waipahu Community Church. I was against war, a pacifist. I wanted no part of it.

"But I was the YMCA leader in the district and 1,200 boys were members. I remember how 135 of them volunteered to go, and I thought to myself I couldn't stay back. Pacifist or no pacifist I had to go and do my part."

He volunteered to go overseas and found himself in Italy.

"We were getting barraged all the time. The guys would call me and say: 'Chaplain, we need services. If you're not scared come on up' (to where the bullets were flying).

"Scared? I'll tell you I was really scared. But I'd get me a foxhole, read to the men—then I'd take off as fast as I could."

Higuchi didn't mention the times he took off in the other direction—toward the enemy.

Once, a patrol reported it had sighted the body of a missing sergeant. Higuchi set out with a team of engineers through areas heavily mined and booby-trapped and returned with the body after four hours behind enemy lines.

Another time he stayed at a forward aid station to help medics with wounded and dying men through a five-hour enemy barrage.

Higuchi recalled some of his saddest days in the war—once when 800 men of the 442nd went into combat and only 200 returned, another time when 205 went out and just five came back.

SOUGHT THE LIVING

And the many times he picked his way through piles of American bodies.

"I would always check because there was always a chance one of the men would still be alive."

One day in France he found a soldier still breathing, so he put him with the wounded.

"I visited him later in a hospital, and thought he was going to die," Higuchi said.

"Then, just a few years ago, a man from Boston came to see me, to thank me for saving his life.

"It was the surprise of my life. It was the man I had pulled from that pile of bodies. I had no idea he was still living."

Higuchi said it bothers him when he reads that the 442nd soldiers fought so well mainly because they were trying to prove they were good Americans.

"That is not true. We fought because we didn't like Nazism. We didn't like the evil and horror it brought to the world. We were fighting, like all Americans, for a principle—for freedom and democracy. We were not trying to prove ourselves.

"I remember my second sermon. I told the men if they were there only to prove they were good Americans they might as well go home. But I didn't have to say it because they realized the issue was much bigger than that."

When the war was over, Higuchi had the Legion of Merit, Purple Heart and Italian Cross of Military Valor. You have to dig back in the records to learn about the medals; he doesn't mention them.

Higuchi said the war gave him the inspiration to build churches.

"It was amazing what men could do in the war. Why, they could build anything with almost nothing to start with and with the odds stacked against them.

"I thought that man can do anything if he sets his mind to it. So we decided to build a church in Waipahu.

"We started the church, but we ran out of money and I was scared. We held a meeting and a guy said: 'This is a church we are building. Let's go ahead and build it on faith.'

"The next day I went to the post office and found checks for $5,000 from two estates. That convinced me that faith can build anything."

OTHER PROJECTS

Higuchi has spearheaded other building projects besides churches. During two years in Waimea, Kauai, he helped the people there build a community swimming pool. Later, he helped in the construction of a pavilion at Waimano Home, a project of the Lions Clubs.

As chaplain for the IX Corps in the Army Reserve he has made trips to Thailand, where the unit has periodic exercises, and in 1963,

he started projects to help an orphanage and school there. His church also is helping support a reform school on Okinawa.

Higuchi served on the Mayor's Advisory Committee on Ethics and now is the only holdover member on the new Ethics Commission.

He also was on the Mayor's Conflict of Interest Investigation Committee; led the Disabled American Veterans' fund-raising campaign for their Keehi Lagoon Memorial project; served on the State Board of Paroles and Pardons and on the Governor's committee to select a site for a new State prison. (He was the only committee member who voted against moving the prison from Oahu to Maui.)

In 1961, he was named Hawaii's Father of the Year for Religion.

He and his wife, Hisako, have a son, Peter, 30, an electrical engineer in Los Angeles, and a daughter, Jane, 23, the wife of engineer Ray Fukinaga of Honolulu.

Higuchi paused to reflect again on the part of his life he gives up tonight.

"I will miss the fellows. We had a lot of fun together and I made many good friends in the Army.

"Every time I've been ready to build a church they've been ready to help me with money and with hard work.

"They have given me so much and now this. I'm kind of embarrassed," he said.

TASK FORCE STUDY OF GOVERNMENT OF CITY OF FARGO, N. DAK.

Mr. MONDALE. Mr. President, the 1960's have become a decade of unprecedented activity and change in the government of our urban areas. The challenges they face are often unprecedented in form and in magnitude. And the governmental structures which they have inherited from earlier days are frequently not adequate to do the job.

Therefore, I am happy to invite the attention of the Senate to the recent study of the government of Fargo, N. Dak., written by a task force composed of experts from North Dakota and Minnesota colleges and universities. This report recommends sweeping reforms in the structure of that government.

I feel that this analysis and its conclusions will be of interest to people throughout the Nation who are concerned with city government. I therefore ask unanimous consent that the report and a summary of its findings be printed in the RECORD.

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

FINAL REPORT OF THE FARGO MAYOR'S TASK FORCE ON CITY GOVERNMENT

LETTER OF TRANSMITTAL

JUNE 9, 1966.

Mayor HERSCHEL LASHKOWITZ,
City of Fargo, City Hall,
Fargo, N. Dak.

DEAR MAYOR LASHKOWITZ: We have the honor to submit the Final Report of the Task Force which you have appointed to study the city government of Fargo. This report represents the collective efforts of five political scientists from the three institutions of higher learning in the Fargo-Moorhead area and is the product of many hours spent between teaching and research directly observing the city commission plan at work, attending various meetings of various citizens advisory bodies organized to study special municipal problems, interviewing city officials and influential citizens in the community, and going through the voluminous file of minutes of city commission proceedings from 1954 to date. At times our experience has been unpleasant, especially for one of us who personally attended every evening meeting of the city commission but in the end this experience has enabled us to look at the commission plan more closely than we did before.

It has been a pleasure for all of us to work for the citizens of Fargo without any expectation of some future reward. Although we had no research fund to finance our study, coupled with the fact that we had practically no staff to help us to do even minor secretarial tasks, we worked with "all the energy," as one of our mentors used to advise us, "all the wisdom, all the scientific sophistication, and all the regard for human well-being that we can muster,"[1] in order to help the citizens of Fargo, through the use of social science methods and techniques, to understand their form of government in a systematic way and to probe into the causes of problems in City Hall.

We believe that given the proper political structure, appropriate governmental framework, and dynamic executive leadership, the city government of Fargo can rise to meet the realities of metropolitan problems in the Red River Valley and the challenge of urban growth in the second half of the 20th century.

Sincerely yours,

JOHN A. BOND, Ph. D.,
Chairman of the Task Force and Associate Professor of Political Science, North Dakota State University.

A. B. VILLANUEVA, Ph. D.,
Cochairman, Associate Professor of Political Science, Moorhead State College.

CURTIS AMLUND, Ph. D.,
Associate Professor of Political Science, North Dakota State University.

HARDING NOBLITT, Ph. D.,
Professor of Political Science, Concordia College.

FRANK J. KENDRICK, Ph. D.,
Associate Professor of Political Science, Moorhead State College.

SUMMARY OF RECOMMENDATIONS

1. We recommend that the present commission form of government be abandoned in favor of a mayor-council form of government.

2. We recommend the establishment of a position of an administrative assistant to the mayor and the appointment of a competent and qualified municipal administrator to that position to assist the municipal executive in performing his administrative tasks.

3. We recommend that the election of members of the local governing body be based on wards in order to give more representation to various elements in the community.

4. We recommend that a management study of city operations be undertaken by the proposed administrative assistant to the mayor. Such a study should look into all phases of city management including staff-line relations, fiscal problems and politics and personnel practices of the city government.

5. We recommend that the city budget be prepared by the city executive with the help of his administrative assistant on the basis of programs, functions and activities instead of on the basis of objects-of-expenditures.

6. We recommend the establishment of a central purchasing agency to buy all supplies and equipments for the city departments for the sake of economy.

7. We recommend that meetings of the city commission be held in the evening to allow more citizens to observe the proceedings of their local governing body.

8. We recommend that the Park Board, the Library Board, and the Urban Renewal Agency should cease to be independent administrative bodies. They should be integrated with the city government and transformed into city departments under executive direction and control. The members of the said boards should perform advisory functions only.

9. We recommend that a committee of leading citizens in the community be appointed to formulate a code of ethics to be used as a yardstick by which the people can judge the conduct of their city officials.

10. We recommend that steps be taken to publish an annual city report describing what the city government is doing and thinking.

11. We recommend the adoption in the coming November, 1966, election of an amendment to the state constitution granting home rule powers to cities in North Dakota.

FINAL REPORT OF THE FARGO MAYOR'S TASK FORCE ON CITY GOVERNMENT

I. INTRODUCTION

The present report is a study of Fargo's commission form of government. Those who are looking for a management efficiency study of all phases of city operations, similar to the study made by the Public Administration Service on the subject of a city motor pool, will not find it here because that is beyond the scope of our assignment. Our main concern was to determine whether the present form of city government is adequate enough to respond to the demands of the citizenry and whether it provides a framework in which the voters can elect an able municipal executive who can be held politically accountable to the voters for the whole conduct of city affairs. With these thoughts in mind, we submit the following findings, conclusions, and recommendations:

II. THE COMMISSION PLAN

The commission plan in Fargo has failed to provide for an integrated administrative framework which allows the exercise of a strong, vigorous executive leadership in urban affairs. The commission plan has had the effect of restricting the mayor's leadership potential. However, in spite of the limitations of this form of government, some progress has been made in such areas as urban renewal, in the rehabilitation of the city from tornado disaster, and in the bus transportation problem. But such problems could have been solved more expeditiously were it not for the commission plan.

City commissioners, rather than concerning themselves with policy-making only, attempt as individuals to deal with problems that are in the domain of executive management. These commissioners have developed their own separate empires in the city hall merely as a result of their election to office. Administrative responsibility in city government is fragmented and diffused among the four commissioners, thereby making it almost impossible to coordinate the operations of the various departments and agencies, and to integrate their operations into a meaningful, unified whole.

The history of the commission plan in Fargo is replete with political side-shows and personality clashes. Commissioners have been unable to rise above their personal jealousies, ambitions and vendettas for the sake of good government. The commission chamber has been the scene of numerous walk-outs, verbal bombasts, dissensions, bickerings, antagonisms, and malice among all members of the commission. *We believe that the city's municipal structure has intensified these personality clashes, and that the commission form promotes bitter factionalism.*

[1] William Anderson, "Municipal Government—No Lost World," *American Political Science Review*, 51:776–783 (1957).

The politics of the commission plan is a politics of conflict and disharmony. To operate smoothly such a five-headed commission form of city government requires more mutual forbearance among the commissioners than human nature usually provides. In Fargo the conflict situation has now reached such an impasse that issues are no longer decided upon their merits but instead issues are frequently voted upon in terms of factional commission alignments.

The election of commissioners on the basis of an "at-large" system of representation has failed to produce commissioners with a city-wide point of view. Some commissioners have their own special economic interest groups to look after, while others have their own neighborhoods to think of. Due to the enormous expense of financing an election campaign in a city election where candidates for the city commission run at large, only those candidates with support from pressure groups with large financial resources have a good chance of winning. As a result, special interest groups which support the winning candidates can exert too much influence on commissioners. Recognizing these political realities, *we believe that the election of members of the local governing body should be based upon wards in order to give better representation to various elements in the community.*

The commission form of city government lacks separation of powers and checks and balances. Since the commission form lacks the usual American system of separation of powers, the commissioners who collectively make the laws and appropriate the money are the same officials who individually as department heads execute the laws and spend the money. There are no internal checks and balances. For instance, there is no possibility of a mayor's vetoing an ill-conceived city ordinance or an extravagant appropriation passed by the legislative body. Nor is there provision for the legislative body approving, modifying, or rejecting the mayor's executive budget because under the commission form of city government there is no executive budget.

The commission form of city government results in government by amateurs. Probably the most significant feature of the commission form is the "portfolio" system by which individual commissioners are placed in charge of specific city departments. Administration is placed in the hands of five elected commissioners who divide the departments among themselves after each election, and, transient amateurs though they are, try to run the departments personally. When amateurs serve as department heads, the result is frequently poor administration.

In electing commissioners, voters seldom have an opportunity to elect qualified administrators. Qualified administrators are more often obtained through appointment than through election. A superintendent of schools is a good example of an appointed administrator.

We believe that city administrators should be appointed for the following reasons:

1. The personal characteristics necessary to win elections are quite different from the personal characteristics of an effective administrator.

2. The assignment of portfolios is frequently arranged among the majority faction of the commission on the basis of political considerations rather than on the basis of expertise and experience.

3. A commission might include three men competent to run the law department but none fitted to run either the finance department or the street department. A commission might be so restricted in making departmental assignments that it would be forced to appoint an undertaker as commissioner of health! If the data in Table I has significance, it is that usually amateurs only direct the city departments.

TABLE I.—*Occupational background and portfolios held by Fargo City commissioners (1954–66)*

Commissioners	Occupation	Portfolios held
Lashkowitz	Lawyer	Finance, revenue, administration, and airport.
Zube	Housewife	Buildings, landfill, and health.
Hagen	Salesman	Water, sewage, finance, revenue, and administration.
Lewis	Engineer	Airport, streets, sewers, and engineering.
McCannel	Projectionist	Buildings, garbage, landfill, and health.
Yoder	Ambulance operator	Police and fire.
Markey	Telephone installer	Police, fire, water, sewage, landfill, preventive maintenance, and garbage.
Korsmo	Assistant manager of Abstract Co.	Finance, revenue, administration, and buildings.
Johnson	Architect	Police, fire, and airport.
Oakey	Professor of engineering	Health, engineering, inspections, streets, and sewers.

From the experience of other American cities, it is notable that in 1943, 25% of all such cities over 25,000 population had the commission form of city government. But in 1965 only 10.4% of cities over 25,000 had the commission form of city government.[1] Since the 1965 percentage is only about two-fifths of the 1943 percentage, it is apparent that among cities in Fargo's population category there has been a strong movement away from the commission form of city government. Even Galveston, Texas, and Des Moines, Iowa, the originators of the commission form of city government, abandoned it in 1960 and 1945 respectively.

III. INTER-GOVERNMENTAL RELATIONS

The people of Fargo are governed by five local governments instead of one. Their schools are run by a school board the members of which are elected by the voters. Their parks are managed by the Park Board the members of which are also elected. Their public library is run by the Library Board whose members are appointed by the School Board. Their urban renewal projects have been directed by a Board of Commissioners of the Urban Renewal Agency appointed by the mayor with the consent of the city commission. Their city government is administered by five city commissioners popularly elected at large. Generally speaking, these five local governments are virtually autonomous in their operations. There is practically no coordination of their functions nor adequate liaison among these agencies.

We believe that the Park Board, the Library Board, and the Urban Renewal Agency should cease to be independent administrative bodies. They should be integrated with the city government and transformed into city departments under executive direction and control. The members of the said boards should merely give advice and recommendations rather than exercise decision-making powers.

IV. ADMINISTRATIVE MANAGEMENT

Although we did not undertake to make an efficiency study of all departmental operations of the city because it was beyond the scope of our assignment, four important areas of administrative management have been observed which require some improvements:

The city government has become complex and unwieldy as shown by the organization chart on the next page. [Chart not printed in RECORD.] A close examination of the chart shows that there is no central point where all departmental activities are coordinated. There are no clear-cut powers vested in the mayor to coordinate these activities. (The mayor was designated as inter- and intra-governmental coordinator in 1964 for two years and allegedly redesignated to serve for two more years starting in 1966 without formal commission approval.) Nor has the mayor a staff (or even a part-time office clerk) to assist him in his task of relating one departmental activity to another in the hope of preventing any duplication. There is practically no way of knowing whether or not municipal functions overlap one another. Citizens are unable to fix responsibility with a five-headed or plural executive. In the mayor-council plan, an integrated form of city government, all administrative authority is vested in the mayor as chief executive; consequently, the citizens can hold the mayor responsible for whatever happens in the city's administration. In the interest of efficiency and economy, *we recommend that a management study be undertaken by a qualified municipal administrator appointed by and responsible to the mayor who in turn is politically accountable to the people.*

We found no central purchasing agency responsible for buying supplies and equipment for all the city departments, including those of the Park Board, School Board, Library Board, and the Urban Renewal Agency. Such a system of centralized purchasing could have made tremendous amounts of savings for the city. Experience has shown that quantity buying for all departments can be made at lower costs. Equipment and supplies used by the various city departments can be standardized to realize the savings resulting from quantity purchasing. Also, employing a purchasing expert would insure good quality in equipment and supplies so that the city would receive its money's worth for every tax dollar spent thereon. We *believe that important benefits can be gained from a centralized purchasing agency under executive direction and control.*

The city budget is a meaningless lump-sum appropriation. There is no budget message which explains the major highlights of the budget, what the city is doing, what work programs are being proposed, what accomplishments have been made in recent years, what results are anticipated, and how these results compare with past performance data. The reason is simply that the present system of budgeting under the Municipal Budget Law is nothing more than an accounting exercise instead of imaginative fiscal planning, an accounting document consisting of a conglomeration of figures instead of a bold financial plan. *We believe that a budget prepared by the executive (with the help of a competent municipal administrator) on the basis of programs, functions and activities should be given serious consideration as a replacement for the present system of budgeting on the basis of objects-of-expenditures.*

The costs of public services have been increasing over the years. If citizen-taxpayers are going to pay for these services, they are entitled to a full explanation of the use to which their tax dollars will be put. There is no device at all in the city hall for informing the citizens of what is going on in their city government. *We believe that the citizens have a right to be informed on local affairs. We therefore recommend that steps be taken to publish an annual city report describing to the citizens what their city government is thinking and doing.* An administrative assistant to the mayor would prepare such an

[1] Preliminary data for the 1966 Municipal Yearbook as reported in *Public Management*, 48:83 (March, 1966).

annual city report for the information of citizens.

V. THE OFFICE OF THE MAYOR

The mayorship of Fargo is an institution that is here to stay. The president of the Board of City Commissioners personifies that institution and the law has vested in him the powers of law-enforcement and appointment over some citizen advisory bodies such as the Planning Commission and the Urban Renewal Agency. North Dakota law makes the mayor (President of the City Commission) the executive officer, but in practice he has no executive power to appoint or to remove department heads and other city officials. The Fargo City Commission has turned down the mayor's nominations to advisory commissions, such as the Planning Commission and the Zoning Commission. As the executive, state law requires that the mayor enforce the laws, but he is given no authority over the police department. One of the few powers remaining to the mayor is the power to preside over Commission meetings.

Regardless of the fact that some individuals consider the mayor's office as merely honorific and ceremonial, the office and title of the mayor occupy a unique place in municipal affairs and are held in high esteem by students of urban politics. The mayor will continue to play a positive leadership role because he is expected to do so by various segments in the community who look to him for municipal leadership, and there is no other place and no other person to look to.

We believe that the mayor, if he is to play a large executive role expected by those who have elected him to office, should play that role within a framework of government where there is administrative integration, not fragmentation of authority and responsibility. *To this end we recommend that the present commission form of government be abandoned in favor of a mayor-council form of government with an administrative assistant appointed by and responsible to the mayor.*

VI. THE MAYOR-COUNCIL-ADMINISTRATIVE ASSISTANT PLAN

This form of government unifies administrative management under the direction of the mayor. The city council devotes its time to policy-making, leaving the administration of policies to the mayor and providing "checks and balances" to the exercise of administrative powers by the mayor (see proposed organization chart in the next page). [Chart not printed in RECORD.]

We recommend the establishment of the position of administrative assistant to the mayor to assist the local chief executive in performing his administrative tasks. Such position can be established by ordinance adopted by the city council pursuant to the provisions of Chapter 40-14-04 of the North Dakota Century Code. The ordinance shall fix the administrative assistant's salary and shall provide that he shall be appointed by the mayor with the consent of the council under a one year renewable contractual arrangement, mutually binding upon the city and the administrative assistant. This contract should be in the form of or authorized by an ordinance and shall specify the terms and conditions of the employment.

We recommend that the administrative assistant be appointed solely on the basis of the following qualifications:

1. He must hold a graduate degree in public administration.

2. He must have had at least two years prior experience in an executive and/or administrative capacity in city government.

3. He need not be a resident at the time of his appointment, but during his tenure of office he must reside inside the city.

We recommend that the administrative assistant shall have the following duties and responsibilities:

1. To supervise and coordinate the work of all city departments and agencies.

2. To prepare the annual city budget in accordance with the Municipal Budget Law and supervise the execution of the budget.

3. To develop and administer a sound personnel system consistent with merit principles.

4. To study and evaluate the organization, procedures and effectiveness of the various city departments, boards, and commissions and to formulate and report to the mayor plans and recommendations for improving the administrative organization and operational efficiency of the several departments and agencies of the city government as a whole.

5. To serve as the chief purchasing agent of the city.

6. To review the fiscal affairs of the city including an analysis of the revenue and expenditure trends and periodically to submit to the mayor suggestions and recommendations concerning the same.

7. To analyse and report to the mayor concerning impending policy decisions affecting the management of the city and its agencies.

8. To convene periodically the heads of departments and agencies singly or collectively for the purpose of conference, discussion and report.

9. To conduct research and prepare reports which give continuing attention to problems involving the effective and economical organization and administration of city services.

10. To prepare an annual report of all activities, accomplishments, problems and needs of the city and to make this report available to the mayor, the city council and the public.

11. To install a system of records management and to use statistical techniques in the collection and analysis of performance data as may from time to time become necessary or desirable.

12. To develop and prepare materials on management practices to use for in-service training programs for city employees and to provide technical assistance and guidance in the conduct of such programs.

13. To maintain liaison with civic and community groups on matters of governmental management.

14. To attend meetings of the city council, if requested by the council, and to make available such information as the council may require and submit recommendations on such matters as it may specify.

15. To attend meetings of any board, commission, or committee of which the mayor is a member, when requested by the mayor, with the privilege of participating in the discussion and deliberations of such boards or committees as the mayor's proxy.

16. To assist the city administration in the planning and drafting of legislation found necessary and desirable to effectuate recommendations concerning the same.

We believe that the adoption of the mayor-council plan plus the appointment of an administrative assistant to the mayor strictly on the basis of ability and merit will give the City of Fargo all the advantages of the mayor-council system and the council-manager form:

1. It separates politics from administration in the executive branch of the city government.

2. It preserves the office of the mayor as the center of political leadership and responsibility.

3. It captures the advantages of the council-manager plan without the risk of abandoning the value of an elected chief executive.

4. It emphasizes the merits of administrative integration and professional management.

5. It strengthens executive leadership.

6. It preserves representative government by replacing five commissioners elected at large with fourteen aldermen—two elected from each of seven wards.

7. It frees the mayor from his administrative duties so that he can concentrate on program formulation, while it gives the council time to evaluate and adopt such programs.

8. It fixes responsibility by enabling the public to see who is formulating the programs of the city and who is executing these programs.

9. It provides a framework within which effective and genuine leadership can mobilize community-wide support for these programs and arouse intensified citizen interest in government.

10. It is the only form of local government prescribed by the North Dakota Century Code, which is in closest harmony with America's doctrine of separation of powers between the executive and legislative branches of government.

The Mayor-Council-Administrative Assistant Plan proposed herein is not new in the United States. Many cities have been using this form of government since the end of the Second World War. Among these cities are New York, Los Angeles, Louisville, Newark, New Orleans, Philadelphia, San Francisco, Duluth, and St. Cloud. The titles of such officer (administrative assistant) vary widely from city to city: in New York City, City Administrator; in Newark, Business Administrator; in Philadelphia, Managing Director; in Los Angeles, New Orleans, and San Francisco, Chief Administrative Officer; in Louisville, City Consultant; and in Duluth and St. Cloud, Administrative Assistant. The title of administrative assistant is proposed here in order to emphasize the subordination of this official to the mayor.

VII. CODE OF ETHICS

It is our conviction that high ethical and moral standards are essential to good government. In view of what has happened in the City Hall in recent years, a careful examination of the whole area of ethics and morality in city government is in order. *We recommend that a committee of leading citizens in the community be appointed to formulate a code of ethics to be used as a yardstick by which the people can judge the conduct of their city officials.*

VIII. CITIZEN PARTICIPATION IN MUNICIPAL AFFAIRS

Citizen participation in local government is essential and crucial in a democracy. Such participation requires more than going to the polls and voting for the candidate of one's choice. It also involves running for a public office, serving voluntarily on citizen advisory committees, laboring for love in task forces and attending city commission meetings. Every effort should be made to give the citizens the opportunity to take part in municipal affairs if they are to be expected to make intelligent decisions on public issues.

We believe that the change of the meeting time of the city commission from evening sessions to morning sessions does not provide the citizens with that opportunity. We cannot understand how those who favor the holding of morning sessions can consistently support increased citizen participation and interest as prerequisite for intelligent resolution of public questions and then at the same time make it inconvenient and difficult for these citizens to attend, observe and be heard in the meetings of their own local governing body. *We believe that morning meetings of the city commission discourage citizen participation in the political process,*

decrease their interest in politics, and force these citizens to lose their faith and confidence in their city government. Let us remember that in a democracy the people are sovereign, that the city government belongs to them, and that the right of citizens to attend meetings of their local governing body is inviolate and protected by law.

X. HOME RULE CHARTER FOR FARGO

Municipal reform should be a continuing effort aimed at modernization of the structure of local government. There is nothing better than a home rule charter as a tool with which citizens can adapt their local governmental structure to new problems, new conditions, new challenges and new procedures. If Fargo has a charter framed and drawn by its own citizen-taxpayers, it can have more discretion in choosing the kind of political framework it wishes without going through the state legislature in Bismarck for legislative permission.

We therefore recommend the adoption in the coming November, 1966, election of an amendment to the state constitution granting home rule powers to cities in North Dakota.

We believe, as one of us has written, that "home rule is one of the best institutions of local democracy" and therefore "it merits the support of the electorate and the endorsement of all civic groups."[2]

APPENDIX A

Statement of Mayor Lashkowitz regarding task force report—June 9, 1966

I am pleased to announce the official release of the Mayor's Task Force Report on Fargo's city government.

This report represents nearly eight months of research, study and analysis by an outstanding team of highly recognized and respected political scientists.

This report is unique in many respects because:

(1) It is the first significant study in recent years of the city commission form of government conducted in this area and perhaps nationally.

(2) It represents the combined effort of outstanding political scientists and scholars from three institutions of higher learning who worked as a team.

(3) The political scientists gave of their time and talents without one cent of tax money being expended. (Such a study would ordinarily cost the City somewhere between $10,000 and $15,000 as a conservative estimate.)

(4) The scholars concerned expended in addition to their own time and talents, their own personal resources involving considerable expenditures in order to accomplish this study.

(5) The study report will have countless value in the days ahead, not only to scholars but to the citizenry generally in helping to place city government in proper perspective.

I want to thank publicly the members of the Task Force and specifically Dr. John Bond of North Dakota State University, Task Force Chairman, Dr. A. B. Villanueva, Moorhead State College, Task Force Vice-chairman, Dr. Curtis Amlund, North Dakota State University, Dr. Harding Noblitt, Concordia College, and Dr. Frank Kendrick, Moorhead State College. These men individually and collectively gave generously their time, energies and talents in the accomplishment of this study and are entitled to the gratitude of the people of the City of Fargo. These scholars and eminent political scientists were willing to subject themselves not only to great inconvenience but on occasion to personal abuse and misunderstanding in order to see this project through. I commend the Task Force as a team and individually. I would also commend Drs. John Bond and A. B. Villaneuva for the leadership and direction that they brought to this study and for the tireless efforts that they expended in its accomplishment.

I not only commend the Task Force but I hail its product. I sincerely hope that the people of our community will read and study its contents carefully and familiarize themselves with its recommendations.

I, as a personal reference, want to acknowledge not only the scholarship of these gentlemen but the remarkable and tenacious character of each of them as individuals. In the face of great discouragement they faced up to their task and saw the job through successfully.

I know that the vast majority of the people of our City respect, admire and appreciate the efforts of these good men and the contribution that they have made to our City. It had taken genuine courage to undertake this assignment and even greater courage to complete it.

I endorse the findings of the Task Force completely and I hope that we as a City can take the necessary steps to achieve long overdue modernization of Fargo's city government. Fargo is a great City with a respected record of accomplishment in many areas and should break loose from the restraints of our outmoded and archaic form of government and consider very seriously the positive recommendations of the Task Force which point the way toward greater responsibility, efficiency, and positive achievement and implementation of goals at a saving to the taxpayer in terms of dollars and efforts.

I herewith submit the Task Force report to the people of Fargo and I hope that these gentlemen will continue their time schedule permitting to be available for consultation in the months ahead.

[2] A. B. Villanueva, "Towards Home Rule For North Dakota Cities," *North Dakota Law Review*, 42:167 (January, 1966), Reprinted in the *Bulletin* of the League of North Dakota Municipalities, 34:10–11 (May, 1966).

NEW LOOK AT FEDERAL HIGHWAY PROGRAM NEEDED

Mr. FANNIN. Mr. President, I take this opportunity to join with other Members of Congress—Republicans and Democrats alike—in urging that a new look be taken at the Federal highway program. Inadequate financing and a concomitant cutback in highway construction, ordered last November by the administration, have greatly increased the likelihood that the 41,000-mile Interstate Highway System will not be completed by the 1972 target date.

Should this occur, it will be a substantial setback for the Nation's defense network, of which the Federal highway system has been and is a vital link. Surely the Nation's defense requirements are no less important today than they were in 1956, the year Congress voted to include the highway construction program within the national defense system. But other considerations, very important considerations, also are involved.

The cutback in the Federal highway program comes at a time when highway deaths are at an alltime high and are still mounting; when more motorists use the streets and highways than ever before; when motor vehicle travel stands at a record 900 billion miles a year; and when the Nation's great urban centers are strangulating from traffic congestion.

In 1966 alone, more than 54,000 Americans—nine times the total number of Americans killed to date in Vietnam—lost their lives on the Nation's highways. How many of them might have been saved had the Interstate Highway System been further advanced is, of course, impossible to determine. But authorities agree that the number would have been considerable.

One agency of government is busily engaged in a program to encourage Americans to "See America First." But how can they? Unless and until Americans have access to modern, high-speed highways spanning the Nation, the agency's efforts, laudable though they are, largely will be in vain. Vacationers have no desire to spend the largest part of their holiday fighting the dangerous and frustrating traffic conditions they hoped in the first place to leave behind, if only temporarily.

Another consideration is that the delay in the Federal highway program is costing the Nation dearly in financial terms. Construction costs and prices for land along rights-of-way are skyrocketing, thereby making it even less likely that the highway trust fund, which by law is on a pay-as-you-go basis, will be sufficient to finance construction at the level necessary to complete Interstate Highway System in 1972. Already the estimated expense of the freeway system has risen to $47 billion—or $6 billion more than was estimated just a few years ago. And each time the cost of the program increases for the Federal Government, so does it increase for the States, which must pay approximately 10 percent of the cost of highway construction within their borders. Naturally, most States, already hard pressed to meet other necessary demands, cannot afford the added expense brought on by these delays.

Additionally, the ordered 17½-percent cutback in the highway program, which in Arizona alone amounts to a loss of approximately $15 million annually, has created great problems within and outside State highway departments. These departments in all 50 States are geared and staffed for maximum efficiency and economy at the previous levels of construction, which, as I previously indicated, also are the minimum necessary levels. Now, with most of the previously contracted work coming to a conclusion, the departments face the difficult decision of releasing upward to 15 percent of their highly qualified and trained personnel—personnel whom they would have difficulty rehiring should the full scale highway program be resumed.

But State highway department personnel are not the only ones affected by this slowdown in construction. Thousands of construction workers face the loss of their jobs and their income; many highway contractors face bankruptcy; States' economies will be affected; and governments—local, State, and Federal—face the loss of countless thousands of tax dollars.

When the administration ordered the cutback in highway work last November, it did so, ostensibly, in order to cool down the inflated economy. But the indications now are that the economy has

cooled, and construction therefore should be resumed at the former level.

There can be no justification, moral or economic, for using moneys from the highway trust fund to finance other governmental programs, short of national defense, however worthy they might be. This fund—which has been built up through taxes on gasoline, tire, oil, and other automotive accessories—was established for the explicit purpose of building needed highways throughout the Nation; and until that important mission is accomplished to the satisfaction of taxpayers—those who use our highways—the funds should not be diverted for other purposes.

The Interstate Highway System is too important, from the standpoint of national defense and highway safety, to be delegated a low or even secondary priority. It must move ahead with all deliberate speed.

PROJECT HOPE: "AMERICA'S GREATEST GOOD-WILL AMBASSADOR"

Mr. BAYH. Mr. President, at a time when our foreign assistance programs are being evaluated carefully both at home and abroad, it is gratifying to know that there are a number of private American organizations which quietly and effectively are going about the business of helping others to help themselves.

Probably the most successful of these has been Project Hope. Since launched as the world's first peacetime hospital ship in 1960, the SS *Hope* has brought the best in medical teaching, facilities, and treatment to millions of people on three continents. In each country which *Hope* has visited she has left behind a lasting legacy of medical knowledge, international understanding, and good will.

Recently Project Hope received the 1967 Institute of International Education—Reader's Digest Foundation award to a private organization for distinguished service in international education. The citation, read by Ambassador Eugenie M. Anderson of the U.S. mission to the United Nations, saluted *Hope* as "America's greatest good-will ambassador abroad."

Mr. President, because Project Hope's achievements deserve the attention of each Member of the Senate, I request unanimous consent that the full text of the citation be printed in the RECORD at this point in my remarks.

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

CITATION TO A PRIVATE ORGANIZATION FOR DISTINGUISHED SERVICE IN INTERNATIONAL EDUCATION

To Project HOPE, an independent, nonprofit organization, for its valuable humanitarian contribution to international understanding, the Institute of International Education and the Reader's Digest Foundation present their award for distinguished service.

During its five medical missions, Project HOPE, a 15,000-ton former Navy hospital ship that stands for Health Opportunity for People Everywhere, has brought good will and understanding, as well as modern medical techniques, to Indonesia and South Viet-Nam, Peru, Ecuador, Guinea and Nicaragua.

Founded in 1958 by Dr. William B. Walsh, in order to teach self help to developing countries, the S.S. HOPE has become "America's greatest good will ambassador abroad." Its purposes are: to share American medical knowledge and practice with medical personnel in other nations, and to treat needy patients. In six years, HOPE teams have trained more than 3,000 physicians, dentists, and paramedical personnel; treated more than 100,000 persons; conducted some 8,000 major operations; and vaccinated more than one million people.

HOPE maintains activities in all areas that it has visited. The permanent medical staff of the S.S. HOPE serves for token compensation and is supplemented by volunteer physicians, surgeons and dentists who serve for two-month periods on a rotating basis. In addition to classroom instruction and on-the-job training aboard the ship, HOPE teams work in shore-based clinics, hospitals and medical schools, all with the cooperation of local medical organizations.

For its compassionate dedication to mankind, for literally bringing hope to thousands of needy people, and for having become a symbol of American international good will, IIE and the Reader's Digest Foundation are proud to salute PROJECT HOPE.

(Accepted by Dr. William B. Walsh, Founder and President)

OPPORTUNITIES FOR PEACE IN VIETNAM

Mr. FULBRIGHT. Mr. President, the Arkansas Gazette of January 25, 1967, contained an editorial entitled "Finding Opportunities for Peace in Vietnam." The editorial discussed proposals I have made for negotiating a settlement of the war in Vietnam, and I am grateful for the Gazette's endorsement of my views. I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

FINDING OPPORTUNITIES FOR PEACE IN VIETNAM

Senator Fulbright has effectively answered the critics who say that he has no alternatives to the policy that the national administration is pursuing in Vietnam. In his book *The Arrogance of Power* he has outlined anew in the clearest and most orderly fashion an eight-point plan for reaching toward peace and a settlement of the Vietnam conflict.

The senator argues that, to begin with, the United States should compel the Saigon government to seek negotiations with the National Liberation Front (Viet Cong). In support of such a peace move, the United States would halt its air attacks on the North and curtail its military operations in the South to the extent compatible with security. Immediately, the goal would be a cease-fire and the beginning of negotiations, with four district belligerents recognized—North Vietnam and the Viet Cong, South Vietnam and the United States. At the conference table the goal would be agreement for elections to bring about self-determination, with all parties committed to honor the outcome, whatever it proved to be. In a broader context, an agreement would be sought among all interested states in Southeast Asia for neutralizing the region. Finally, if the whole program fell through, the United States would consolidate its forces in positions of strength, as advocated in the "Gavin plan," and remain in South Vietnam indefinitely.

This is a condensed version of what Fulbright proposes, but we hope it conveys the essence of what he has in mind. In his own presentation he argues his case powerfully and bases his policy design on two "fundamental realities:"

". . . first, that the United States, as the nation with principle, though not exclusive responsibility for world peace and stability, cannot accept defeat or a disorderly withdrawal from Vietnam; second, that it now seems likely that a complete military victory can be accomplished only by sacrifices disproportionate to American security interests in South Vietnam and by raising the level of violence to a degree that would impose greatly increased suffering on South Vietnamese civilians and would also greatly increase the danger of war with China."

Senator Fulbright's statement of the realities we find wholly convincing. His outline of proposals to accommodate these realities, for its part, is subject to several imponderables and uncertainties (as the administration's policy, in turn, bears its own imponderables and uncertainties). Fulbright himself has recognized explicitly the absence of any certain remedy by incorporating, at the end, the "Gavin plan" prescribing what to do if the campaign for peace failed.

It is necessary to recognize, we think, that the Fulbright plan sounds much more feasible now than it would have sounded 18 months or a year ago, and partly because of the very improvement in the American military position that derives from the expansion of American forces. But in any event Fulbright does have his own definitive ideas about what to do and where to go in Vietnam, and we would hope that the President, in spite of the severe strain on the Johnson-Fulbright relationship, will become disposed to give Fulbright's approach a re-examination.

Considerable evidence indicates that the situation in Vietnam is becoming more fluid, the adversary's attitude more flexible. In these circumstances the United States has particular reason to review and re-appraise policy continuously, to see if the measures previously rejected may have become tenable, or even promising, as political and military conditions change. The best of Fulbright's proposals, we believe, lies in suspending the air attacks on the North. The essential point, however, is that from one or more of the concessions Fulbright proposes an opportunity for peace might spring full-blown.

TIMELY MESSAGE ON AIR POLLUTION

Mr. BOGGS. Mr. President, in our cities, in the public press and here in Congress, there is increased emphasis on the rapid rise of the air pollution problem.

Yesterday the President sent to the Congress a message which included his recommendations for specific steps to reverse the rising trend of air pollution. It is a needed and timely message. My special interest in this field is based on nearly 4 years service on the Subcommittee on Air and Water Pollution of the Public Works Committee. During that time we have considered landmark legislation dealing with air pollution. Undoubtedly, this blight on our Nation will require more legislation in the future.

We will learn later how the President proposes to carry out his recommendations to step up the fight on air pollution. For now, I would like to compliment the President on the urgent tone of his message. I am sure his recommended bills will be given speedy and careful consideration by the Congress.

Our subcommittee will also continue to develop its own proposals for bringing to

bear the concerted efforts of Government, industry and private citizens.

Last December 13 I was privileged to participate in the National Conference on Air Pollution here in Washington. In my remarks at that time, I said:

We must encourage a sense of urgency. We are all affected—industry, government and private citizens alike—and we must all cooperate in cleaning up the air upon which we depend for our very lives.

At that time I also mentioned, in commenting on the role of industry and research:

Based on this research and the improved techniques developed and with the assistance of the businesses themselves, the Federal government should also help devise and suggest reasonable standards for industrial processes.

I note with great interest that the President proposes "emission control levels should be set for those industries that contribute heavily to air pollution."

Mr. President, I ask unanimous consent that the text of my remarks at the National Conference of Air Pollution be inserted at this point in the RECORD.

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

A CONGRESSIONAL VIEW OF THE PROBLEM

It is a pleasure to be able to participate today in this significant conference and I appreciate having the opportunity to listen to experts in the field of air pollution.

This conference represents a great deal of work by the Department of Health, Education, and Welfare as well as a cooperative and helpful spirit on the part of those who are contributing to it. You are all to be congratulated.

My own interest in the problem of air pollution is long standing. Nearly 10 years ago, when it was my privilege to be Governor of the State of Delaware, we enacted an air pollution control law. It was needed then, but the urgency today, of course, is much greater.

Three and a half years ago the Senate Committee on Public Works created a Subcommittee on Air and Water Pollution and I have been a member since then. It has been a pleasure to work with the subcommittee chairman, Senator Muskie of Maine, and the experience has given me the opportunity to hear and learn a great deal about air pollution from government officials, leaders of business and industry, scientists, and interested citizens.

Our first major accomplishment as a subcommittee was passage of the Clean Air Act of 1963. It has since been amended, and I am encouraged by the progress which has been made under this legislation.

It was intended to provide significant new opportunities for government and industry to join in a concerted attack on the very serious threat of air pollution.

Those opportunities are being met. But there is much more to be done. This explains, at least in part, our presence here today.

Any consideration of the air pollution problem and legislation must be made in the context of the concern of the general public.

I don't have to tell you that the concern is great, and is growing.

That "smog alert" along the East Coast recently called special attention to the problem.

Also, newspapers, magazines, and radio and television have given increasingly intense coverage to air pollution and its smothering impact on health, property values, and the simple enjoyment of our homes and communities.

Today we have a public alarmed over air pollution in its many forms. And government—at all levels—is responsive to the need to take action.

Although this public interest, coupled with action by government and industry, is resulting in progress, it would be a mistake to assume that the problem is receding. Air pollution rises along with our population growth and the growth of our economy. We can make progress in attacking pollution and yet only mark time because of these forces which constantly add to the problem.

This situation is illustrated by the fact that at the present time more than one half of the nation's nearly 200 million people live on about one-tenth of the land area. By 1975 we can expect that three-fourths of some 235 million people will be living on this same land area.

In brief, more needs to be done. We must encourage a sense of urgency. We are all affected—industry, government and private citizens alike—and we must all cooperate in cleaning up the air upon which we depend for our very lives.

My intent today is to comment briefly on what this air pollution problem means to industry in terms of responsibility, costs, government action and opportunity.

Everyone in the nation contributes to air pollution to some degree, but industry is naturally singled out because it is often a conspicuous contributor. A smokestack belching pollutants is a beacon hard to miss.

An article in the Harvard Business Review of past September-October makes the observation that "industry, in the broad sense, is directly or indirectly responsible for well over half of all the air and water pollution now taking place."

Whatever the exact contribution, industry obviously is vitally concerned with both causing and correcting the problems.

It is understandable that in the past spokesmen for industry were not alarmed about air pollution. Neither was the public. And government was also not very active in the field.

But times have changed, and so should the attitudes of all concerned with air pollution.

Today is not the time to hear the suggestion that air polution is, after all, only a small price to pay for continued economic growth and technical progress.

It is not the time to suggest that the wheels of industry will grind to a halt if we continue to insist upon cleaner air.

It is not the time to say that control of air pollution comes pretty far down on any list of priorities by public and private agencies.

What makes such suggestions unreasonable is the fact of $11 billion in economic losses every year from air pollution.

And who can put a price on the irreparable injury to human health in the form of such diseases as emphysema and lung cancer?

It is unthinkable that a nation as wealthy and as technologically advanced as ours will continue to pay the heavy price of air pollution.

I know that industry is aware of its part in pollution cause and control and wants to meet its responsibilities.

What of costs? After all, control of air pollution is an added expense in the manufacturing process.

A minute ago I used the figure of $11 billion in annual economic losses from air pollution.

This could be drastically reduced—perhaps by two-thirds—with the expenditure of $3 billion a year in air pollution control. The techniques are available to do the job.

Admittedly this is expressing a complicated problem in simplified terms, but the two figures indicate that an effective air pollution control program would pay for itself.

A bonus would be both healthier and more pleasant living conditions for our citizens.

Although there are many technical problems to be overcome, it is also worth noting that industry itself can collect a bonus from air pollution control if it can devise ways to capture and use again the waste products involved in air pollution.

For example, burning coal and fuel oil releases some 23 million tons of sulfur dioxide every year.

On the assumption that roughly half of the total amount can be recovered, about five million tons of elemental sulfur can be produced. At current prices, this would be worth about $125 million.

Capturing waste products, or simply controlling pollution more effectively, takes research.

Better ways must be found to stop odors from pulp mills, dust from cement mills, plumes of iron oxides from steel mills, and other sources of pollution from our varied manufacturing processes.

Industry has stepped up its activities in the research field and will undoubtedly expand its efforts in the years ahead.

And the Federal government must also exercise greater responsibility in the research field.

Based on this research and the improved techniques developed and with the assistance of the businesses themselves, the Federal government should also help devise and suggest reasonable standards for industrial processes. This would be a valuable service to local and state air pollution control agencies.

As you know, the Clean Air Act basically provides increased federal support for state and local control programs.

I support this concept. After all pollution begins as a local problem and the best place to stop it is at the source. Pollution from motor vehicles is a significant exception, of course, because cars and trucks cross state lines so easily.

It is a safe generalization, I believe, that industry also supports the concept of local and state action. And industry can strengthen this approach by seeking and backing adoption of equitable and effective control regulations in our cities and states.

There is another level of government which will likely be increasingly concerned with air pollution control, and that is groups of states united in compacts.

Such an arrangement has recently been suggested for the greater Philadelphia area, which would include the northern part of Delaware.

Whether or not this particular compact will come about I don't know, but it is apparent that air pollution is no respecter of state boundaries and what one state does has a definite effect on its neighbors.

While the emphasis is now on action by local and state governments, with the federal government supplementing their efforts, the public could demand a shift to more direct federal action if the results are not satisfactory.

Industry and private citizens can help local and state governments and I am sure they will.

But if this support is not sufficient, if it appears that the air pollution problem is overwhelming local and state efforts, the role of the federal government will necessarily expand greatly. I know our subcommittee will continue to watch developments closely.

We have a problem. We also have an opportunity to do something about it. All of us share the opportunity. The means either exist or can be found to lick air pollution. What is needed for success in this effort is a matching determination by government and industry, backed by private citizens, to make and keep our air clean.

We have all been a little late in recognizing the extent of the problem but now that we do there is no excuse for not doing something about it. This conference itself is evidence of our resolve and will undoubtedly

spur action in a battle we cannot afford to lose.

Thank you.

TRIBUTE TO THE THREE APOLLO ASTRONAUTS

Mr. DODD. Mr. President, the Nation was stunned by the accident that claimed the lives of the three Apollo astronauts—Lt. Col. Virgil I. Grissom, Lt. Col. Edward White, and Lt. Comdr. Roger B. Chaffee.

These were no ordinary young men. They were men of extraordinary background, character, and ability.

It takes a particular kind of courage to explore the unknown reaches of space. Just as it took bold men to blaze a trail across the wilderness to establish this Nation, it takes bold men to push back the frontiers of space.

Gus Grissom, Ed White, and Roger Chaffee served their Nation well and in doing so they served the cause of mankind by widening our knowledge of the universe. Their sense of adventure combined with their courageous dedication stirred our imaginations to the realization that man could overcome his earthbound limitations. And now they will take their place in history alongside the great explorers and heroes of this country and of the world.

The memory of these men will be revered, and their pioneering work and their sacrifice will serve as inspiration to those who will follow them and carry on to expand the horizons of our universe.

There is no better way for us to pay tribute to the memory of these brave young men than to carry forth the work which they so ably began. I hope their great sacrifice will strengthen our determination to continue our explorations of space.

We had come to know Colonel Grissom and Colonel White because of previous flights in which they participated, and we had looked forward to learning more about young Commander Chaffee.

As we extend our deepest sympathy to their bereaved young families, we realize that we too have suffered a grave national loss.

THE VIETNAM SERVICEMEN AND VETERANS ACT OF 1967

Mr. INOUYE. Mr. President, I am most anxious to add my voice and support for the President's proposed Vietnam Servicemen and Veterans Act of 1957.

The American people can be proud of their generosity toward veterans. Countless laws and the various GI bills have attested to the gratitude of the American public toward the men and women who have fought this Nation's battles.

America has erected a structure of veterans' benefits and programs unparalleled in the history of the world. GI home loans, schooling, job training, farm training, medical treatment and care, war orphans educational assistance, disability compensation, pensions, widows' benefits, rehabilitation for the disabled, nursing home care, restoration homes, guardianship attention for dependents—all of these worthwhile benefits and programs are for veterans—and deservedly so.

Now, it comes time to fill the gaps in the benefits and programs for veterans of the present conflict in Vietnam.

Now it comes time to increase the amount of servicemens' group life insurance for those men fighting in the jungles of Vietnam.

Now it comes time to look closely at the pension and compensation system for older veterans.

Without a doubt, the Presidential proposals fill a need and are shaped to meet the needs of servicemen and veterans.

Veterans in the past have made wise use of their benefits. They have not frittered them away; they have not used them as a "gravy train." They have utilized them soundly—in every walk of life, GI bill-trained veterans are filling manpower reservoirs and they have helped to raise the educational level of our entire Nation.

The President has my support.

CONSERVATION OF NATURAL RESOURCES

Mr. NELSON. Mr. President, the President has just sent to Congress an outstanding conservation message which continues the great Presidential leadership for conservation of natural resources which we have seen over the last few years.

There are many fine things in this Presidential message, but I am particularly delighted at the recommendations regarding the control of air pollution and the creation of new parks, a scenic rivers system, and hiking trails.

In my first speech in the Senate in 1963, I stated that I considered the preservation of our natural resources and the defense of our natural environment the most urgent domestic crises facing our Nation. I said that unless the Nation prepared for battle immediately, its people would not have clean water to drink, clean air to breathe, decent soil in which to grow their food, and a green outdoors in which to live a few decades from now.

Fortunately, since that time we have received strong Presidential leadership for the conservation of natural resources, a matter which had been somewhat neglected in the past. We have made great strides but the threat to our environment has continued to develop so rapidly that we have been hard pressed just to hold our own. In his conservation message today, the President recognizes again the need to look to the future and work with a great sense of urgency to meet this threat.

He proposes significant additions to our national park system, and I am deeply grateful that he has chosen to include my Apostle Islands National Lakeshore project in northern Wisconsin as one of his four priority recommendations. Spectacular areas such as the Apostle Islands, rich in scenery and history and offering tremendous recreational opportunities for the entire Midwest, must be set aside, protected, and tastefully developed for posterity if we are to meet the soaring demand for recreation in the years ahead. This project will be a great asset to Wisconsin and the Nation.

The President also recommends the enactment of legislation, such as I introduced last year, to establish a nationwide system of hiking trails, including the famed Appalachian Trail which winds through the mountains from Maine to Georgia. A national system of hiking trails, coordinated with trail systems developed by State and local governments can provide high quality recreation at extremely low cost for all of our citizens throughout the country.

The President also recommends a national scenic rivers system, in which I am deeply interested. It is our hope that this proposal will enable us to preserve rivers such as the Wolf and the St. Croix, in Wisconsin, for the enjoyment of all our citizens for generations to come.

The President's recommendations in the field of air pollution represent a major step forward in meeting one of the most serious threats to public health and to our natural environment. As I told the National Conference on Air Pollution here in Washington last month, the great need in the fight against air pollution is to establish regional control commissions to meet the air pollution problem as it actually exists, without regard to local political boundaries. I also said at that time that the Federal Government should establish air quality standards and regulate the level of emissions to be tolerated by industries which pollute the air. I am greatly pleased that the President has made all of these recommendations in this outstanding message which he has sent to the Congress.

SIGNIFICANT ACTIONS ON BEHALF OF MEMBERS OF ARMED FORCES, VETERANS, AND DEPENDENTS

Mr. SMATHERS. Mr. President, two significant actions were taken today in behalf of our men in the Armed Forces, veterans of prior wars, and their dependents.

One was the message received today from our President proposing broader scale benefits for them.

Second, the swift action taken by the Committee on Finance in concluding its consideration and favorably reporting to the Senate the first proposal of the President—namely, that we provide wartime benefits for veterans of the Vietnam era and their survivors and dependents.

The bill was sponsored in the Senate by me, by the Senator from New Mexico [Mr. MONTOYA], and 70 other Senators.

This legislation was very nearly enacted by Congress last October, but the House adjourned before it could take final action on the Senate bill. This year, I am confident, the bill will be speedily approved. The men fighting in Vietnam today will gain new strength and new confidence in those of us at home when they hear of President Johnson's message to the 90th Congress in their behalf.

I know that this administration and Congress can be proud of the things they

have done for our servicemen, but the President has said we must do more. His message has a broadness of purpose and a recognition of need never before equaled by a prior administration. It covers almost every aspect of existing veterans' programs and recommends new ones. It asks our help to give more to the youngsters now fighting for freedom in the Far East. It asks us to give more recognition, including higher education benefits, to those who have fought there and have been discharged from service.

It does not stop there. The message also requests that we raise the amount of pensions for those veterans who have served in prior wars or who have passed away and have left behind them widows in need. My constituents have been asking me for a new and positive approach to their problem. The President's message has helped me to crystallize my thinking in all these areas of great concern to me since I began my service in this body.

This is a positive veterans' legislative package. It is not reactionary to the pressures. It is a response based on careful analysis of the essential ingredients of our existing programs and what should be done to make them fair and right. I assure the President and all Senators that I will endorse these measures. I am further gratified to see that the administration will continue its research in depth to see to it that all programs are fair and equitable.

CRIME-STOP STOPS CRIME

Mr. BAYH. Mr. President, we can all recall the tragic events that occurred in New York some months ago when a woman was murdered in full view of a number of citizens who refused to come to her aid or to phone the police. The significance of this lies not in the mere location of the crime because it could have happened anywhere in the United States. The important point is the total lack of involvement exhibited by more than a score of American citizens who witnessed this coldblooded murder.

It is precisely this type of public indifference that permits crime to flourish. To counteract the rising crime rate in the United States, many experts agree that there must be a great increase in public awareness and involvement. An article which appeared in the October 1966 issue of Reader's Digest dramatically relates how important a concerned public can be in this battle. It tells the story of a woman who exercised her civic responsibility—something many of us have not been doing—and thereby prevented a crime.

Mr. President, I ask unanimous consent that this article, entitled "Crime-Stop Stops Crime," be printed in the RECORD.

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

[From the Reader's Digest, October 1966]

CRIME-STOP STOPS CRIME

(Condensed From the Chicago Tribune Magazine)

(By Karl Detzer)

(NOTE.—Chicago is waging the most successful war on lawlessness any city has fought in years—thanks to an incorruptible police chief and inspired citizens.)

Mrs. Clara Cronin neither looks nor talks like a crime fighter, but she's a good one and has an official citation signed by Mayor Richard J. Daley to prove it. She is one of the many responsible citizens of Chicago who have given the police a courageous helping hand when they needed it. With her aid they halted a serious crime-in-progress and sent two dangerous felons to prison. Superintendent O. W. Wilson, Chicago's erudite but tough-minded police chief, says of Mrs. Cronin: "If all our cities had men and women who take their responsibility as seriously as she does, they'd be safer places to live."

A widow of 70, Mrs. Cronin resides in a pleasant apartment in a middle-class neighborhood on Chicago's southwest side. Returning home at 8:50 p.m. last March 20, she was reaching into her handbag for her key when she happened to glance at the lighted window of her neighbors, the Montaltos. Just then a man in the Montalto apartment jerked down the window shade. But she had seen him clearly. He wore a mask.

Swallowing a scream, Mrs. Cronin hurried into her apartment. "I had to do something fast," she says, "and I remembered Crime-Stop."

The blue and white card beside Mrs. Cronin's telephone read: "Operation Crime-Stop—Phone PO 5-1313." She dialed carefully. At police headquarters a light flashed on the desk of Dispatcher Jim Stone who answered promptly.

It usually takes only four seconds for a citizen calling PO 5-1313 to hear a dispatcher's voice. There is no switchboard to waste precious moments for someone needing help. Every call is channeled automatically to the dispatcher responsible for all police cars in the area where the call originates. To save seconds, Chicago police divided the city into eight zones, each with its own dispatch desk and radio frequency. In front of each desk is a large map of the area it is responsible for, showing every street and alley. An electric light marks the location of every available patrol car in the zone.

That March evening, Mrs. Cronin spoke calmly and clearly to the dispatcher, as her Crime-Stop card directed. Stone asked some rapid questions. Mrs. Cronin answered them quickly—the apartment number, what floor, how to reach it by front or back stairs, the nearest fire escape. Placing Mrs. Cronin on hold, Dispatcher Stone pressed the switch under his desk with his foot. It opened the radio transmitter, and Stone gave out the information. He immediately notified Mrs. Cronin that the cars had been dispatched.

Of 15 patrol cars in the district, 12 were free. Silently, these took off. On his car radio the area sergeant assigned specific spots, front or rear door, main or back stairs, or fire escape. Forty seconds after Mrs. Cronin had dialed, the first two policemen ran into her building. (Only a few years ago it might have taken 40 minutes for the first car to arrive.)

A policeman, gun in hand, rang the Montalto's front doorbell and waited, out of line of fire. The door opened. A tall, neatly dressed man, looking startled, asked, "What's wrong, officer? There's been a mistake."

"Put 'em up and keep 'em up," the policeman ordered. He was taking the gun and mask from the robber's pocket as three more police appeared. In the kitchen a second hoodlum surrendered. The policemen released the Montaltos and their two guests who had been locked up and robbed. It was just four and a quarter minutes from the time Mrs. Cronin had dialed her call.

Operation Crime-Stop was introduced at a time when Chicagoans had good reason to consider their responsibilities as citizens. In early 1960, a series of police scandals had rocked the city and made headlines all over the world. To clean up the department, Mayor Daley named a committee of law-enforcement experts headed by O. W. Wilson, then dean of the University of California School of Criminology. Wilson had served other cities from patrolman to chief; he had been a consultant in eight states, Puerto Rico and Canada, and was famous for his zeal to take policemen out of politics and give them professional status.

Wilson was nominated for the job of Chicago's police superintendent, over many applicants, by his fellow committeemen. He accepted in May 1960, when Daley agreed to let him run the department as he saw fit. Wilson now heads 10,250 officers, and politicians are carefully kept off his back.

A New York tragedy sparked the Chicago Crime-Stop campaign in Wilson's mind. A young woman was brutally assaulted and stabbed to death while dozens of neighbors watched from their apartment windows. She cried for help, but no one even called police during the assault. Neighbors later explained that they had not "wanted to be involved."

"I am sure that Chicagoans will not look on while any killer tortures any woman to death," Wilson said grimly in announcing the inauguration of Crime-Stop. "Every American is involved whether or not he tries to prevent any crime. Not one of us can escape our individual responsibility. We all must pay the costs of crime, directly or indirectly, and they are high."

Crime-Stop has paid rich dividends. Since its introduction two and a half years ago, 6,433 convictions have been obtained. The response to Wilson's request that all citizens report everything suspicious that they see or hear was slow at first. But as Crime-Stop merit citations to individuals of every type and age were announced with rising frequency, several hundred more Chicagoans joined. Today, more than 750,000 Chicagoans keep the emergency instructions and telephone number in billfolds or beside their telephones. Thirty thousand employes of gas, electric and telephone companies, 79,000 Boy Scouts and 32,000 postal workers carry the card. Taxi drivers are especially cooperative.

The fact that some tips prove groundless and cause unnecessary alarms does not discourage the police. If one such call in 500 leads them to a felony in-progress and an actual arrest, then it is worth all the mistaken runs. Long ago police learned that an innocent action often looks like a crime. No day passes that some motorist, changing a tire on his car at the curb, does not find himself surrounded by patrolmen summoned by an onlooker suspecting theft.

Public enthusiasm for Crime-Stop has created another problem: too many persons, witnessing crimes, try to catch the offenders themselves without waiting for the patrol car. Despite police warnings to citizens not to attempt arrests, one elderly gentleman, shopping in a Dorchester Avenue store, saw a shoplifter at work. Instead of reaching for a telephone, he shouted, "Stop thief!" and as the startled fellow fled, took after him. Enthusiastic men, women and boys joined the chase. The thief, cornered, tried to fight his way out, and he and the elderly gentleman both were bruised before police arrived. The policemen thanked the captor, but scolded him for his splendid recklessness.

Fortunately, most citizens are content to use the telephone instead of trying to make their own arrests.

As Circuit Judge Joseph Butler started to bed last February 10, in his West Jackson Boulevard home, his 19-year-old daughter Janice heard a scream. Looking out her bedroom winder, she saw a man attacking a woman near the house. Judge Butler ran to look, too.

"Call Crime-Stop!" he directed, and wearing only his shorts, the judge charged into the cold. Janice dialed PO 5-1313, then raced to her father's assistance.

The attacker tried to flee. It was too late. Judge Butler says, "Seven police cars were there in 30 seconds. Half a minute! You had to see it happen to believe it. It was as if they had been waiting around the corner for this particular call."

Chicago's fleet of fast new police cars—the nation's largest—has been a powerful weapon in Chicago's war on crime. An average of six and a half cars for every square mile of the city, compared with about three and a half in New York and two and a half in Los Angeles, makes a criminal getaway extremely difficult. And the knowledge that some 20 patrol cars are within a mile or so of any one point is a strong deterrent to lawbreakers.

So is another Wilson innovation, an elite corps of specially trained officers, both men and women, known as the "Task Force." This group, numbering 623, operates where computers, digesting criminal statistics, predict what kind of crime may be looked for. Task Force members may work unshaven and dirty along Skid Row, or in white-tie-and-tails to protect bibulous conventioners from thugs and their molls in crowded night spots.

As a result of these innovations, FBI records show that Chicago's rate for major crimes in 1965 dropped 12 percent under 1964, whereas the average for all the 22 cities of more than half a million rose four percent.

Taxpayers, businessmen, parents and teachers are enthusiastic about the new regime. Scores of cities, watching Wilson's Crime-Stop in operation, have sent officials to investigate. In 1965, the Chicago Press Club, as skeptical a group as will be found beside Lake Michigan, named Superintendent Wilson "Chicago's Man of the Year."

PRESIDENT JOHNSON TAKES ACTION TO IMPROVE SURPLUS PROPERTY DISPOSAL PROGRAMS

Mr. GRUENING. Mr. President, on September 16, 1966, President Johnson issued a directive to the heads of all departments and agencies which should have a major impact on the Government's efforts to achieve greater cost reduction in procurement and in supply management. The emphasis given in the directive to the savings which can and should be obtained through the greater utilization and better management of excess property is particularly gratifying and should go a long way in correcting the serious deficiencies disclosed by the studies and hearings conducted by the Subcommittee on Foreign Aid Expenditures, of which I am chairman.

Pursuant to a request of Senator JOHN L. MCCLELLAN, chairman, Senate Government Operations Committee, the Subcommittee on Foreign Aid Expenditures undertook an extensive study of the property disposal policies and practices of the Federal Government. One part of this study involved a detailed investigation at numerous installations of the Department of Defense in the Far East and in Europe in February, March, and April 1966. Hearings were held in May and June 1966 during which the findings of the staff investigators were presented and the testimony of top officials of the Department of Defense obtained.

The hearings brought out that very large quantities of useful equipment were being disposed of at a time when critical shortages existed in Vietnam for the very same type of equipment. This resulted from the inadequate screening by the Department of Defense of items moving into disposal channels and because the procedures of the military services provided for the disposal of needed equipment long before the end of its useful life.

A key factor brought out by the hearings was that the military services were "washing out" equipment by overstating estimates of repair costs and thereby arriving at the erroneous decision that such equipment was uneconomically reparable. The investigation also showed that the Army, which is a major user of construction and automotive equipment on which the subcommittee investigation focused, had issued instructions in March 1966, permitting local overseas commanders to dispose of equipment in their theater of operations without reporting such equipment to the national inventory control points in the United States.

This procedure precluded any screening of excess equipment in one theater of operations against the requirements of our military forces in other theaters. During the course of this investigation, I personally visited a number of military installations overseas where I observed some of the considerable quantities of new material which were being disposed of.

President Johnson's September 16, 1966, directive takes note of this situation in the following paragraphs:

I know that progress is being made in your efforts to reduce costs in this area as in others. But we can do better.

For example, last year the Government declared excess property which cost $4.6 billion. The average volume of excess property generated during the last five years was $4.4 billion per year. Some of this property was redistributed for further use within the Government but most of it was sold and the average selling price was slightly more than 6 percent of the amount we paid for it. Much of this property had never been used. Costs can be reduced by eliminating unnecessary purchases which cause these excesses. When excesses cannot be avoided, costs can be reduced by redistributing them to avoid procurement.

I am pleased to be able to report to you that, as a result of the subcommittee hearings, the Department of Defense has initiated aggressive action to correct the situation disclosed by the investigation. Revised regulations have been issued by the Department of Defense which require that all excess property overseas is to be reported to inventory control points in the United States to insure maximum utilization of needed property. In addition, the Department of Defense has issued instructions requiring the preparation of realistic estimates of repair costs. Other studies are now underway in the Office of the Secretary of Defense to insure uniformity among the military services as to when, and under what conditions, equipment shall be disposed of.

If these new regulations and instructions are adhered to, I firmly believe that many millions of dollars will be saved through increased utilization of equipment which would otherwise have been sold or scrapped. The September 16, 1966, directive singles out this matter for special emphasis when it states that—

. . . the Secretary of Defense and the Administrator of General Services will—

Develop an effective system for redistributing Government property to the places where it is needed most. I am aware of the excellent work along this line which has been accomplished through use of electronic data processing systems at the Defense Supply Center in Battle Creek, Michigan. This work should be accelerated and should provide a means not only for redistributing excess property but also for improved utilization of inventories which have not been reported excess and which should not be disposed of as surplus.

It now remains to insure that the directive is carried out and that the shortcomings in the property disposal programs disclosed by the subcommittee hearings are corrected. The subcommittee will continue its study of these programs to that end.

I want to express my pleasure at the prompt action President Johnson has taken after the conclusion of the subcommittee's hearings in issuing a directive to the heads of all departments and agencies which leaves no doubt as to the importance he places on achieving greater effectiveness and efficiency in the multibillion-dollar property disposal programs of the Federal Government. I ask unanimous consent to the inclusion of President Johnson's directive of September 16, 1966, in the CONGRESSIONAL RECORD.

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

MEMORANDUM TO THE HEADS OF DEPARTMENTS AND AGENCIES

THE WHITE HOUSE,
Washington, September 16, 1966.

The Federal Government spends more than $40 billion per year for procurement of supplies, materials, and equipment. More than three-fourths of this property is used by the Department of Defense, most of which is military equipment and supplies. In addition, the Government spends more than $25 billion for procurement of services and there are substantial expenditures for purposes directly related to procurement, such as for transportation, warehousing, and distribution of property.

I know that progress is being made in your efforts to reduce costs in this area as in others. But we can do better.

For example, last year the Government declared excess property which cost $4.6 billion. The average volume of excess property generated during the last five years was $4.4 billion per year. Some of this property was redistributed for further use within the Government but most of it was sold and the average selling price was slightly more than 6 percent of the amount we paid for it. Much of this property had never been used. Costs can be reduced by eliminating unnecessary purchases which cause these excesses. When excesses cannot be avoided, costs can be reduced by redistributing them to avoid procurement.

I want a special sustained Government-wide effort started immediately to improve the procurement and management of property. Each of you is requested to—

Establish effective controls over proposed procurement actions to prevent purchases of items that are not actually required. Eliminate procurement of excessive quantities or of items being requested only to satisfy a desire for latest styles or designs. The entire organization must be instilled with a "make do" attitude.

Review pending procurement orders which have not been delivered. If delivery will result in inventory levels higher than necessary, take action to cancel orders or reduce

quantities where this can be done without incurring penalty charges.

Review inventory levels of all supplies and equipment on hand in your agency. Whenever the quantity of an item is larger than necessary, take action to correct the condition by (1) stopping procurement until inventories are brought down to the proper level, or (2) transferring a portion of the inventory to an office or agency which needs it and can use it effectively, or (3) returning a portion to the wholesale manager, or (4) reporting it excess.

Eliminate slow-moving items from your supply inventories which can be obtained readily when needed from the wholesale supply activities of the Department of Defense or the General Services Administration, or from commercial sources.

Initiate a review of equipment which has been assigned to individuals or to organizations within your agency. If any items are not being used effectively, require that they be returned to stock or placed in pools from which they can be assigned as needed. If this "house-cleaning" effort results in an accumulation of items which are not needed, transfer them to a place in your organization where they will be used effectively or report them excess.

Review the handling of excess property lists in your agency to assure that (1) such lists are carefully examined and excess or rehabilitated property is used in lieu of new procurement whenever possible, and (2) property is not claimed from excess lists unless it actually is needed for known programs.

Review the procurement and property management programs of your contractors which purchase supplies and equipment for which the Government must pay or which have Government-owned supplies and equipment in their custody. Such contractors should observe the same policies prescribed for Government agencies for avoiding unnecessary procurement, eliminating frills, curtailing inventories, using excess property, and insisting upon full utilization of assigned equipment.

In furtherance of this effort, the Secretary of Defense and the Administrator of General Services will—

Develop an effective system for redistributing Government property to the places where it is needed most. I am aware of the excellent work along this line which has been accomplished through use of electronic data processing systems at the Defense Logistics Supply Center in Battle Creek, Michigan. This work should be accelerated and should provide a means not only for redistributing excess property but also for improved utilization of inventories which have not been reported excess and which should not be disposed of as surplus.

Accelerate actions which are currently underway to eliminate avoidable duplication and overlapping in management of supplies among inventory managers.

Initiate effective procurement and inventory reporting systems which will enable the military services and civilian agencies to identify problems and to take corrective actions more promptly. Unneeded or unduly burdensome reporting requirements should be avoided but it is necessary to have reliable information concerning inventories, procurement volume, usage rates and expected requirements if property is to be managed economically.

Accelerate efforts to reduce the number of items in the Government's supply systems by (1) establishing effective controls to prevent new items from entering the supply system unless they are essential, and (2) by developing standards and requiring that standard items be used and that items which have unnecessary nonstandard features are eliminated from the system.

Develop a system which will assure that components and spare parts are adequately identified to assure maximum competition on subsequent replacement procurements and that such components and spare parts are provided to prime end item contractors when available from inventory.

Reexamine existing replacement standards for equipment and make any necessary adjustments to avoid procurement of replacements unless they are necessary to avoid safety hazards or avoid excessive maintenance and operating costs.

Report results of these efforts to me on February 1, 1967, and from time to time thereafter, as appropriate. The reports should cover procurement and supply management in the Department of Defense and the civilian agencies and should include facts concerning progress in (1) reduction of inventories, (2) utilization of excess property and redistribution of other stocks in lieu of new procurement, (3) reduction in the number of items in supply systems, (4) changes in equipment replacement standards, (5) recovery or pooling of any assigned equipment found to be inadequately utilized, (6) improvement in property management by Government contractors, and (7) any other pertinent information.

LYNDON B. JOHNSON.

HON. DAVID PRYOR, NEW REPRESENTATIVE FROM FOURTH CONGRESSIONAL DISTRICT OF ARKANSAS

Mr. FULBRIGHT. Mr. President, the new Representative from the Fourth Congressional District of Arkansas, my good friend, DAVID PRYOR, has been assigned to serve on the Appropriations Committee in the House of Representatives. The people of Arkansas are proud of Representative PRYOR and are confident that he will discharge his committee assignment diligently and faithfully. I ask unanimous consent that an editorial published in the Arkansas Gazette for January 25, 1967, be printed at this point in the RECORD.

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

PRYOR TO APPROPRIATIONS

Seldom is a brand new member of Congress as fortunate in drawing a committee assignment as David H. Pryor was last week in landing on the powerful and select House Appropriations Committee. Seats on Appropriations generally are reserved for men of more age and much longer service; even longtime House members sometimes maneuver unsuccessfully to join the committee.

Mr. Pryor went to Washington with his aim on Appropriations, but evidently had not expected the prize so quickly. The death earlier this month of Rhode Island's Jim E. Fogarty, however, left one place open for Democrats to fill this session and it went to the new man from Arkansas's fourth District on the nomination of Wilbur D. Mills, who is chairman of the Democrats' Committee on Committees.

Appropriations recommends—and to a great extent determines—how the federal government will spend its money. Arkansas has been without a voice on the committee since the death in 1961 of another Fourth District congressman, W. F. Norrell. Arkansas, however, depends heavily on federal spending to help build up its economic base. In the last six years other members of the delegation have had to prevail upon firends from other states sitting on Appropriations to watch over pending legislation vitally affecting Arkansas.

So Mr. Pryor gets the assignment now. His position will add prestige and power to an already substantial delegation but one that was weakened in the general election by the loss of Jim Trimble in the state's Third District.

By assigning Mr. Pryor to Appropriations, the House Democratic leadership simply recognizes that he is one of the most promising members to reach Congress since the November election. It will not take long, we imagine, for the House leadership to be reassured that it exercised good judgment in its choice.

DIRECT ELECTION OF THE PRESIDENT

Mr. BAYH. Mr. President, in 1797 Representative Smith, of South Carolina, introduced the first constitutional amendment proposing a reform of the electoral system. Since then, more constitutional amendments have been introduced on the subject of electoral reform than on any other single provision in the Constitution. Electoral college reform appears to be the perennial legislative bridesmaid of Congress.

It is time the American people had the right to elect their President by direct popular vote. Actually, Mr. President, a great many citizens mistakenly believe that they now enjoy this right. The survival of our archaic electoral system is due, at least in part, to a lack of public information. Millions of Americans simply do not know enough about the present system to be sufficiently interested in perfecting it.

This attitude, I am happy to report, is changing. The public is becoming more conscious of the marked inequalities in the present electoral vote system. The American people are beginning to demand that their President be chosen by a system of direct election. In 1966, for example, the U.S. Chamber of Commerce conducted a referendum of its members, revealing that the majority favored direct election. A Gallup poll, also taken last year, gives further evidence that a substantial majority of Americans now endorse direct popular election.

A survey of State legislators, conducted by Senator BURDICK, a longtime supporter of direct election, revealed recently that almost 60 percent of the 2,500 legislators who responded favored this method of of selecting the Chief Executive. The most recent endorsement of direct popular election has come from the prestigious Special Commission on Electoral Reform established by the American Bar Association.

These tests of opinion offer convincing evidence of widespread support for direct election, especially among professional groups and those whose work leads to a special interest in public affairs. This is a good start—an important one.

Additional grassroots support for popular election is being aroused by editorial opinion throughout the country. An example of this, which appeared in the Cleveland Plain Dealer on January 22, came to my attention recently. I ask unanimous consent that this editorial which advocates change in the present electoral vote system, be printed in the RECORD at this point in my remarks.

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

[From the Cleveland Plain Dealer, Jan. 22, 1967]

CHANGE PRESIDENTIAL VOTE SYSTEM

That rickety old electoral college system, by which the United States chooses its presidents, should either be eliminated or drastically reformed.

The electoral college is out of step with a nation which has just reaffirmed its belief in the one-man, one-vote principle.

It can thwart the will of the people in half a dozen ways. For example—

Maverick electors can and do defy majorities. They cast their electoral votes for nobodies, or for the minority's choice.

The man getting the largest popular vote can lose, due to the uncertainties of the electoral votes.

In case no candidate wins a majority of electoral votes, each state's delegation to the House of Representatives has an equal voice in choosing the winner. Alaska's 67,000 votes would equal New York's 7,166,000 in that showdown.

A new method of direct election has been proposed by the American Bar Association's Commission on Electoral College Reform.

This ABA plan would have all popular votes counted nationwide. Winning 40% or more of the popular vote, the top vote-getter would be elected. If no one got 40%, the top two would run again in a final runoff.

U.S. Sen. Birch Bayh, D-Ind., is introducing this plan as a Senate Joint Resolution in the present Congress.

Direct popular election of presidents has been gaining new backers from all over the political map. Walter Reuther, president of the United Automobile Workers; the U.S. Chamber of Commerce; a majority of state legislators polled by U.S. Sen. Quentin N. Burdick, D-N.D.; Republican and Democratic officeholders; law and politics professors, and a good part of the lay public are for some such plan.

Another possible reform is the one Sen. Bayh favored last year. In that plan, backed by the Johnson Administration, each state's whole electoral vote still would go to the candidate getting the largest popular vote within its borders. But electors would be abolished, so there could be no maverick voting.

In case no man won a majority of electoral votes, the matter would go to Congress. There each member of both houses would cast one vote, a fairer method than one vote per state.

There always was foolishness and fakery in the office of presidential elector. An elector who did his duty as his state desired him to was always an unnecessary fellow. If he did anything else, he usually did something mischievous and petty.

It is best to get rid of this anachronism, and some of the other faults of this undemocratic old machinery.

There is a brighter prospect of reform now that state legislatures have been reapportioned to reflect more accurately the public's real thinking.

TRIBUTE TO ASTRONAUT ROGER B. CHAFFEE

Mr. GRIFFIN. Mr. President, the entire Nation mourns today the tragic death of Lt. Comdr. Roger B. Chaffee and his fellow Apollo astronauts, Virgil Grissom and Edward White.

Next month Commander Chaffee—a native son of Michigan of whom all of us were proud—would have been making his first trip into space. Like his two veteran teammates, he was eagerly looking forward to the mission. And like them, he was realistic about the potential dangers involved, but not the least bit afraid. Only last month, when the three were interviewed on the possibility they might be killed, Commander Chaffee had this to say:

There's a lot of unknowns, of course, and a lot of problems that could develop or might develop and they'll have to be solved, and that's what we're there for.

This is our business—to find out if this thing will work for us.

When Commander Chaffee met his tragic death he was only 31 years old. He would have been 32 on February 15, 6 days before the date of the planned liftoff of the first Apollo spacecraft. Commander Chaffee was the second youngest astronaut, and the Apollo mission was to be his first journey into space.

No man relished his role as an astronaut more than Roger Chaffee. At his funeral service held on Sunday, January 29, he was eulogized by the Reverend Ernest Dimaline as a man who felt his purpose in life was to subdue all challenges and questions.

Before his selection last March for the first manned Apollo mission, he had been spending most of his time working on flight control communications and instrument projects for the Apollo program. He was a member of the third group of astronauts, having been selected in October 1963.

He was a native of Grand Rapids, Mich., and graduated from Central High School there; he went on to earn a bachelor of science degree in aeronautical engineering from Purdue University in 1957, and was working on a master of science degree in reliability engineering at the Air Force Institute of Technology, Wright-Patterson Air Force Base, when he was selected as an astronaut.

He was a member of Tau Beta Pi, national engineering society; Sigma Gamma Tau; and Phi Kappa Sigma.

He entered the Navy in 1957, and was awarded a Naval Air Medal. Like his father, he was an aircraft test pilot, and logged more than 2,100 hours flying time, more than 1,800 hours of which was in jet craft.

To all the sorrowing members of Commander Chaffee's family. I extend my profound sympathy. To some extent, those he loved will be sustained at this time of terrible grief by their pride in his courage, in his dedication to the Navy, in his enthusiasm for the space program, and in his devotion to his country.

SCHOOL DESEGREGATION GUIDELINES

Mr. TALMADGE. Mr. President, the so-called school desegregation guidelines, which were issued in March of last year and recently reissued by the Office of Education, continue to be the cause of considerable consternation and confusion in the schools of the South.

It is my view that this situation exists because these regulations are arbitrarily conceived and capriciously administered. It is further my feeling that they far exceed both the spirit and the letter of the law as enunciated in the Civil Rights Act of 1964. In fact they go far beyond anything the Supreme Court or Federal statutes have ever required. The Georgia School Boards Association, which is composed of educators of high caliber and sincerity of purpose, recently met in Washington with their representatives and with officials of the Office of Education in an attempt to find its way out of this bureaucratic wilderness. Georgia school officials have made it exceedingly clear that they will abide by the law. They ask only that the Office of Education does the same, especially in the fair and equitable administration of the law.

Meeting recently in convention in Atlanta, the Georgia School Boards Association adopted resolutions concerning the guidelines which I call to the attention of the Senate at this time. I ask unanimous consent that the resolutions and a statement by Attorney E. Freeman Leverett be printed in the RECORD.

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

RESOLUTIONS CONCERNING HEW GUIDELINE PROBLEM AREA, UNANIMOUSLY ADOPTED BY DELEGATE ASSEMBLY DURING 15TH ANNUAL GSBA CONVENTION IN ATLANTA ON JANUARY 22–24, 1967

Whereas there has been and continues to be widespread misunderstanding and confusion concerning the school desegregation guidelines promulgated by the Department of Health, Education and Welfare, and

Whereas it is an established fact that these guidelines have been applied only to school systems in the 17 Southeastern states. Also, there is abundant evidence to support the fact that the administration of the guidelines in these 17 states has been most inconsistent, confusing and detrimental, and

Therefore be it resolved, that the Southeastern States respectfully request that the National School Boards Association take the initiative in securing such supplementary Congressional action as is necessary to insure that all policy and guideline statements be strictly in keeping with the intent of the Civil Rights Law.

Be it further resolved that the National School Boards Association be and is hereby requested to support necessary action to make all policy and guideline statements uniformly applicable throughout the nation and not on a sectional or regional basis, and

Be it further resolved, that the National School Boards Association be requested to strongly support and actively work for the continuation of the Freedom of Choice Plan for school desegregation as a means of preserving local control of educational systems throughout the nation.

Whereas the interpretation and administration of guidelines for school desegregation by representatives from the Office of HEW have been most ambiguous, confusing and detrimental and

Whereas the Georgia School Boards Association has made a concerted effort to clarify this problem area, demanding that the interpretation and administration of all guideline statements be executed by highly qualified people capable of working with local school systems and

Whereas appreciable progress has been realized in this area as a result of the cooperation of the Georgia Congressional Delegation, other Southeastern School Boards Associations and school officials of the State in general,

Therefore be it resolved that the Georgia School Boards Association and its Executive Secretary be commended for their efforts in this problem area and that they be urged to continue their efforts in a positive and constructive manner so that a program of quality education for all of the boys and girls of Georgia will be insured.

SUMMARY STATEMENT PRESENTED BY HON. E. FREEMAN LEVERETT,[1] AT CONCLUSION OF THE HEW GUIDELINES SESSION OF THE 15TH ANNUAL GSBA CONVENTION ON MONDAY AFTERNOON, JANUARY 23, 1967

It would be less than candid to deny here today that a majority of the white citizens and public officials in our area personally do not like the Court decisions and laws requiring integration of the public schools. All the idealistic rationalizing about the Declaration of Independence, universal brotherhood, and religious precepts cannot obscure the hard fact that in the North as well as in the South, when we get to this lick log, people prefer to associate with their own kind.

But, because we in the South may disagree with the law, does not detract from the proposition that we, as good citizens, recognize that we are bound by this law and must comply, if this, the most noble experiment yet devised by the mind of man, is to endure. The Brown decision is a *fait accompli*. The Civil Rights Act of 1964 is National Policy. Any approach which fails to take this fact into account is bound to end in despair and frustration. Comply we must, but in the process, we feel that those who administer the law must do so subject always to two paramount imperatives: (1) Administration must be reasonable, and (2) It must be fair.

From the standpoint of reasonableness, we submit that sight must not be lost of the fact that the primary purpose of schools is education, not enforced association or social experimentation. Failure to recognize this proposition can result only in the destruction or weakening of public education. We are not unaware of the flight to the suburbs in the North, and the progressively increasing incidence of newly-formed private schools, both in the North and South.

The most difficult part of the Guidelines to reconcile with the reasonableness requisite is the quotas or percentages. We fully recognize that the percentages have been labelled as rule of thumb for measuring progress rather than a firm requirement, but we are also aware that, in many individual instances, the percentages (§ 1 81.54) have been treated as a *conclusive* test of adequacy, which leads inescapably to the conclusion that they *are* being applied as a hard and fast requirement, official disclaimers to the contrary notwithstanding. To be specific, suppose that in a system the percentages are not satisfied, yet in all other respects that system appears to be in compliance, and in fact, its plan, both in form as well as in administration, goes further than the plan of other systems where the percentages are met. Will the former still be compelled to do more so that the quota will be satisfied? Does the Department deny that many Negroes, as well as whites, prefer to attend school with members of their own race?

We are not unmindful that the organizations spear-heading litigation in this area seek to compel systems in the North to abandon the neighborhood school plan and bus children out of their attendance areas involuntarily, while the same organizations in the South demand that Freedom of Choice Plans be abandoned in favor of the same neighborhood school plan deemed inadequate in the North. In both instances, the objective plainly is to force Negro students into a compulsory association which they do not desire and would not choose if given a free choice. Scientific evidence is being widely used to attack the neighborhood school plan, in support of the thesis that lack of interracial association is harmful to personality development, whereas conversely, the relevance of similar evidence to show the deleterious effects of affirmative, enforced association in the South is denied, when sought to be adduced by the defense.

It seems to us that no concrete answer can be given in this problem area until the Supreme Court comes to grips with the fundamental proposition: Does the Constitution compel integration, or only prohibit state-enforced segregation? Admittedly, there is language in the original *Brown Case* and the recent *Fairfield* opinion which tends toward the former, but I cannot help but believe that this is wrong. To so hold, it seems, would brand the Negro as an inferior whose lot can be improved only by associating with his superiors.

Secondly, from the standpoint of fairness, we in the South have the distinct feeling that Titles IV and VI are being applied with a vengeance here, while shortcomings elsewhere are blissfully ignored. In this, we may be mistaken. We hope that we are, but we do ask that those in authority take time to explain and demonstrate where we are wrong.

For example, the percentage figures apply only to free choice plans, and not the neighborhood school plan fashionable in other parts of the Country. And, to a greater extent, there seems to be an increasing tendency to treat the Southern states differently on the reasoning that here, the present situation was shaped by years of officially-sanctioned discrimination—a fact which requires different measures than those utilized in other areas where ostensibly racial discrimination was never a governmental policy. But this is a slender reed upon which to lean. To begin with, where is the cut-off date in determining the existence of a previous state policy? In the very first case to uphold separate but equal, the Supreme Court of the United States relied upon an 1849 Massachusetts case upholding segregation in public education in that State. And, even more pertinent, one has only to read between the lines in recent decisions affecting states supposedly having no background of school segregation. It is plain as plain can be that school authorities all over the country have in many instances endeavored to follow racial lines. The only difference is that in the South we admitted it and flaunted it before all the world, whereas in other areas it was a more subtle undertaking, accompanied by pious disavowals of the very thing being done. If governmental policy is to be the test, how can any part of the country be singled out for special treatment? Until the Civil War Amendment, white supremacy was the law of the Nation as a whole. If the *Dred Scott* case did not serve to establish it before, it cannot be gainsaid that even after the Reconstruction Amendments, the numerous Acts of Congress establishing separate schools in the District of Columbia and recognizing the validity of segregation in countless other manifestations did not formerly implant it as a National Policy that was not clearly repudiated until 1954.

In summation, the assurances given here today that inquiries will be promptly answered in writing by HEW are most encouraging. Telephone replies are woefully unsatisfactory, and differences in recollection and interpretation are bound to produce misunderstandings.

We do feel, however, that no satisfactory answer has been given to our complaint that our area is being singled out for unfavorable treatment. The holding in the Fairfield decision that Congress intended certain concessions in the 1964 Civil Rights Act to apply only to areas of the Nation other than the Southern States, is startling. It is made more so by reason of the fact that it gives tacit approval to policies already being pursued by HEW.

Also, no satisfactory answer has been given to questions seeking to elicit HEW's position as to whether their interpretation of their function under title VI is to compel integration or to prevent enforced segregation. In this, HEW is not completely to blame, for this issue ultimately must be settled by the Supreme Court.

Lastly, the pressing problem of placing teachers in desegregated situations has not been sufficiently clarified. The policy of HEW seems to require that school boards assign teachers against their will if necessary to bring about desegregated faculties. However, school officials were not advised as to what course of action they would be expected to follow in the event all teachers resigned rather than accepting such an assignment. Teachers are extremely difficult to secure at this time, even under ideal circumstances; forcing them into a situation which they do not desire will make it even more difficult, if not impossible.

(SPECIAL NOTATION.—Representing the Office of HEW during the informational session referred to above were David Seeley, Deputy U.S. Commissioner of Education, John R. Hodgdon, Director of Area 2, equal educational opportunities program, Dr. Hugh Brimm, Field Representative, Equal Educational Opportunity, and Dr. Jack Martin, Regional Assistant Commissioner, U.S. Office of Education.)

[1] The author of the above statement is one of Georgia's most able and dedicated constitutional lawyers and a practicing attorney from Elberton, Georgia.

TIME IS RUNNING OUT—DEFICITS IN OUR FOREIGN ACCOUNTS

Mr. SYMINGTON. Mr. President, a thought-provoking editorial in the Wall Street Journal of yesterday reemphasizes the view of Robert Roosa, former Under Secretary of the Treasury, that—

We must take into account the possibility that rapidly mounting deficits in our foreign accounts, if ignored, could make 1967 a crucial year for the dollar, and even for the standing and leadership of the United States in world affairs.

Mr. Roosa's concern about the persistent payments deficits should be the concern of all and his suggestions outlined in this editorial should receive careful consideration, particularly in view of the fact that recently released figures show that our foreign-trade surplus, which can be an important plus in the balance of payments, shrank again in 1966 with imports increasing twice as fast as exports.

I ask unanimous consent that the editorial entitled "Time Is Running Out," be printed at this point in the RECORD.

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

TIME IS RUNNING OUT

In last week's Economic Report, President Johnson disclosed that the deficit in the country's international accounts increased "only slightly" during 1966, a development that he appeared to regard as encouraging.

One citizen who is not at all happy about the outlook is Robert V. Roosa, who tussled with the unbalanced balance of payments for several years as Under Secretary of the Treasury. For reasons he cogently sets forth, "only" a small rise in the deficit is by no means reassuring.

Why not? Well, it happens that rising interest rates in the U.S. last year pulled in a lot of speculative money from abroad, close to $3 billion to be more precise. Without this happy windfall, the deficit for 1966 probably would be a gigantic $4.5 billion, instead of the more modest expected total of $1.5 billion.

The way things are going now, moreover, the nation cannot expect to be bailed out this year by another big inflow of foreign funds. Switching signals, the Federal Reserve System already is easing money and President Johnson is pressing for quite a bit more of the same; the upshot is that interest rates for some time have been sinking. If the rate downtrend continues, in fact, many foreigners are likely to yank their funds right out of the U.S., thus throwing the payments figures even further out of whack.

In the circumstances the Government's attitude toward the balance of payments would appear something less than astute. The Administration blandly blames the deficits on the Vietnam war, sighs, and says little more can be done until peace prevails.

In the meantime, the peculiar collection of so-called voluntary controls not only will be retained but, if the Administration gets its way, the screws wil be turned somewhat tighter. Private loans and investments will be even more strongly discouraged, for instance, since in the short run they take money out of the U.S.

Of course, in the not very long run these loans and investments earn a great deal of money for Americans and build a basis for expanded exports. The longer the controls stay on, the weaker the U.S. business standing becomes overseas; exports already are shrinking sharply.

The U.S., in Mr. Roosa's view, cannot afford to let this self-destructive process drag on indefinitely: "We must take into account the possibility that rapidly mounting deficits in our foreign accounts, if ignored, could make 1967 a crucial year for the dollar, and even for the standing and leadership of the United States in world affairs."

In international councils the nation that seems bent on bankruptcy is, to put it mildly, not likely to generate a great deal of respect. Whenever statesmen meet, says Mr. Roosa, "deficits mean weakness, while surpluses or the capacity for surplus means strength."

What should be done? The former Treasury official has no miracle cures up his sleeve; in reality, no miracles are needed.

One helpful step, Mr. Roosa suggests, would be a thorough reappraisal of U.S. troop levels in Europe, which pull a lot of money out of this country. Prosperous Europe long has been capable of absorbing more of its own defense costs, and if the U.S. still wants to show the flag over there it certainly could do it with less than six divisions.

Whatever is done abroad, Mr. Roosa warns, won't relieve the U.S. of the need for discipline in its economic and financial affairs at home. Conveniently enough, this discipline not only could do a lot for the balance of payments but might help keep the current economic boom from exploding—or collapsing.

The measures he has in mind are hardly complicated. One involves bringing Federal spending at least within hailing distance of income. Another is restraint in supplying the banks with funds, even if this means keeping interest rates fairly high. Both steps would promote stable prices, keep U.S. goods competitive in export markets and permit sound, balanced expansion of the economy.

Mr. Roosa is far from the first to call for such reasonable moves, but so far the advice appears to fall mainly on deaf ears. Meanwhile, time—and a great deal of the nation's money—is running out.

THE NEW LEFT

Mr. DODD. Mr. President, the "new left" is not content simply to oppose the war in Vietnam and preach social, political, and economic revolution at home. It is not content to organize the unemployed, those who receive welfare payments, and others who feel a sense of futility with their problems. They seek to go beyond mere irritation and occasional public display. Their goal is to organize everyone who can be organized, for whatever reason, and put them to work in whatever way they are willing to be used, for one major goal. That goal: the destruction of the fabric of our society.

While other revolutionaries at least give lipservice to the use of peaceful means, those who lead the "new left" consider this hypocrisy. Any and all means, they tell us, will be used on fomenting the revolution which they see on our horizon.

A pamphlet currently being distributed by the Students for a Democratic Society is aimed especially at high school students. It is entitled: "High School Reform: Toward a Student Movement." What kind of reform does the pamphlet call for? In an excellent study of the "new left's" current approach to high school students, the distinguished columnist, Mrs. Alice Widener, explains it this way:

Literally, the pamphlet is inflammatory. It condones, admits and appears to incite arson by setting school trash can fires. It condones, admits and appears to incite the pulling of false fire alarms in schools.

On page 1, Mark Kleiman writes:

Even such seemingly destructive actions as starting trash can fires and pulling fire alarms are actually forms of protest directed at the school as it is now constituted . . . There is one primary reason why we set trash can fires, why we cannot communicate with one another on campus, and are forced to make use of off-campus publications, and to (sic) why they have to build fences around us. High school is not worth the time we spend there . . .

Thus, the "new left," which has already declared war on the university, the social structure, the Nation's commitment in Vietnam, and the idea of respect for law and order, now has found a new enemy: the high school.

Mrs. Widener calls this pamphlet and this approach "a program for creating anarchy in American high schools so that SDS can gain political control over them." They have initiated the use, she states, of a fourth and criminal "R"—arson.

I believe that my colleagues should be aware of the program of the "new left," and I ask unanimous consent for the insertion of this article into the RECORD.

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

[From U.S.A., vol. XIII, Sept. 30–Oct. 14, 1966]

NEW LEFTISTS' FOURTH "R"—ARSON

(An analysis of the radical pamphlet "High School Reform: Towards a Student Movement," currently distributed by Students for a Democratic Society)

"One of the most militant organizations now engaged in activities protesting U.S. foreign policy is a student youth group called Students for a Democratic Society. Communists are actively promoting and participating in the activities of this organization, which is self-described as a group of liberals and radicals," testimony of John Edgar Hoover, Director, Federal Bureau of Investigation, United States Department of Justice, Before the House Subcommittee on Appropriation on February 10, 1966.

TEEN AGE TARGETS

Creation of a radical Leftist student movement in American high schools is a pivotal project of Students for a Democratic Society (SDS), an organization claiming member groups at more than 200 universities and colleges in our nation.

As part of a "radical education project," Students for a Democratic Society is distributing throughout our country a pamphlet with the deceptively innocuous title "High School Reform: Towards a Student Movement." The author, Mark Kleiman, is alleged to have written the pamphlet in December 1965 while "a student at a Southern California high school." Issued in a first printing of 5,000 copies at the SDS Printing Office, Lawrence, Kansas, the pamphlet bears the notice "Distributed by Students for a Democratic Society, 1103 East 63rd Street, Chicago, Illinois, 60637."

Hundreds of copies of "High School Reform: Towards a Student Movement" were peddled by SDS at the Second Annual Conference of Socialist Scholars, New York City, September 1966. Simultaneously, SDS distributed a detailed report on its radical education project, which urges members to exploit the tensions and potentialities existing in the educational system "by building on discontents and marginal rebellions . . ." SDS openly states, "The movement organizes on the basis of discontents." SDS then asks, "Is it possible to create a radical generation by gaining power in the educational system?"

Clearly, SDS seeks to gain such power. To help get it, SDS distributes the pamphlet "High School Reform: Towards a Student Movement," one of the most dangerous documents ever printed in the United States. Literally, the pamphlet is inflammatory. It condones, admits and appears to incite arson by setting school trash can fires. It condones, admits and appears to incite the pulling of false fire alarms in schools.

GENTLE ART OF ARSON

On page one, Mark Kleiman writes, "Even such seemingly destructive actions as starting trash can fires and pulling fire alarms are actually forms of protest directed at the school as it is now constituted."

On page two, Mark Kleiman writes, "There is one primary reason why we set trash can fires, why we cannot communicate with one another on campus, and are forced to make use of off-campus publications, and to why they have to build fences around us. *High school is not worth the time we spend there. . . .*"

Is starting a trash can fire at a school a "seemingly" destructive action?

Is there any reason—"primary" or secondary or tertiary—that can justify Kleiman's flat admission in print "we set trash can fires" in schools?

In every state of the United States, arson in any form is a crime. So is the pulling of false fire alarms. Furthermore, it is a crime to aid, abet or incite arson in any form.

It is imperative for parents wishing to save their children from possible death in school by arson or false fire alarms to insist that local law enforcement agencies take prompt legal action against any distributor of the SDS pamphlet "High School Reform: Towards a Student Movement" by Mark Kleiman. It is imperative that the public write immediately to Congressmen and Senators to demand legal action against Students for a Democratic Society to enjoin their inter-

state distribution of the pamphlet by Mark Kleiman. Moreover, every local PTA group and all school administrators should be alerted immediately to the existence and contents of the Kleiman-SDS pamphlet.

Arson in schools and the pulling of false fire alarms are not controversial political matters. They are criminal. There should be no politics involved in parents' demand for action against the Kleiman-SDS pamphlet. All city, state and federal authorities are charged with the responsibility of dealing with criminal activities. There is no community in the United States that is not protected by law from the crime of arson in any form and from false fire alarms.

It does not require writers' imagination to depict the possible consequences of arson or panic in schools. Every fire department in every community conducts fire prevention education. Every school is compelled by law to conduct fire drills. Every sane adult knows it is impossible to guarantee that arson in a school can exist without danger to human life, despite the excellence of fire-fighting equipment, the heroism of firemen, the modern "fire safe" construction of many schools. Every sane adult knows it is impossible to guarantee human safety if panic were to occur as a result of a false fire alarm. Every fireman knows that each false fire alarm can endanger somebody's life.

A FEW STATISTICS

Recently, national crime statistics showed such an alarming increase in false fire alarms that New York City instituted a police campaign to try to catch offenders. On October 12, 1966, the *World Journal Tribune* reported that in a first citywide dragnet only seven suspects were caught—five of them juvenile delinquents. "A total of 91 false alarms were turned in despite a 400-man special detail assigned to watch the fire boxes," reported the WJT. "False alarms are becoming an increasingly serious problem. Firemen (in New York City) expect to answer about 38,000 this year."

What will be the nationwide statistics on arson and false fire alarms if such crimes are to be looked on as excusable forms of "protest" by school discontents?

There can be only one answer and it will eventually be evident in the charred or trampled bodies of pupil and teacher victims.

UNREST, DISCONTENT

To find out what goes on in the minds of "students" condoning crime as a means of attaining political control over our school system, it is necessary to study carefully the pamphlet "High School Reform: Towards a Student Movement." For the most part, the language is studiously contrived to lure the unsuspecting into support of radicalism. "Those responsible for our education have done their utmost to create an artificial community on the high school campus," writes Mark Kleiman, "a community which will demonstrate to us that it is better to 'adjust' to an unsuitable society than to change the society into something in which we can live with honor and dignity." He goes on to say:

"There is already a considerable degree of unrest on the high school campus. At Palisades High School (Los Angeles) an 'underground' paper has been started. Similar papers have begun at Arcadia and Westchester. At Westchester, 30 students destroyed their Student Activity Cards and 'sat in' for the first ten minutes of fifth period . . . At University High School there has been a storm of protest over the suspension of a student for wearing his hair too long and an administration threat to take away nutrition unless we had a clean campus. . . .

"All schools spend a great deal of money on staffing and supplying an Attendance Office . . . The very existence of such a system would indicate a belief on the part of the administration that we are unwilling to play by their rules that were made by them, and must be coerced into doing so. It is clear that the motivating factor behind acceptable behavior is not understanding but force. . . ."

Mark Kleiman strongly objects to "health" classes that warn students "about drugs proven to be physically harmless . . ." He does not name the drugs. The press, however, has been full of articles and reports about widespread, dangerous use of marijuana, LSD and other drugs in high schools.

The October 1, 1966 issue of the FBI Law Enforcement Bulletin carries a definitive article about psychedelic drugs by John F. Kerrigan, Inspector of Police, San Francisco, California. After calling attention to use of such drugs in high schools and even in junior high schools, Inspector Kerrigan says:

"The students in our nation's educational institutions must be made aware of the dangers of certain drugs and the folly of their use. They must be reminded that their place in society involves responsibility as well as privilege. In many cases their drug use is fostered by a misconception of academic freedom and under the guise of art and progressive thinking. They must be made to realize that there is no enlightenment or lasting benefit in the illegal use of drugs. This phase of the educational effort can only be implemented as a regular program in our educational institutions."

It seems the main tactic of the Leftist radicals is to break down authority at high schools. The SDS-Kleiman pamphlet evidently seeks to accomplish this by pitting a teacher-student alliance against the school administration. Mark Kleiman writes:

"Let us consider briefly the roles taken by students and teachers in our schools. It is the function of a teacher in our system to feed us material data designed to help us fit into a ready-made life in society. We, as students, undergo this change, and "help" our peers change through social pressure. Who dictates the nature of this change? Who tells teachers what to teach and how to teach it? Who tells students under what conditions they may learn in this Great and Free society? Both student and teacher are tool *and* product of administrative totalitarianism. The student comes out of high school a finished product to be consumed by either the agro-business or the war machine. He is by then also a tool, to be used to make others conform. . . .

". . . . The administrator, whose real function is nothing greater than the maintenance of the campus (a task which could be easily performed by a simple-minded computer) has become the lord and master of our schools, commanding unbounded fealty."

MORE BERKELEYS

The Kleiman-SDS pamphlet lists three levels of anti-administration sentiment to be organized and exploited by a mass student organization: (1) "dress regulations;" (2) "attendance;" and (3) "the education itself." Mark Kleiman writes, "We have much to learn from SLATE, the Berkeley campus political movement."

After Berkeley-type agitation by high school students has become fairly strong—explains Kleiman—the agitators should become candidates for student body offices. "Where we win control of any office," he states, "we force the administration to either give in on major points, or continually override our actions, which makes the administration look silly to the students, our parents, and our principal's bosses downtown."

The conspiratorial means advocated in the Kleiman-SDS pamphlet for capturing control of high schools are illustrated in the directions (page 7) for organizing an "underground" school newspaper. Almost to the letter, these directions are similar to those set down in standard Communist Party literature on dissemination of CP literature and on organization of propaganda activities. Mark Kleiman writes:

"'Underground' newspapers have proven to be highly successful at two schools already. The first few issues should be written and produced by four or five people (to distribute reprisals, as well as the workload). These students should continue to take responsibility for the production of the paper, but most of the material should come from other segments of the student population as soon as possible, so that it is a true reflection of student opinion. The first issue should be sent to the leadership of as many social cliques as possible (so the paper is in), and should be mailed to them. Mailing is emphasized because any attempt to distribute such a paper on campus would result in those responsible for it being crushed by the administration. . . ."

The Kleiman-SDS pamphlet calls for creation of "Freedom Schools" during students' lunch time, and for an inter-school and inter-community organization linked with the high school protest movement. "We should get in touch with the American Federation of Teachers and the American Civil Liberties Union, and request their formal organizational support. We should make . . . a concerted effort to get PTA support. . . . We are asking them for support because we feel that in many areas our interests are mutual. . . ." The Kleiman-SDS pamphlet stresses, nevertheless, "this is a *student* movement, and we have no intention whatsoever of giving up any of our power to adults."

TEEN AGE POWER

Among the specific "rights" that the SDS-promoted "protest" movement is fighting for at high schools are "freedom of advocacy on the high school and junior college campus," and "an end to student police squads and oppressive Attendance Offices, replacing them with a voluntary honor system," and "the right of students to take or not take courses as they see fit."

Obviously, Students for a Democratic Society is ready to rob the cradle for radicalism. The Kleiman-SDS pamphlet "High School Reform: Towards a Student Movement" is a program for creating anarchy in American high schools so that SDS can gain political control over them. To accomplish their aims, it seems the Leftist radical agitators are ready to use any means, even that of adding to the 'teenagers' academic three "R's" a fourth and criminal "R"—arson.

ITT'S EXTENSIVE FOREIGN SUBSIDIARIES AND PARTNERSHIP WITH AT LEAST ONE FOREIGN COUNTRY PRESENT A SITUATION WHICH THE FCC SHOULD EXAMINE MORE CAREFULLY BEFORE REACHING A FINAL DECISION ON ITT MERGER WITH A MAJOR PUBLIC INFORMATION MEDIUM

Mr. YARBOROUGH. Mr. President, objective, careful, and thorough news collection and analysis are so vital to a free society that every precaution should be taken to shield the mass media from any possibility of undesirable influence from external economic interests. This is the principal reason why

I am disturbed about the ITT-ABC merger.

The International Telephone & Telegraph Corp. is a vast, conglomerate enterprise having diverse industrial interests, here and abroad. ITT's president, Harold Geneen, admitted before the House Ways and Means Committee that his company is a unique corporation, that 80 percent of its total profits comes from its overseas subsidiaries, and that it is dependent on its foreign investments for financing its domestic operations. Although the nature and extent of its overseas operations have not been examined with any reasonable particularity and detail, we already know that it is in partnership with Chile in the ownership of a telephone company and will soon have a similar relationship with Peru. On the board of directors of many of its foreign subsidiaries sit high officials of foreign governments. It was to guard against this sort of situation that the Federal Communications Act was enacted.

To acquaint Senators with ITT and its extensive interests, I ask unanimous consent that a list of the principal subsidiaries of ITT be placed at the end of my remarks. I hope that this list will be scrutinized very carefully, for, in my opinion, control of an important communications medium within the United States by such a corporation should be of great concern to all of us. It is essential that a careful and searching assessment of ITT's complex and frequently obscure relationships with foreign governments and other foreign entities be made as soon as possible either by the FCC or, in default of appropriate action by that agency, by the U.S. Senate itself.

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

(See exhibit 1.)

Mr. YARBOROUGH. Mr. President, in further connection with the proposed ITT-ABC merger, I ask unanimous consent that an article entitled "Will a 'Zaibatsu' Control Our Economy" be printed in the RECORD. This article, which appeared in the summer 1966 issue of the Federal Bar Journal, was written by Mr. James Henderson, the General Counsel of the Federal Trade Commission, and Mr. William H. Henderson, an attorney with the same agency. Their conclusion is that—

> The merger trend is pressing our competitive system on two fronts, one, ever increasing conglomeration of industry, two, oligopoly with the ramifications of vertical integration. Conglomerate enterprises are perhaps the most dangerous depredators of a competitive system. Vertical integration penetrates deeply but narrowly. The conglomerate enterprise is a wedge that massively intrudes competitive advantages in our competitive system that are difficult to isolate and combat.

A classic example of the conglomerate enterprise discussed in the article is the International Telephone & Telegraph Co., a holding company for innumerable and greatly diverse foreign and domestic economic interests.

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

WILL A "ZAIBATSU" CONTROL OUR ECONOMY?

(By James McI. Henderson* and William H. Henderson**)

INTRODUCTION

In the period preceding Japan's ambitious embarkation on World War II, a Japanese Zaibatsu controlled directly or indirectly all of Japan's finances, commerce and industry.

"Zaibatsu" can be literally translated as "the money clique." It is a generic term used to describe the large vertically integrated and conglomerate family holding companies that, monopolized and dominated the Japanese economy before the second World War. Five of the largest Zaibatsu were, in the order of their size, Mitsui, Mitsubishi, Sumitomo, Yasuda and Okura.

The Japanese Zaibatsu was a monopolist's dream. Its gargantuan, conglomerate holding's constituted Exhibit A of a capitalistic monopoly. Some 15 of such financial interests controlled 70% of the entire Japanese trade and industry. Some eight controlled 50% of the entire Japanese trade and industry. Mitsui, Mitsubishi, and Sumitomo controlled about 25% of such trade and industry. Zaibatsu control created a western type oligopoly in nearly every Japanese industry.

Mitsui's holdings illustrate the scope and depth of the Japanese Zaibatsu financial empire.[1] Its Oji Paper (with subsidiaries including lumber and pulp companies and the Osaka Mainichi Newspaper) controlled 78% of that industry. Mitsui banks did over 5% of the Japanese commercial banking. The Mitsui Trust Company controlled over 17% of the trust business and the Mitsui Life Insurance Company handled approximately 2% of Japan's insurance business. Mitsui's trading company handled more than 40% of Japanese imports and exports. Mitsui warehoused 19% of Japan's warehousing. Mitsui Mitsukoshi Department Store accounted for some 32% of department store retailing. Its average direct ownership holdings among its conglomerate enterprises were over 63%. Mitsui could realistically say: "If you don't see what you want, ask for it."

The other Japanese family holding companies that comprised Japan's Zaibatsu were similarly conglomerate.

Although each Zaibatsu family holding company was fantastically conglomerate in its reach, Mitsui was more concentrated in finances, trading, cotton, rayon, mining, and paper. Mitsubishi's concentration was in heavy industry, shipping, marine fire insurance, and mining. Sumitomo's financial empire was centered directly on munitions and heavy enterprises, and the Yasuda interests on banking.

The drive and ability of the original creators of the Japanese Zaibatsu financial empires (with one exception) did not pass to descendants. While the Baron Takakimi Mitsui devoted his time to golf (of which he was extraordinarily fond) a Harvard-trained executive ran Mitsui. The young Baron Sumitomo gratified his passions for poetry and history while his executive director made the Baron Japan's biggest income tax payer. Executive directors also managed Yasuda and Okura. Mitsubishi was the exception to hired executive director management of the principal Zaibatsu holding companies. Koyata Iwasaki, the family Baron, himself ran the vast Mitsubishi interests.

The basic forces that created the Japanese Zaibatsu were: government concessions, access to capital, and use of capital for vertical, horizontal and conglomerate expansion. Zaibatsu political influence over the two leading Japanese political parties also played some part in Japanese Zaibatsu control of Japanese industry.

We examine these forces which created the Japanese Zaibatsu and explore similar forces that are playing a similar role in founding American industrial empires that are exercising increasing dominance over ou economy.

FORCES RESPONSIBLE FOR CREATION OF THE JAPANESE ZAIBATSU

A. Government concessions

The story of the beginnings and rise of the largest of the Japanese Zaibatsu illustrate the part played by Japanese Government concessions in founding the Japanese Zaibatsu.

These great capitalistic interests of modern Japan arose primarily from the merchant families. Their rise to control may be likened to vertical integration in reverse. The merchant class was the lowest order on the Japanese social ladder. In order of importance were the Samurai (the warrior class), the farmers, the artisans; and, as mentioned, the merchants stood on the bottom rung. The Japanese Zaibatsu had its beginnings in the Tokugawa period which ended in 1867, when the Emperor was "restored" and imperial rule governed Japan under the Meiji restoration. A brief summary of the development of the larger members of the Japanese Zaibatsu is illustrative.

The Mitsuis were financiers and traders in the Tokugawa times. Before the restoration they operated an enterprise which was the beginning of the modern Mitsukoshi Department Store. In the political strife that preceded the Emperor's restoration, Mitsui shrewdly estimated the outcome of the struggle. It supported the Emperor's party, and after the Emperor's party overthrew the Shogun, Mitsui handled the new government's financial business. The government sold Mitsui (at low prices) state properties the government had acquired from the preceding Shogun rule. These properties founded such modern Mitsui industrial interests as the Mitsuike Coal Mine.

Mitsubishi began as a trading enterprise. Its chief assets consisted of eleven ships. After the Emperor's restoration, the government granted Mitsubishi financial assistance to buy more ships. The government also leased it the Nagasaki dockyard which founded Mitsubishi's shipbuilding empire. Conglomerate expansion commenced with development of mining business and purchase of banks. From the purchase of government lands near the Imperial Palace, arose Mitsubishi's huge real estate enterprises.

Sumitomo's activities in feudal days consisted of copper mining and refining and trading in rice. The copper mining developed into its great holdings in the nonferrous metal trades, steel production and

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[1] Mitsui controlled industries comparable to such enterprises as Westinghouse, Youngstown Sheet & Tube, Allied Chemical & Dye, Anaconda Copper, American Woolen, Celanese International Paper, American Sugar Refining, Anheuser-Busch, and United States Rubber with innumerable subsidiaries.

coal mining. Its rice trading expanded into banking. It was a supplier of Japanese Government departments and semi-official government enterprises.

The Yasuda was a "money lender" in Tokugawa times. This developed into its banking interests. It made loans to the government and obtained substantial interests in colonies.

B. Access to capital

The Japanese Zaibatsu had direct access to capital—the seed of expansion and the vehicle for the absorption of competitors. The Japanese Zaibatsu had outright control of financial institutions. The four top Zaibatsu each controlled one of Japan's ordinary commercial banks. These four banks held over one-third of the total deposits of such banks. The Zaibatsu controlled trust companies which possessed nearly 70% of all trust deposits. They controlled insurance companies which held 20% of life insurance. They controlled most of the marine and fire insurance companies. The Zaibatsu's direct control over the larger financial institutions enabled them to exercise indirect control over smaller banks not directly under Zaibatsu control.

The Japanese Zaibatsu direct control over financial institutions was a vital dominating influence over Japanese industry. If competing enterprises needed financial aid from financial institutions they had to seek assistance from their Zaibatsu competitors.

Japanese Government banks yielded considerable weight in providing access to capital for private industry. The various government banks (the Bank of Japan for management of treasury funds and foreign exchange, banks for agricultural and industrial loans) were not limited to short time loans; they had loose discount policies and directly promoted such industries as railways, steel and ship building.

Access to capital from financial institutions was not the Zaibatsu's only means of financing expansions. Monopoly control generates profits which are available for acquisitions of existing enterprises or independent entry into other areas of economic activity. Profits from Zaibatsu enterprises were used for vertical, horizontal and conglomerate expansion either by independent entry into the field, by the acquisition of established companies in the field, or by the purchase of substantial stock holdings that permitted the exercise of indirect, but nonetheless dominant control over "independent" corporations.

C. Use of capital for vertical, horizontal and conglomerate expansion

The Zaibatsu's use of capital for expansion in every direction (vertical, reverse vertical, horizontal, and conglomerate) is demonstrated by the vast and diversified holdings of the Zaibatsu which we have already referred to. These Zabatsu holdings made Japan the prize example of private monopoly control of a modern society.

D. Political influence

Japanese Zaibatsu influence over Japan's two leading political parties was very real but (as later mentioned) was not of great consequence in creating the Zaibatsu's monopolistic grip on Japanese industry.

Mitsui was closely associated and influential with Seiyukai, one of the two major Japanese political parties. Mitsui officials held government posts and handled important government business.

Mitsubishi was similarly connected and had similar influence with the Minseito political party, the second important Japanese political party.

Yasuda exercised its political influence through military societies.

Control or influence over a Japanese political party was of far less importance than such control or influences might be in the United States. The Japanese Constitution and Diet were not obtained "by the people" and "for the people" as were our Constitution and our Congress. Japan's Constitution and Diet were gracious gifts to the people by the Emperor. The Diet had little authority. It was eventually reduced to a timorous, meaningless debating society. The Zaibatsu influences with the political parties were mainly helpful to still troubled waters, quiet subterranean rumblings against the Zaibatsu, and to keep ever bright the divine light of the Emperor.

When Japan was girding for World War II, the political parties were dissolved, and the militarists established a single party system under an Imperial Rule Assistance Association.

FORCES IN AMERICA ANALOGOUS TO THOSE IN JAPAN

A. In general

The same economic forces that produced the Japanese Zaibatsu may well be creating concentrations of economic power in America that spell disaster to a competitive system.

The parallel is not exact. In Japan, private monopoly was nurtured by the Japanese Government. The Japanese people were conditioned, as far as a people may be, to unquestioning obedience to the Emperor. Hence, there existed what may be described as uncontrolled "free" enterprise.

Private monopoly control of the Japanese economy could be accomplished directly and without the deterrent of antitrust laws. But even so (as we mention later), there existed forces in Japan that opposed the Japanese Zaibatsu and decried the abuses that inevitably attend private monopolistic privilege.

Americans, on the other hand, are indoctrinated with the philosophies of equal opportunity and that Government should serve its people. Hence private monopoly is combated and Government policy is dedicated to competition (not monopoly) as our rule of trade, to providing a shelter for small business and an open door to individual enterprise.[2] Nevertheless, under the guise of free enterprise, concentrations of economic power that enjoy monopolistic advantages in our markets are increasing in the United States. The forces that build such economic empires do not operate with the same bluntness as they did in Japan. But they press with the same compelling power. And our particular forms of monopolistic empires are generally not "family trusts," although we do have our du Ponts, Fords, and Rockefellers.

We now examine the forces that created the Japanese Zaibatsu as such forces exist in the United States. We attempt to evaluate the progress these forces have made in creating an American counterpart with the anticompetitive effects that attend such forces. We also are so venturesome as to suggest a path to the solution of increasing concentrations of economic power in America.

B. Government concessions

Present day Government concessions to private interests are not so crass as were those of the Japanese Government. But one can recall askance our Government's past freewheeling concessions to private industry. Most well remembered were to railroads. The Federal Government made land grants to States to aid in the construction of railroads and land grants directly to privately owned and controlled railroad companies. For example, acts of Congress in 1862 gave direct land grants to the Union Pacific Railroad Company, the Central Pacific Railroad Company—and to other railroads up to 1871. These grants were usually the odd sections of land within six to ten miles on either side of the road. In some cases, the grants were 20 miles in width on either side. The railroads were authorized to select indemnity lands where other portions of the main grant had been otherwise disposed of. These land grants amounted to over 85 million acres of land. Railroads in addition were financially aided by the Government. The Government issued United States 6% bonds in aid of the construction of Pacific and Central Pacific Railroad beds. These concessions founded transportation monopolies and many private fortunes.

The leases in 1922 by the Department of Interior of the government's Teapot Dome Oil Reserves to private interests were calculated to found oil industries. But these concessions aroused public and congressional wrath because the oil reserves transferred were naval reserves (hence touching national security) and were obtained by bribes to the then Secretary of the Interior. This culminated in setting aside the transfers.[3] Without the factor of bribery, these concessions might not have incited such a storm of controversy and might have stood unchallenged.

Government is playing a heavy role today in building and firmly entrenching economic giants. These "concessions" (if we may use the term) basically, take the form of Government contracts (including defense contracts) with all of their ramifications. The roster of the Defense Supply Association includes many companies. But the great expenditures go to America's capitalistic giants. For example in fiscal year 1965, 100 companies received 68.9% in dollar volume of military prime contract awards over $10,000 or more. Thirty-nine of these companies were, in 1964, the 100 largest manufacturing concerns in the United States, and they received 45.3% of the total volume of such contracts.

"Grants" to private industry of the use of Government weapons and personnel for commercial purposes (with their connotations of government endorsement) are somewhat questionable concessions to industry.

The sensitiveness of the stockmarket to "peace scares" speaks eloquently of our Government's part in industry's profits for expansion of economic domains.

C. Access to capital

Capital is as readily accessible to vast American enterprises as it was to the Japanese Zaibatsu. As was the situation in Japan, our commercial banks, insurance companies, building and loan associations, all hold open house for industry's giants. The insurance companies and building and loan associations play somewhat heavier roles in supplying capital for expansion because of less strict loan requirements.

The accessibility of capital to large enterprises conforms to sound lending principles. It is "safe" to loan to the high profit making company that wishes to expand its size and profits. But for the same solid reasons the financial institution may turn its back on the plight of the company in straitened circumstances that requires a loan for survival. Hence the latter company may necessarily seek a merger to salvage what it can. But more likely it will help mount the statistics of business failures. For acquiring companies and lending institutions are more interested in the use of capital for the

[2] Fashion Originators' Guild of America v. FTC, 312 U.S. 457 (1941); National Cotton Oil Co. v. Texas, 197 U.S. 115, 129 (1905); Klor's v. Broadway-Hale Stores, 359 U.S. 207 (1959).

[3] Pan American Petroleum and Transport Co. v. United States, 273 U.S. 456 (1927); Mammouth Oil Co. v. United States, 275 U.S. 13 (1927); United States v. Pan-American Petroleum Co., 55 F. 2d 753 (9th Cir. 1932), *cert. denied*, 287 U.S. 612 (1932).

acquisition of successful enterprises that have broken the ground, conquered by headaches, and thus proved that they are "worth their salt" to the acquiring companies.

A good loan risk is not the only door opener to financial institutions. There is easy entry through control. There is not outright ownership of financial institutions by American industry as there was by the Japanese Zaibatsu. The American analogue is quasi-direct control by way of interlocking directors and management personnel.

A staff report[4] reveals not only a maize of interlocks between financial institutions themselves (Commercial Banks, Life and Fire and Casualty Insurance Companies, Mutual Savings Banks) but multiple and multifarious interlocks between financial institutions and industrial and commercial interests. The interlocks of the 15 top commercial banks (which, as of December 28, 1962, had combined deposits of more than $71.8 billion or about 27.3% of total deposits in commercial banks in the United States) were examined. These 15 commercial banks had a total of 373 directors. One hundred and fifty of these 373 directors held interlock positions (primarily directorships) in other banking and financial institutions; 174 held such positions in insurance companies. Further, 131 officers of these top 15 banks had 32 interlock positions with other banking and financial institutions and 39 with insurance companies. These 373 directors and 131 officers had a total of 1385 interlocks with industrial and commercial interests. These commercial banks also had numerous interlocks with mutual savings bank institutions. The interlocks of these commercial banks with insurance companies included such companies as the Metropolitan Life Insurance Company and Equitable Life Assurance Society, the first and third largest life insurance companies in the United States.

The Bank of America management interlocks with industrial and commercial corporations are typical of the national commercial banks. Bank of America had 108 management interlocks with industrial and commercial corporations, including such well-known companies as the Union Oil Company of California, Kaiser Steel Corporation, Douglas Aircraft Company, United Air Lines, Levi Strauss, Carnation Company, and American Pipe and Construction Company.

There were many instances of multi-interlocks between commercial banks and industrial and commercial companies. For example, the Chase Manhattan Bank had two direct ties each with American Express, Otis Elevator, and American Telephone and Telegraph.

The interlocks between the giant commercial banks of the nation and the giant industries of the nation are emphasized by the following examples: Mellon National Bank and Trust Company of Pittsburgh had four direct interlocks with Westinghouse Electric, Aluminum Company of America, Gulf Oil, and Jones & Laughlin Steel, among others.

The following industrial and commercial corporations had direct interlocks with two or more of the five leading New York commercial banks as of December 31, 1962: General Motors, Ford, Chrysler, AT&T, B. F. Goodrich, and Phelps-Dodge.

The insurance industry shows similar interlocks with industry. And the investment decisions of insurance companies substantially influence merger activity. Increased growth of insurance companies has resulted in its increased dominance of industry. As of December 31, 1962, assets of United States life insurance companies reached $133.3 billion, and the assets of the fire and casualty industry reached $33.3 billion. The life insurance companies' assets have nearly doubled during each decade since 1890 and the assets of fire and casualty companies have more than doubled in each decade since 1940. The holdings of life insurance companies in common and preferred stocks of industrial enterprises have skyrocketed in recent years more than any other type of investment. By the end of 1962 they held such securities of the value of $6.3 billion.

The Committee's survey of the ten largest life insurance companies (holding 61.4% of the total assets of the life insurance industry) and of the ten largest fire and casualty insurance companies (holding 23.1% of the aggregate assets of their industry) showed the extent of their interlocking relationship with industrial and commercial institutions. Two hundred and forty directors and 44 officers of these life insurance companies held a total of 803 directorships or other management positions in other companies. The 194 directors and 64 officers of the ten fire and casualty insurance companies held a total of 709 directorships or other management positions in other companies. All told, the officers and directors of these 20 companies held 1512 directorships or other management offices in other corporations. The majority of the insurance company interlocks were with industrial and commercial corporations. The life insurance companies had 550 such ties and the fire and casualty companies had 501 such ties. Metropolitan, the largest life insurance company, had interlocks with more than 50 commercial and industrial companies, including two interlocks with American Express, Pan American World Airways, Commercial Solvents Corp., Otis Elevator Co., and Southern Railroad. Prudential Insurance Company of America, the second largest life insurance company, was interlocked with more than 35 commercial and industrial companies, including AT&T, United States Steel, National Biscuit Co., American Sugar Refinery Co., and Graniteville Co.

Equitable Life Assurance Society of the United States, the third largest life insurance company, was interlocked with more than 70 commercial and industrial companies, including two interlocks with B. F. Goodrich, United States Steel, South Pacific Company, and American Airlines.

Interlocks of mutual savings banks were not so extensive as were those of commercial banks and insurance companies. The Committee surveyed ten mutual savings banks. A total of their 179 trustees held management positions in ten or more other corporations.

The conclusion of the staff report was that the antitrust laws (including Section 8 of the Clayton Act)[5] had proved ineffective and had resulted in failure to touch interlocks where there was a certainty that competition was adversely affected; that in the regulated industries the prohibitions have been dependent upon the policy of the particular agency involved which have approved more interlocks than they have forbidden, many of which, but for the agency's approval, would have been unlawful; that the limitations on interlocks contained in the different regulatory statutes vary; and that the agencies apply different standards with philosophies as discrepant as frequently as similar.[6]

The net result of these interlocks between the financial institutions and with industry, stated in its mildest terms is: The financial institution as a lender of money to merging companies may well be in a position to influence or dominate both sides of the negotiations.

Access to capital from financial institutions is not the only capital available to industry giants for expansion. As it was in Japan with the Japanese Zaibatsu so it is in the United States with American industry: Profits are a source of capital for expansion by acquisition of existing companies or independent expansions by the profit making company. The profits of the large industrial and commercial enterprises have been and now are on the increase.

The Federal Trade Commission—Securities and Exchange Commission Quarterly Financial Reports for Manufacturing Corporations show that giant corporations with assets of $1 billion or more have sustained high profits. The rates of profit by percent by such corporations on stockholders' equity before federal income taxes for the period from the fourth quarter 1959 to the fourth quarter 1965 were: 15.9% (4th qtr. 1959), 17.4% (4th qtr. 1960), 21.4% (4th qtr. 1961), 21.5% (4th qtr. 1962), 24.1% (4th qtr. 1963), 21.6% (4th qtr. 1964), and 23.7% (4th qtr. 1965).

The profits per dollar of sales of those largest corporations likewise show a sustained high profit. Their profits per dollar of sales by cents for the same periods were as follows: 12.2 (4th qtr. 1959), 12.7 (4th qtr. 1960), 15.2 (4th qtr. 1961), 14.4 (4th qtr. 1962), 15.5 (4th qtr. 1963), 13.7 (4th qtr. 1964) and 14.3 (4th qtr. 1965).

Furthermore, mergers may be accomplished without capital by exchange of stock. The relative stock earnings of the acquiring and acquired companies may invite such mergers. If the acquiring company has a stock earnings ratio of say 40 to 1 and the acquired company has a ratio of say 10 to 1, other things being equal, the acquiring company would have an incentive to acquire the acquired company because it would improve the acquiring company's stock earning ratio.

D. Use of capital for vertical, horizontal and conglomerate expansion

As was the case of the Japanese Zaibatsu, American businesses use of capital for vertical, horizontal and conglomerate expansion is demonstrated by the increased mergers in American industry resulting in the disappearance from it of major companies.

Public awareness of our trend to capitalistic concentration of industry is, perhaps, minimum. However, increasing economic concentrations of power by merger is newspaper columnists' and news periodical gossip. Drew Pearson remarked upon Columbia Broadcasting Station's ownership of the New York Yankees and Liggett & Myer's Tobacco Company's acquisition of Alpo Dog Food.[7] Richard Harwood's discussion of the Federal Trade Commission mentions the conglomerate nature of great corporations that diversify from nipples to missiles.[8] Shirley Povich referred to the anti-trust implications of the "merger" of the two major professional football teams, the American Football League and the National Football League in his column.[9] Newsweek[10] recited the Federal Trade Commission's count of 1,893 mergers in 1965 and their increase of 30% in two years. Time[11] claims 2,100 mergers in 1965, 70% conglomerate and less than 1% challenged.

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[4] Staff of Antitrust Subcomm. No. 5, House Comm. on the Judiciary, 89th Cong., 1st Sess., *Interlocks in Corporate Management* (March 12, 1965).

[5] 15 U.S.C. 19.

[6] As a result of the hearings H.R. 11572, 89th Cong., 1st Sess., was introduced to reach the anticompetitive consequences of interlocks by broadening the statutory prohibitions against industrial and commercial interlocks and providing a uniform policy with respect to interlocks for both regulated and unregulated industry.

[7] Washington Post, Feb. 28 and Mar. 3, 1966.

[8] *Once in a While the FTC Snorts, and Then Sleeps On*, Washington Post, Mar. 27, 1966.

[9] *This Morning*, Washington Post, June 9, 1966.

[10] June 13, 1966 issue.

[11] June 24, 1965 issue.

Art Buchwald's frolicsome column[12] prognosticates the end result: Two companies finally merging with the blessings of the Attorney General and the surviving company negotiating with the President for purchase of the United States. Mr. Buchwald's delightful essay won the unusual distinction of becoming (by appendix) part of a Supreme Court concurring opinion.[13]

Dr. Willard F. Mueller, Director of the FTC Bureau of Economics, in a statement before the Senate Subcommittee on Antitrust and Monopoly[14] provided statistics on mergers of manufacturing and mining companies with assets of $10 million or more. There are about 2,000 manufacturing companies with such assets which together control over 80% of all such manufacturing assets. An explosive accelerating merger trend of these big companies has been under way since 1948. From 1948 to 1964 there have been a total of 720 such mergers. In 1948 there were four. In 1964 there were 90. The assets of the acquired companies in 1948 were $64.6 million. In 1964 it had climbed to $2,784.3 million. Conglomerate acquisitions (excluding the market extension type) were 30 for the period 1948–1953, 173 for the period 1954–1959, and 223 for the period 1960–1964.

The greater number of acquisitions and the greater volume of assets acquired were made by the larger companies. For the period 1948–1964 acquiring companies with assets of $250 million and over accounted for 33.6% of the total number of acquisitions and for 45.4% of the volume of the acquired assets.

The end result is that during the period 1948 to 1964, 720 mining and manufacturing corporations with assets of $10 million or more and accounting for about one-fourth of such corporations and with a total of $23 billion in assets disappeared from industry. In the larger companies mergers did not take such a heavy toll. But they were the principal acquiring corporations.

Dr. Mueller mentions that mergers of manufacturing and mining corporations do not at all reflect all mergers in industry. Many mergers, particularly in the dairy industry, are not reported in financial manuals and journals and perhaps never reported in any source. And in the dairy industry reported mergers have accomplished an extreme concentration of economic power. Between 1948 and 1964 there were 670 acquisitions by the eight largest dairy processors and distributors in the industry.

The canning industry provides another example of increased concentrations within an industry and depletions by conglomerate acquisitions.

A Federal Trade Commission staff report[15] indicates that "During the period 1960 through 1963, a minimum of 42 canning firms disappeared via merger. In 1959 these 42 companies had total canning sales of $211.8 million, assets of $203.4 million, and accounted for about 7.3 percent of the total industry sales." During this period canned fruit and vegetable producers and consumption had greatly increased. Fifteen of the 42 acquisitions were conglomerate including acquisitions by such well known companies as Reynolds Tobacco, Nestle, R. T. Trench and Coca-Cola, Pet Milk Company, Carnation Company and Borden Company. Dairy firms made such acquisitions that by the end of 1963 four of the six largest dairy firms were counted among America's 20 largest canners of fruits and vegetables.

Conglomerate acquisition and expansion have resulted in extreme increase in the conglomeration of products marketed by the giant enterprises. The diversity of their products may be likened to the ramifications of Mitsui: "If you don't see what you want, ask for it."

Harris F. Houghton, Assistant Director of the FTC Bureau of Economics, in a statement before a Senate Subcommittee[16] illustrated the diversity of product marketing by large enterprises by use of what is known as 5-digit S.I.C. (Standard Industrial Classification) products. A 5-digit product class represents a detailed class of products. For example, in the steel industry, one 5-digit class is hot-rolled sheets and strip, including tin mill products. These different products in the class have separate markets. The number of 5-digit categories that a company markets indicates the scope of its product diversification. In 1964, for example, the United States Steel Corporation marketed seventy three 5-digit product categories which products ranged from cement to wheelbarrows.

The number of 5-digit products distributed by the 1,000 largest industrials from 1950 to 1962 has skyrocketed: The number of companies producing 1-digit products increased from 49 to 78; the number of companies producing from two to five 5-digit products increased from 223 to 354; the number of companies producing from six to fifteen 5-digit products increased from 432 to 477; the number of companies producing from sixteen to fifty 5-digit products increased from 128 to 236; and the number of companies producing over fifty 5-digit products increased from 8 to 15.

An examination of the conglomerate products marketed by five leading conglomerate enterprises and some of their acquisitions aid in comprehension of the conglomerate empires being established in the United States.

Minnesota Mining Company, founded in 1902 to mine corundum, early departed from mining operations. After obtaining leadership in the cellophane tape market, it diversified to products which include duplicating products, printing products, reflective products (such as highway signs) microfilm products, paper products, national advertising, thermofax sales, camera and tape recording equipment, electrical products, building products, stone, sand and concrete, electronic products, plastic products, chemicals, and a television broadcasting company. Minnesota's acquisitions have included such well-known companies as Revere Camera Co., Wollensak Optical Co., Bing Crosby Enterprises (electronics), Big Rock Stone & Material Co., Hartford City Paper Co. and Mutual Broadcasting System, Inc., with 458 affiliated radio stations.

General Dynamics and its predecessors had been in the munitions business for more than 60 years. It now markets military and commercial aircraft, missiles and space-related systems, submarines, electronics, building materials, concrete, brick and tile, to mention a few of its products. Between 1952 and 1964 it acquired such prominent companies as Stromberg-Carlson, O'Laughlin Material, Liquid Carbonic Corporation, Consolidated Vultee Aircraft Corporation, Bethlehem Steel's Quincy (Mass.) shipyard and Darlington Brick.

The Olin-Mathieson Company was a product of a merger in 1954 between Mathieson Chemical Corporation (a large producer of organic and inorganic chemicals) and the Olin Chemicals Industry (producing military and sporting arms, ammunition, metals, specialty papers, cellophane, polyethylene film, lumber and tools). Other products now marketed by these companies include drugs and cosmetics, industrial equipment, natural gas, coal mining equipment, and paper products. Between 1949 and 1964, the Olin Industries and Mathieson Chemical Corporation (and the merged company) acquired such companies as Squibb & Sons, Interstate Natural Gas, Ramset Fasteners, Inc., Blockson Chemical Company, West Monroe Corporations, Mississippi Aluminum Company and Southern Electric Corp.

The FMC Corporation's conglomerate enterprise is the end result of a long series of acquisitions extending back more than 30 years. Between 1950 and 1964 its products extended to chemicals, agricultural, machinery, pumps, rayon, cellophane, agricultural water systems, canning and frozen food equipment, ordnance equipment, and packing and paper box equipment to mention a few. Its acquired companies included a Baltimore plant of the National Distillers Corporation, American Viscose Corporation, Ohio-Apex, Inc., Propulsion Engine Corporation, Hudson-Sharp Machine Company, Shur-Rane Irrigation Company, Chicago Pump Company and Simplex Packaging Machinery.

Textron is a textbook example of a vast conglomerate enterprise which arose from the post-World War II period. Originally a small textile enterprise, it is no longer in the textile business. It now markets such products as helicopters, chicken feed, chain saws, fiberglass boats, portable space heaters, men's dress shoes, lawn mowers, outboard motors, aluminum foil mills, optical machinery, electric golf carts, and scores of other items. Its acquisitions between 1943 and 1964 included Sun Cook Mills, Lonsdale Company, Nashua Manufacturing, The Esmond Mills, Inc., MB Manufacturing, Dalmo Victor, Shuron Optical, Kordite Corporation, Durham Manufacturing, Totox Pharmacal, Albert H. Winebrenner, Speidel Corporation, Pittsburgh Steel Foundry Corporation, and numerous others.

E. Political influence

Political influence in Japan (as we have mentioned) had small part in the progress of private monopoly control of Japanese industry. For Japanese political parties had no controlling force in the Japanese Government. In contrast, control and policy of the United States is basically that of the political party in power. Basically, both the Republican and Democratic parties seek to keep industry free. But they wage their respective battles by different philosophies and in a sense on conflicting fronts. Large corporations are quite naturally sensitive to Government prohibitions of anticompetitive conduct that might limit the corporations market advantages. They perhaps "confuse" monopoly control with free enterprise. Although Republican party leaders may feel their battle is to prevent "unreasonable" Government control of industry, they would feel deeply maligned if such efforts were construed as opposed to free enterprise. When the stakes are down, responsible Republican leaders do not renounce Government controls they feel necessary to prevent private monopolistic control of industry. (Teddy Roosevelt gave force to our antitrust law, for example.) On the other hand, the Democratic party's approach to preservation of a free economy leans more to statutes proscribing anticompetitive conduct in order to halt private monopolization and consequently prevent retrogression to socialistic control

[12] Washington Post, June 2, 1966.

[13] United States v. Pabst Brewing Co., 384 U.S. 546, 553 (1966) (Concurring opinion of Mr. Justice Douglas).

[14] *Hearings Before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary*, 89th Cong., 1st Sess., *Economic Concentration, Part 2 Mergers and other Factors Affecting Industry Concentration* (1965).

[15] *Economics Inquiry into Food Marketing, Part III, the Canned Fruit, Juice and Vegetable Industry*, June 1965, reported in BNA *Antitrust and Trade Regulation Report No. 234*, January 4, 1966, and in FTC *News Summary*, December 29, 1965.

[16] *Hearings Before the Subcommittee on Antitrust and Monopoly of the Senate Committee on the Judiciary*, 88th Cong., 2d Sess., *Economic Concentration, Part 1, Overall and Conglomerate Aspects* (1964).

of industry. And our Democratic leaders would feel equally maligned if such efforts were considered harmful to our competitive enterprise system.

ANTICOMPETITIVE CONSEQUENCES OF CONCENTRATIONS OF ECONOMIC POWER

Concentration of economic power inevitably results in restraints of trade. For there is use and abuse of such power. Power breeds selfishness. This was so in Japan where capitalistic acquisition and use of monopoly was uncontrolled. The Japanese "gentlemen's" habits were much the same as anywhere: Drinking French wines and Scotch whiskey, playing golf and retiring to the 19th hole chromium Tokyo golf club, watching baseball. But these were the privileges of the 15 members of Japan's Zaibatsu that controlled almost three-quarters of Japan's economy. Ninety-three percent of the remaining families lived on less than $350 a year with an average annual income of $160.00 a year. The fortunate farmers' daughters worked 12 or 13 hours a day, ate in a factory, and occupied a 15′ x 18′ dormitory room with ten other girls. Zaibatsu industry lived on the half-starved stomach of the factory girl, half of the employees being women. Small merchants and manufacturers, to survive, were forced within the financial orbit of the Zaibatsu. Private monopoly (which still substantially rules Japanese economy) currently paints the same figure. As reported by Arthur J. Dommen [17] the "real" average income of the Japanese family fell in 1965 by reason of spiraling prices.

In Japan, the Emperor's government smiled benevolently on private monopoly despite such abuses so that Japan might find a place in the sun. Nevertheless, Japanese Zaibatsu abuses incited explosive resentments as we mention later. Such use and abuse of monopoly power would not be tolerated in the United States. Our Government realistically is the people. Antitrust laws have been demanded and enacted to prevent private monopoly control of our industry.

Be that as it may, mammoth American enterprises, enjoy unfair competitive advantages in our markets. If the present trend of concentrations of economic power is unchecked, such concentrations could exercise monopoly control over American industry similar to that exerted by the Japanese Zaibatsu.

The merger trend is pressing our competitive system on two fronts, one, ever increasing conglomeration of industry, two, oligopoly with the ramifications of vertical integration. Conglomerate enterprises are perhaps the most dangerous depredators of a competitive system. Vertical integration penetrates deeply but narrowly. The conglomerate enterprise is a wedge that massively intrudes competitive advantages in our competitive system that are difficult to isolate and combat.

Reciprocity is one example of trade advantages enjoyed by the conglomerate enterprise. Reciprocity is a businessman's application of the golden rule. Simply stated: You deal with me and I will deal with you. The *Consolidated Foods* case [18] is illustrative. Consolidated owned food processing plants and a network of wholesale and retail food stores. It acquired Gentry, Inc., which manufactured and sold dehydrated onions and garlic. Consolidated with a substantial purchaser from food processors who purchased dehydrated onions and garlic. Such acquisition gave Consolidated and Gentry the understandable and persuasive sales appeal that it would be "cooperative" if Consolidated's suppliers would purchase their dehydrated onions and garlic supplies from Gentry.

Oligopoly with its structures of vertical integration is less subtle and more direct in its destruction of small business.

Vertically integrated enterprises directly eliminate small business by usurping its retail or wholesaling functions. When vertical integration is accomplished by dual distribution, the small businessman who must depend upon such an enterprise for supplies survives only by its tolerance. For example, the integrated enterprise that sells both the wholesaler and the retailer may eliminate the retailer or wholesaler by either increasing its wholesale prices or decreasing its retail prices or visa versa.

The problem of dual distribution received the attention of the 88th Congress [19] with hearings held between May 8 and December 10, 1963. The hearings covered such industries as clothing, electrical supplies, glass, shoes, groceries, petroleum, drugs, steel, appliances, automotive parts and accessories, phonograph records, plumbing contractors, television repairs and air conditioning, to name a few. Legislation was introduced [20] providing that companies engaged in dual distribution must maintain "adequate and fair" differentials between the prices they charged the suppliers of purchasers and prices they charged the competitors of such purchasers. But such price control is not compatible with a free competitive system.

A vertically integrated economic empire can be founded by franchise contracts as well as by ownership. Such device has become increasingly popular and has exploded into service sponsor franchising such as, for example, the Holiday Motel Restaurants and the Dairy Queen Drive-ins.

Price discrimination favoring giant enterprises has been to a great extent blocked by section 2 of the Clayton Act, as amended by the Robinson-Patman Act.[21] The Supreme Court has been liberal in applying section 2 to prevent injury to primary line competition, secondary line competition or tertiary competition.[22] And price cuts below cost or lower than exacted elsewhere for the purpose of destroying competition may be attacked under the Robinson-Patman Act.[23] The Supreme Court has also banned price discriminations between brand name products and the customers private brands of like grade and quality.[24]

THE BATTLE OF THE AGENCIES

The Federal Trade Commission and the Department of Justice, the principal governmental agencies charged with antitrust enforcement, are valiantly combating the pressures on our competitive system of increasing centralization of capitalistic power.

The Federal Trade Commission is battling acquisitions by such dominant companies as the Procter & Gamble Co.,[25] the General Foods Corporation,[26] the Dean Foods Co.,[27] and the National Tea Co.[28]

Paul Rand Dixon, Chairman of the Federal Trade Commission, speaking before the Section on Antitrust Law of the American Bar Association, April 14, 1966, asserted:

". . . as long as I am with the Commission I shall press for the continued pragmatic application of the Act [§ 7, Clayton Act] to the current merger movement. To do anything less is to invite the indictment of future historians that we stood by wringing our hands in anguished uncertainty the day free enterprise died in America."

The Department of Justice, besides taking on such private heavyweights as the Pabst Brewing Co.[29] has successfully attacked mergers in the regulated industries.[30]

Donald F. Turner, head of the Department of Justice's Antitrust Division, in a conference with staff members of U.S. News & World Report made it clear that his department "will attack any merger between substantial and healthy competitors in almost any industry." [31]

Efforts of Government agencies to prevent anticompetitive practices are oft hampered by hardcore opposition to regulation designed to keep our economy competitive. Such oppositionists are joined by idealists who do not realize the dangers to private enterprise of concentrations of economic power. When court decisions outlaw or threaten anticompetitive control these oppositionists storm the Halls of Congress seeking legislation granting antitrust immunity.

When the Supreme Court in *White Motor* Co.[32] withheld deciding the question of whether franchise agreements containing vertical territorial restrictions were per se violations of the Sherman Act, there was espoused a bill (H.R. 8108, 89th Congress, 1st Session) to amend the Sherman Act prohibiting a per se ruling on such agreements. Following the Supreme Court decision in the *El Paso* case, legislation was proposed to deprive the Supreme Court of jurisdiction over the power industry. After the Supreme Court's decision in the *Philadelphia National Bank* case, the pressures were strong enough to push Congress into enacting Public Law 89–356, February 21, 1966, limiting the Courts jurisdiction in the banking industry and providing congressional clemency to bank mergers consummated prior to June 17, 1963.

The automobile manufacturing industry, facing impending safety legislation, proposed that Congress let the industry do its own regulating—*with antitrust immunity.*

Exemptions to antitrust laws breed abuse. Congress, in 1922 (in sympathy with the farmers' economic plight), enacted the Capper-Volstead Act [33] permitting farmers to join together in associations to market and process their products. Under the guise of the protection of this act, associations have engaged in predatory practices in violation of the Sherman Act which the Supreme Court would not countenance.[34]

The success the agencies have experienced in attempting to hold a "competitive" line

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[17] Washington Post, Apr. 25, 1966.

[18] FTC v. Consolidated Foods Corp., 380 U.S. 592 (1965).

[19] *Hearings Before Subcommittee No. 4, House Select Committee on Small Business,* 88th Cong., 1st Sess., *The Impact Upon Small Business of Dual Distribution and Related Vertical Integration* (1963).

[20] H.R. 7706, 89th Cong., 1st Sess.

[21] 15 USC 13.

[22] FTC v. Anheuser-Busch, Inc., 363 U.S. 536 (1960); FTC v. Morton Salt Co., 334 U.S. 37 (1948).

[23] United States v. National Dairy Products Corp., 372 U.S. 29 (1963); Moore v. Mead's Fine Bread Co., 348 U.S. 115 (1954).

[24] FTC v. The Borden Co., 383 U.S. 637 (1966).

[25] Doc No. 6091, decided Nov. 26, 1963, *rev'd,* The Procter and Gamble Co. v. FTC, 358 F.2d 74 (6th Cir., 1966).

[26] Doc. no. 8600, decided Dec. 18, 1964.

[27] FTC v. Dean Foods Co., 384 U.S. 597 (1966).

[28] Doc No. 7453, decided Mar. 4, 1966.

[29] *Supra,* note 13.

[30] United States v. El Paso Natural Gas Co., 376 U.S. 651 (1961); United States v. Philadelphia National Bank, 374 U.S. 321 (1963).

[31] Feb. 21, 1966 issue.

[32] White Motor Co. v. United States, 372 U.S. 253 (1963).

[33] 7 USC 291-92.

[34] Maryland and Virginia Milk Producers Ass'n v. United States, 362 U.S. 458 (1960); United States v. Borden Co., 308 U.S. 188 (1939).

of defense have been possible only by a Supreme Court that remains alert and sophisticated in the jungle of anticompetitive growth nourished by large enterprises.

The Supreme Court has shown an increasing awareness of the philosophy of our antitrust laws to attempt to prevent economic concentration "and to preserve competition among a large number of sellers" [35]

It has armed the Federal Trade Commission with power to apply to a court of appeals to halt a proposed merger upon a showing that if the merger was completed it would result in "rendering the enforcement of any final decree of divestiture futile."[36]

Before 1950, mergers could only be attacked under the Sherman Act.[37] Now, by reason of the Anti-Merger Act of 1950,[38] mergers may be halted in their incipency.

The Supreme Court, quick to discern that mergers are ravaging our competitive system, has ruled that acquisitions that have continued at a rapid rate in the relevant market, acquisitions with probable anticompetitive effect, acquisitions where concentration is gaining momentum, fall under section 7 of the Clayton Act.[39]

In the *Consolidated Foods case* [40] the Court had no problem in detecting the unfair trade advantages generated by reciprocity and condemned it as "one of the conjuries of anticompetitive practices at which the antitrust laws are aimed."

In *FTC v. Brown Shoe Co.*[41] the Court outlawed vertical integrated franchise agreements that restrained dealers from buying competing lines of products from the franchiser's competitors. And in *United States v. General Motors Corp.*[42] the court found "a classic conspiracy in restraint of trade" between General Motors and its franchised dealers when they collaborated to "disenfranchise" certain dealers that chose to deal with "discounters."

But the Supreme Court will not be baited. In *United States v. Grinnell Corp.*,[43] Judge Charles Edward Wyzanski, Jr. appears vexed at the "enormous, nearly cancerous, growth of exhibits, depositions, and *ore tenus* testimony" in monopoly cases to the injustice "to other litigation." He deliberately invited a ruling by the Supreme Court that a *prima facie* monopoly case is established when plaintiff shows that a defendant has such a predominant role in a market as to enable it to eliminate competitors. He stated that although the presumption was rebuttable, "dozens of court records" made it clear that the presumption is untrustworthy only in "the highly exceptional case, a *rara avis* more often found in academic groves than in the thickness of business." [44] The Supreme Court "dodged" this issue stating: "Since the record clearly shows that this monopoly power was consciously acquired, we have no reason to reach the further position of the District Court that once monopoly power is shown to exist, the burden is on the defendants to show that its eminence is due to skill, acumen, and the like. [45]

Regulated industries have to a large extent found escape from the antitrust laws by having the anticompetitive effects of their mergers "adjudicated" by their regulatory agencies. These agencies more often than not have not applied antitrust standards in their rulings. They have approved mergers that violate the antitrust laws.[46]

The Supreme Court has determined that there is room for competition within regulated industries and that the public would benefit from such competition.[47] It has tenaciously clung to jurisdiction to apply the antitrust laws to mergers within regulated industries.

Only when the regulatory act specifically provides for antitrust immunity (such as the provision of the Interstate Commerce Act in 49 U.S.C. 5(11) will the Supreme Court relinquish antitrust jurisdiction.[48]

We yield to the temptation to compare the Supreme Court's conception of the scope of our antitrust laws in *United States v. E. C. Knight Co.*,[49] (the first decision of the Supreme Court under the Sherman Act) with the Supreme Court's 1959 decision in *Klor's Inc. v. Broadway-Hale Stores, Inc.*[50]

In the *E. C. Knight Co.* case, as is stated in "Equal Justice Under Law," [51]

"When the Court decided its first antitrust case, the Government lost its suit against a company controlling some 98 percent of all sugar refined in the United States. The Court conceded that the trust had a monopoly on making 'a necessary of life' but denied that it had a direct effect on interstate commerce. This ruling left the Sherman Act weak, the trusts as strong as ever."

In the *Klor's* case, where the object of an alleged boycott was a single retailer, the court declaimed that the boycott "interferes with the natural flow of interstate commerce" and "as such it is not to be tolerated merely because the victim is just one merchant whose business is so small that his destruction makes little difference to the economy." [52] This vigorous denouncement of monopolistic conduct that might eliminate "just one merchant" won the attention of *Time* Magazine,[53] under a heading particularly *apropos:* "Every Man's Sherman Act."

THE CROSSROADS

The agencies are waging a losing battle against concentration of industry—not dramatically but insidiously, continuously. Large enterprises, ever larger in size, ever less in number, eliminate small business or bring it within their orbits of control. And as stated by the Supreme Court in *Klor's Inc. v. Broadway-Hale Stores, Inc.*, "Monopoly can as surely thrive by the elimination of such small businessmen, one at a time, as it can by driving them out in large groups." [54]

Despite all that has been done and is being done under our antitrust laws, the forces creating monopoly of industry are continuing. The news summary of the Federal Trade Commission, March 2, 1966, advises that in 1965 both the number and assets of large mining and manufacturing companies acquired reached the highest levels on record, and that the share of acquisitions by companies of assets in excess of 100 million has increased steadily, accounting in 1965 for 27% of the mergers compared with only 17% in 1961.

There are fractures in our competitive system in our most mammoth industries. The steel industry is so concentrated and so dominated by U. S. Steel that steel prices must be dealt with on a presidential level. One American automobile manufacturer so dominates the industry that the remaining American manufacturers might be said to survive only on its benevolence; that if so willed it could "compete" them out of the business. Other major industries have likewise become so oligopolistic that raw price fixing has been supplanted by price conformance which is equally destructive to competition and difficult to combat.

Private monopoly control once entrenched is hard to dislodge as Japan's experience teaches. After the Japanese surrender and American occupation of Japan, the dissolution of Japan's Zaibatsu was one of the chief policies of the occupation forces.

As early as September 2, 1945, Washington laid down a directive providing for the dissolution of the Japanese Zaibatsu. The four great powers' Allied Control Council (Great Britain, China the Soviet Union and the United States) was set up in Tokyo in 1946 to advise the Supreme Command in carrying out this policy. On September 30, 1946, the shares of the five largest of the Zaibatsu (Mitsui, Mitsubishi, Sumitomo, Yasuda, and Fuji Industrial) were turned over to the Japanese Government's Liquidation Commission for sale to the public. But when the occupation forces moved out, very little of these policies and directives were effectuated. A few months after the occupation Deconcentration Review Board was dissolved, its final report indicated that action had been taken on only 18 of the larger of the 325 trusts which had originally been slated for dissolution. By and large the same Zaibatsu which controlled Japan before the occupation regained control after departure of the occupation forces.

General MacArthur also transplanted antitrust laws in Japan. But they did not take root. Although the law has survived (with sweeping amendments) it has virtually stood dormant against the growing volume of merger activities in Japan.

Government policies, public demands remain the same: A competitive economy providing room and shelter for small business.

President Lyndon B. Johnson in his Economic Report transmitted to the Congress, January 1966, emphasized that our economy in this time of high prosperity is still guided by the basic principle, "to maintain and enhance healthy competition" and that other peoples "see with renewed interest that free markets and free economic choices can be a mighty engine of progress."

The 89th Congress, in its joint economic report,[55] stated that "antitrust enforcement must show greater vigor" in dealing with the problems of mergers, conglomerate horizontal or vertical. The report particularly emphasized that "conglomerate mergers can be just as anticompetitive as horizontal or vertical mergers . . . enabling the combined firms to engage in reciprocity" which "tend to stifle potential competition."

Congressman Wright Patman, Chairman of the Joint Economic Committee, speaking before the House of Representatives, March 17, 1966, on the President's report and his committee's report, and after referring to the increased concentration of economic power in

[35] United States v. Von's Grocery Co., 384 U.S. 270 (1966).

[36] *Supra*, note 27.

[37] See United States v. Union Pacific Ry. Co., 226 U.S. 470 (1913); United States v. Reading Co., 253 U.S. 26 (1920); Continental Insurance Co. v. United States, 259 U.S. 156 (1922).

[38] Sec. 7, Clayton Act. 15 USC 18.

[39] United States v. Von's Grocery Co., *supra* note 35; United States v. Pabst Brewing Co., *supra* note 13; United States v. El Paso Natural Gas Co., *supra* note 30; United States v. Philadelphia National Bank, *supra* note 30; California v. Federal Power Commission, 369 U.S. 482 (1962); United States v. E. I. du Pont de Nemours & Co., 336 U.S. 316 (1961).

[40] *Supra*, note 18.

[41] 384 U.S. 316 (1966).

[42] 384 U.S. 127 (1966).

[43] 236 F.Supp. 244 (D. R.I. 1964).

[44] *Id.*, at 248.

[45] United States v. Grinnell Corp. 384 U.S. 563, 576n.7 (1966).

[46] United States v. El Paso Natural Gas Co.; United States v. Philadelphia National Bank, *supra*, note 30.

[47] *Ibid.*

[48] *Supra* notes 34 and 46. See also 67 HARV. L. REV. 926 (1964); 59 NW. U. L. REV. 49.

[49] 156 U.S. 1 (1895).

[50] 359 U.S. 207 (1959).

[51] A recent publication of the Foundation of the Federal Bar Association.

[52] 359 U.S. at 213.

[53] April 20, 1959 issue.

[54] 349 U.S. at 213.

[55] Joint Economic Report, 89th Cong., 2d Sess. (March 17, 1966).

the United States, emphasized that we must not lose sight of the necessity of avoiding the pitfalls of monopoly, that monopolists always seek to justify economic concentration in the name of increased economic efficiency, and that *"we have reached a crossroad in antitrust enforcement."* (Italics supplied.)[56]

There is of course appositive philosophy. Mr. Glen McDaniel, Senior Vice President, Litton Industries, on March 23, 1966, at the Annual Businessmen's Day Luncheon, School of Business Administration, Southern Methodist University protested that "most mergers are beneficial to the economy and to the public" and conglomerate mergers the most beneficial.[57]

How may we halt the trend to economic centralization that threatens our competitive system? Our system is unique, the wonder of the world, the miracle that is America, the system that meets the demands of an enlightened society. Our system provides security in health and livelihood so that all may share in America's bountifulness; it provides opportunity to rise to recognition, wealth and prominence; in short, ours is a system that provides all needs for the welfare of a people and one that races ahead of all other systems whenever put to the test.

The challenge must be met. The American people would never tolerate Zaibatsu control of industry of the Japanese proportions. Even in Japan, where the divine light of the Empire smiled on private monopoly, Zaibatsu control had to weather storms of public disapproval—reaching such high peaks that Takuma Dan, the Chief Banto of Mitsui, was murdered. It would be easy to presage that Americans, rather than tolerating Zaibatsu control, would pile regulation upon regulation until there could emerge a political stronghold espousing policies of the British Labor Party; viz, regulated industries have all the bad elements of both unregulated business and socialistic controlled business—and none of the good elements of either.

What antitrust solution, in lieu of such regulation, will stop the inroads that monopolization is making in American industry?

It would appear impractical to attempt to isolate and legislatively proscribe each and every unfair competitive advantage a large enterprise enjoys; such an approach could congest competition with multifarious statutes and make competitive activity extremely hazardous.

Must size itself be the necessary target if private monopoly control of our industry is to be thwarted and competition retained?

The magic of America's private enterprise system has been its dispersion of economic power and competition in our markets. Size was the factor that prompted the Supreme Court to take another look at the antitrust laws when confronted with the sweep of the Standard Oil empire.[58] Size propagates vertical, horizontal and conglomerate enterprises which fasten an octopus grip on industry and is the root of most restraints of trade. The unfair advantages of size and unlimited capital over small business are myriad. A giant corporation can spend and lose money more complacently, advertise more intensely, experiment more widely, enter new markets more casually, and defend legal attacks more expertly. It can exercise ingenuity in eliminating competitors—such as buying ("trade-ins") and destroying a competitor's secondhand product so that there will be none on the market.

Courts have stated that size alone is not wrongful. That may not be realistic. Justice Cardoza in 1932 in *United States v. Swift and Co.*[59] observed that size itself is not wrongful "unless magnified to the point at which it amounts to a monopoly." And in 1948 the Supreme Court in *United States v. Griffith*[60] emphasized that great size is an earmark of monopoly. It challenges credulity to protest that large dominating aggregations of economic power do not necessarily intrude unfair anticompetitive advantages in competitive markets.

Size alone does not increase efficiency. There is an optimum, an end point, in the savings of mass production. When that point is reached, labor productivity declines. Although larger firms are more likely to have research departments than small ones, the smaller firms that do research work tend to spend proportionally as much on research as the larger ones and contribute proportionally as many innovations. And, of course, conglomerate enterprises offer no mass production savings. To the contrary, they add headaches and perhaps inefficiencies.

Even with size limitations, American industry could continue to amaze the world with the superiority of capitalistic competition as against private monopoly or socialistic control. Our economy is expanding at an even higher rate than our population. Only the most doubting of Thomases would argue that there is not room in each economic field for competing industries of such size as to assure both the savings of mass production and the benefits of competition.

The problem of size must not be tackled lightly. It must be approached with serious regard for consequences.

It is the responsibility of both government and industry to keep our economy free. Industry's responsibility and interest in a free economy is particularly great. Nearly all economic activity, buying and spending, (including our huge government expenditures) is in private hands. Industry must combine with government to halt the trend to monopolization. It must view the problems of size objectively rather than subjectively. For the problems of size must be dealt with if we are to enjoy a competitive economy.

EXHIBIT 1

PRINCIPAL SUBSIDIARIES OF ITT, JANUARY 31, 1967

Compania de Telefonas de Chile.
Compania Peruana de Telefonos, Limitada.
Companhia Telefonica Nacional, Curitiba, Brazil.
U.S. Telephone & Telegraph Corp.
American Cable & Radio Corp.
All American Cables & Radio, Inc.
Central America Cables & Radio Inc.
The Commercial Cable Co.
ITT All America Communications Caribbean, Inc.
ITT Communications, Inc.
ITT World Communications, Inc.
Globe-Mackay Cable & Radio Corp. (Philippines).
ITT Cable and Radio, Inc.
Barton Instrument Corp.
Barton Instruments, Ltd. (Canada).
Barton Sales, Co. of Calif.
Snyder Company Inc.
Cannon Electric (Great Britain) Ltd. (England).
Cannon Electric (Canada) Ltd.
Cannon Electric International, Inc. (Panama).
Cannon Electric S.A. (Belgium).
Cannon Electric (Italiana) S.p.A.
Cannon Electric France S.A.
Cannon Electric G.m.b.H. (Germany).
Cia. Radio Internacional do Brazil.
Cia. Internacional de Radio S.A. (Argentina).
Cia. Internacional de Radio Boliviana (Bolivia).
Documat, Inc.
Docustat Corp. of Cal. Inc.
Docustat Corp. of Ill, Inc.
Docustat Corp of Mich. Inc.
Docustat Corp. of N.Y., Inc.
Docustat Corp of Pa., Inc.
Henze Instrument & Valve, Inc.
Henze Instrument & Valve, Inc. (Ala.).
Southern Valve Corp.
Atlas Welding & Machine Co.
Valco Engineering Inc.
ITT Avis, Inc.
Avis Rent A Car System, Inc.
Avis Leasing Corp.
Narco Parking Systems, Inc.
National Auto Renting Co., Inc.
National Truck Renting Corp.
Webrook Enterprises, Inc.
ITT Industries, Inc.
Deutsche ITT Industries G.m.b.H.
Draeger G.C. Regelungstechnik G.m.b.H.
ITT Industries (Belgium) S.A.
ITT Industries International S.A.
ITT Industries Ltd. (England).
Bell & Gossett Ltd. (England).
Designed Heating & Supplies Ltd. (Eng).
General Controls Ltd. (England).
Maclaren Controls Ltd. (Scotland).
Thermocontrol Installations Co., Ltd.
ITT Prodotti Industriali S.p.A. (Italy).
Societe des Produits Industrielles ITT (France).
Centre Francais de Recherche Operationnelle, Societe d'Etudes pour le Development et la Rationalisation des Enterprises.
ITT Management & Research Co., Inc.
Hamilton Management Corp., 777 Corp.
Hamilton Services Corp.
Materiales de Telecommunication S.A.
McClellan S.A. (Mexico).
Industries Ocelco de Mexico, S.A.
Wyatt de Mexico, S.A. de C.V.
Press Wireless, Inc.
Societe Oceanic Radio (France).
ITT Microwave, Inc.
Equipos Hydraulicos (Venezuela).
ITT Hellas S.A. (Greece).
ITT Norden AB (Sweden).
Cia. International de Radio, S.A. (Chile).
Fallwest Corp.
Servicio Telex de Puerto Rico, Inc.
Federal Electric Corp.
Base Services, Inc.
Int. Standard Engineering, Inc.
ITT Technical Services, Inc.
General Controls Co. (Canadian) Ltd.
ITT Canada, Ltd.
ITT Electronics Service Co. of Canada Ltd.
Royal Electric Co. (Quebec) Ltd.
ITT Caribbean Mfg. Inc.
ITT Caribbean Sales & Service P.R. Inc.
ITT Standard Electric de Colombia S.A.
ITT Standard Electric of Panama S.A.
ITT Standard Electric of Jamaica Ltd.
ITT Caribbean S&S, Inc.
ITT Export Corp.
ITT Farnsworth Research Corp.
ITT Far East & Pacific, Inc.
ITT Gilfillan, Inc.
ITT Mobile Telephone, Inc.
ITT Systems Constructors, Inc.
ITT Terryphone Corp.
Intel. S.A. (Switzerland).
Cia. Internacional de Telecommunicacion y Electronia S.A. Madrid (Spain).
ITT Domel Italiana S.p.A. (Italy).
ITT Prodotti Industriali (Italy).
ITT Standard S.A. (Switzerland).
Intelex Systems, Inc.
International Electric Corp.
Internatl. Standard Elec. Corp.
Bell Telephone Mfg. Co. (Belgium).

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[56] CONGRESSIONAL RECORD, vol. 112, pt. 5, pp. 6159–6160.

[57] Mr. McDaniel's remarks were included in the Congressional Record at the request of Congressman J. Arthur Younger, CONGRESSIONAL RECORD, vol. 112, pt. 10, pp. 12957–12959.

[58] Standard Oil Co. of New Jersey v. United States, 221 U.S. 1 (1911); see also, United States v. Aluminum Co. of America, 148 F. 2d 416 (2d Cir. 1945).

[59] 286 U.S. 106, 116 (1932).

[60] 334 U.S. 100 (1963).

Laboratoire Central de Telecommunications.
Nederlandsche Standard Electric, Maatschappij, N.V.
Internationale Luchtvaart Radio Service N.V.
Radio Rediffusion S.A. (Belgium).
Cie. Generale de Constructions Telephoniques (France).
Compagnie Generale de Metrologie S.A.
Laboratoire Central de Telecommunications.
Le Materiel Technique Industriel (France).
Les Teleimprimeurs (France).
Societe Algerienne de Constructions Telephoniques (Algeria).
Societe Industrielle de Composants pour L'Electronique (France).
Compagnie Generale de Metrologie, S.A. (France).
Societe Civile Immobiliere La Savoyarde (France).
Societe Francaise de Cadrans.
Cia. Standard Electric Argentina S.A. Industrial y Commercial.
Cia. Stand. Electric S.A.C. (Chile).
Corporacion Financiera Standard Elec. S.A.C. (Argentina).
Creed & Co. Ltd. (England).
Creed (Rentals) Ltd. (Eng).
Les Teleimprimeurs (France).
Fabbrica Apparecchiature per Communicazioni Elettriche Standard S.p.A. (Italy).
Laboratoire Central de Telecommunications.
Societa Impianti Elettrici Telefonici Telegrafici e Construzoni S.p.A. (Italy).
ITT Domel Italiana S.p.A. (Italy).
ITT Europe, Inc. (U.S.A.).
ITT Far East Ltd. (Hong Kong).
Transelectronics Ltd. Hong Kong.
Itt Philippines, Inc. (Philippines).
Industrie de Telecommunicacion, S.A. de C.V. (Mexico).
Laboratoire Central de Telecommunications.
Le Materiel Telephonique (France).
Laboratoire Central de Telecommunications.
Societe Industrielle de Composants pour L'Electronique.
OY Suomalainen ITT AB (Finland).
Standard Electric A/s (Denm.).
Standard Telefon og Kabelfabrik A/S (Norway).
Standard Electrica de Mexico, S.A.
Standard Electrica, S. A. R. L. (Portugal).
Standard Electrica, S.A. (Brazil).
E.I. Eletronica Industrial S.A.
Standard Electrica, S.A. (Spain).
Cia. Radio Aerea Maritima Espanola (Spain).
Cia. Internacional de Telecommunicacion y Electronica, S.A. Madrid (Spain).
Standard Elektrik Lorenz A.G. (Germany).
Dethloff-Electronic G.m.b.H.
Graetz G.m.b.H.
Graetz K.G.
Graetz Holzwerk G.m.b.H.
Graetz Nederland, N.V.
Graetz Vertriebs G.m.b.H.
Graetz-Raytronik G.m.b.H.
Petromax Vertriebs G.m.b.H. Aida Vertriebs G.m.b.H.
Laboratoire Central de Telecommunications.
O & K Geissler G.m.b.H.
Schaub-Lorenz Vertriebs G.m.b.H. (Germany).
SEL Versicherungdienst G.m.b.H. (Germany).
Standard Electric Puhelinteollisuus OY.
Standard Telephon und Telegraphen A.G. Czeija, Nissl & Co.
Stereotronic Vertriebs G.m.b.H.
Standard Radio & Telefon AB. (Sweden).
Standard Telecommunications C.A. (Venezuela).
ITT Standard Electric de Venezuela C. A.
SEL Feinmechanik G.m.b.H.
SEL Kontakt-Bauelemente G.m.b.H.
Standard Telephon und Telegraphen, A. G. Czeija, Nisal & Co. (Austria).
Standard Telephon Anlagenvermietung G.m.b.H. (Austria).
Standard Telephone et Radio S. A. Steiner AG Bern.
Standard Telephones & Cables, Ltd., Ace Radio Ltd. (England).
Commercial Cable Co. Ltd.
International Marine Radio Co. Ltd. (England).
P. X. Fox. Ltd. (England).
Gardners Telemeters Ltd.
Hudson Electronic Ltd. (England).
ITT Nigeria Ltd.
Kolster-Brandes Ltd. (England).
Kolster-Brandes (Northern Ireland). Ltd. (England).
Pearl Radio (Button) Ltd.
J. Arnold (Electronics) Ltd.
Walker Reynolds & Co. Ltd.
Private Telephone & Electric Co. Ltd.
Regentone Products Ltd. (England).
Argosy Radiovision Ltd.
Comb. Radio & Tel. Ser. Ltd.
Radio Gramophone Devel. Co. Ltd.
Regentone Radio & Tel. Ltd.
Rental Services Ltd.
United Components Limited.
Standard Telecommunication Laboratories, Ltd.
Standard Telephones and Cables (Nthn. Ire) Ltd.
Standard Telephones & Cables (South Africa) (Pty) Ltd.
Standard Telephones & Cables (Transistors) Ltd. (England).
Standard Telephones (Rentals) Ltd.
Stanelco Industrial Services Ltd. (Eng).
Supersonic Africa (Pty) Ltd.
Supersonic Radio Mfg. Co. Ltd.
Supersonic Radio Zambia Ltd.
Standard Telephones & Cables Pty. Ltd.
ITT Australia Pty. Ltd.
S.T.C. Investments Ltd.
International Standard Electric of New York Ltd. (U.S.A.)
International Telephone & Telegraph Co. Ltd. (England).
International Telephone & Telegraph Corp. (Espana).
Compania Radio Aerea Maritima Espanola S.A.
Standard Electrica S.A. (Spain).
International Telephone and Telegraph Corp. Sud. America (U.S.A.).
Cia. Telefonica Nacional (Brazil).
Cia. de Telefonos de Chile (Chile).
Cia. Peruana de Telefonos Lta. (Peru).
Jennings Radio Mfg. Corp.
Puerto Rico Telephone Co.
Systems Installations, Inc.
Virgin Islands Telephone Corp.
ITT Financial Services Inc.
ITT Aetna Finance Co. and its subsidiaries.
ITT Credit Corp.
Kellogg Credit Corp.
Intel Finance S.A.
Standard Telephones & Cables (Finance Ltd. England).
Standard Finance (Belgium).
Sel Finanz G.m.b.H. (Germany).
Bell & Grossett International (Nederland) N.V.
Cannon Electric (Australia) Pty. Ltd.
Cuban American Tel. & Tel. Co.
Great International Life Ins. Co.
Radio Corp. of Cuba.
International Standard Electric Corp. directly held sub.
Internationale Gas Apparaten N.V.
Le Materiel Telehonique subs.
Graetz-France.
Groupement d'Etudes Techniques de Telecommunications et d'Electronique.
Standard Elektrik ve Telekomunikasyon Ltd. Sirketi.
Standard Elektrik Lorenz AG subs.
Mix & Genest Hansawerke, G.m.b.H.
Standard Telephones & Cables Ltd.
Standard Electric Iran A.G.
Standard Telephones & Cables (Properties) Ltd.
Thermocontrol Installations Co. Ltd. sub.
Hussey Taylor Ltd.
Avis Rent A Car System, Inc. subs.
Avis Alquile un Coche. S.A. (Spain).
Avis Autonoleggio, S.p.A. (Italy).
Avis Autovermietung G.m.b.H.
Avis de Mexico, S.A. de C.V.
Avis (France) S.A.
Avis Location de Voitures, S.A.
Avis Management Services Ltd.
Caribbean Car Rental System, Inc.
Utility Leasing Corp. Inc.
Compania Radio Aerea y Maritima Espanola S.A. sub.
Avis Alquile un Coche, S.A. Intel S.A. subs.
Avis Autovermietung A.G.-Zurich.
Spycher Tours A.G.
Swissways Tours, Inc.
Press Wireless, Inc. subs.
Philippines Press Wireless, Inc.
Press Wireless Uruguaya, Ltda.
Teleradio Brasileira, Ltda.
Standard Telephone et Radio S.A. sub.
Mueller-Barbieri A.G.
Standard Telephones & Cables Ltd. subs.
Avis Rent A Car Ltd. (England).
Barcelsure Ltd. (England).
Standard Telephones & Cables Pty. Ltd. sub.
STC Finance Ltd. (Australia).
Source: *Moody's Public Utility Manual, 1966.*

ORDER OF BUSINESS

Mr. MORTON. Mr. President, is my understanding correct that the Senator from Wisconsin is to be recognized at the conclusion of morning business?

The PRESIDING OFFICER. The Senator is correct.

Mr. MORTON. Mr. President, I ask unanimous consent that, at the conclusion of his speech and any colloquy that may follow, I may be recognized.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kentucky? Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. BYRD of West Virginia. Mr. President, is there further morning business?

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Under a previous order, the Senator from Wisconsin is recognized for 20 minutes.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the germaneness rule be waived on the matters about which I shall talk.

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

NEW YORK TIMES WANTS SPENDING CUT, RESTORATION OF WAGE-PRICE GUIDEPOSTS, AND NO TAX HIKE

Mr. PROXMIRE. Mr. President, on Sunday the New York Times offered a particularly perceptive and thoughtful analysis of the President's Economic Report.

The Times praised the President's objectives: to maintain and extend our prosperity and to use that prosperity to build a better America and a better world.

But the Times differs with the President on two crucial points, and I emphatically agree. First, the Times questions the wisdom of walking off and leaving the wage-price guideposts at the very time when inflation seems to be threatening and in the year in which so many vital labor contracts come up for renewal.

As the Times says:

> The guideposts have been imperfect weapons, but the principle that real economic gains can only be made if wage increases are matched by gains in productivity is a sound one. It should have been strengthened rather than weakened.

Second, the Times questions the wisdom and especially the timing of the President's proposed tax increase. As it says:

> If restraint is needed, it would be much more appropriate to postpone or eliminate Government spending on nonessential programs and on wasteful subsidies that are irreconcilable with a nation at war.

To which I say "Amen." Because the President can keep within his grasp control over spending. To a considerable extent he can start it and stop it without a long and uncertain congressional fight. And because so many programs should be held up and postponed or canceled, this policy of no tax increase but a sharp spending reduction makes good economic sense.

Mr. President, I ask unanimous consent to have printed in the RECORD the editorial, entitled "The Economy on the Brink," published in the New York Times of Sunday, January 29, 1967.

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

THE ECONOMY ON THE BRINK

President Johnson's economic objectives, as outlined in his new budget and his economic report, are audacious and far-reaching. In the year ahead, he is determined to score new advances in the war on poverty as well as in Vietnam while defending the dollar abroad, extending the economy's expansion at home, combating inflation and undertaking reforms in banking, taxation, health and other areas.

These are admirable objectives for the world's richest nation. Growing prosperity, as Mr. Johnson rightly points out, provides the means to take on added responsibilities. But, in view of the Administration's past mistakes in economic and fiscal management, the critical question is whether it has formulated the right mix of spending and taxing to attain its goals.

Mr. Johnson and, even more, his budget indicate an awareness of the miscalculations that have proved so damaging to the economy over the last 12 months. Spending is slated to increase, but estimates of new outlays, including funds for Vietnam, are more reliable. This means that they are less likely to throw the budget as much off course—or to create as much inflationary pressure—as last year's gross underestimates. Also the President is lessening the stimulative impact that this spending will generate by calling for new taxes and other measures to increase revenues.

In essence, he is now doing most of the things that should have been done a year ago. The trouble is that the economy is not in the same ebullient shape as at the beginning of 1966. It has been weakened and distorted by the crosspull of too much fiscal expansiveness on one side and too much credit stringency on the other. The result is a mixed and confusing picture—a slackening in the private sector while the public sector continues to advance, a depression in the housing market, swelling inventories, shrinking profits and the threat of still further increases in wages and prices.

With so many crosscurrents at work the economy is delicately poised between inflation and deflation. The wrong policy mix could tip it over the edge in either direction. Mr. Johnson acknowledged as much in observing that the economy and the national interest "would be jeopardized by either a larger tax increase or by large slashes in military or civilian programs." Yet, in his anxiety to avoid last year's glaring mistakes, he may be making new ones.

His abandonment of fixed guideposts for wages and prices at a time when labor is openly seeking overfat wage increases makes it much more difficult to restore balance to the economy. The guideposts may have been an imperfect weapon, and unquestionably they were handled maladroitly. But the principle that real economic gains can only be made if wage increases are matched by gains in productivity is a sound one. It should have been strengthened rather than weakened.

Mr. Johnson is also risking further imbalance in requesting tax increases that can only weaken the most vulnerable sector of the economy. If restraint is needed, it would be much more appropriate to postpone or eliminate Government spending on nonessential programs and on wasteful subsidies that are irreconcilable with a nation at war.

Because the outlook is so uncertain, priority must be given to maintaining full employment in the economy. For prosperity alone is the key to all the other aims set forth by Mr. Johnson. It will take a flexible yet balanced program to repair the damage that has been done without harm to the economy as a whole. The President's blueprint requires considerable revision if it is to meet that test.

WASHINGTON POST PRAISES L.B.J. FOR MOVE TO NIA BUDGET

Mr. PROXMIRE. Mr. President, the form of budgets is not the kind of material out of which headlines are made or emotions are stirred, and yet the President's decision to move from the administrative to the national income accounts budget this year in his budget presentation may have the most profound effect on our spending and taxing programs in the future.

Most important, the new budget—while far from perfect—will give the American public a far clearer view of the most important function of the budget—the impact on the Nation's economy.

The administrative budget is highly deceptive because it eliminates about a fourth of the Government's spending and taxing and because it includes purely financial transactions which have a far different effect than spending and taxing programs.

This morning's Washington Post's lead editorial discusses the progress represented by the decision of Johnson to move into the more rational method of budget reporting. I ask unanimous consent to have printed in the RECORD the editorial entitled "Budgetary Reform," published in the Washington Post of Tuesday, January 31, 1967.

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

BUDGETARY REFORM

President Johnson deserves much credit for boldly extolling the virtues of the national income budget in his recent Budget Message. If the budget document is to become an effective instrument of national policy, it must faithfully reflect the impact of the Federal Government upon the economy. The administrative budget, which the President would replace, takes no account of such growing Federal trust fund activities as the social security system which alone will make payments of nearly $27 billion in the fiscal year 1968. But genuine budgetary reform of the sort which the President called for at the end of his Message involves much more than a change in the system of accounting.

While the national income budget is by far preferable to the administrative budget, its weaknesses ought not to be overlooked. Because it is derived as a segment of the national income accounting system, the national income budget Accounts Government purchases of goods as of the time of delivery rather than the time of payment. The reason is that undelivered goods are counted as part of private inventory investment; and when delivery is made, inventory investment is diminished and there is an offsetting increase in Federal expenditures. To treat these transactions differently would involve double counting in the national income and product accounts.

But the delivery-time recording of Federal purchases can be a handicap in measuring economic impacts. Consider the case of defense activities where there is good reason to believe that Government cash payments lag behind production. Expenditures for defense in fiscal 1967 are estimated at $68.3 billion in the national income budget and at $70.2 billion in the cash accounts. The difference of $1.9 billion is largely accounted for by Government progress payments on defense work in process which are eliminated from the national income accounts to put them on a delivery-time basis. But expenditures reflecting delivery times lag even farther behind production than cash payments. Therefore, in defense work or wherever there are long lead times between orders and deliveries, the national income estimates of expenditures can mislead as to the actual timing of economic impacts.

President Johnson was quite right in criticizing both the administrative and the consolidated cash budgets for treating the extension of credits by Federal agencies as the equivalent of spending. Surely a clear distinction must be drawn between the financial and other transactions of the Federal Government, and the break is cleanly made by the national income budget. But Federal financial transactions exert a profound impact on levels of interest rates and flows of funds, and therefore cannot be ignored. What is required is a separate financial supplement to the budget in which the financial transactions of the Federal Government, the extensions of credit, the sales of assets and borrowing from the public are treated along with the transactions of banks, insurance

companies and other private financial institutions. The information required for such a statement is already available.

One of the great weaknesses of the present budgetary procedure is that it pins the Government down to a single, 18-month economic forecast from which estimates of revenues are derived. If the budget is to become an effective tool of policy, semi-annual or more frequent public reviews are essential. They would permit the Government to alter its economic forecast, its revenue estimates and expenditure plans in light of changing conditions.

Finally, the discussion of individual Federal programs ought to be couched in terms of costs and benefits conferred upon the public. Instead of beginning the discussion of agricultural programs with the remark that "Rising domestic and foreign demands have highlighted the importance of maintaining a healthy and productive agriculture economy," the President should discuss the costs of the programs and make some judgment as to whether progress is being made toward achieving stated goals.

The budget for 1968 with its innovative emphasis on the national income accounts will long be remembered. President Johnson's next step, which he outlined in his Message, is to undertake "an objective review of budgetary concepts" by appointing a bipartisan group of experts.

SEVENTY-FIVE PERCENT OF PARITY AN INSULT TO AMERICAN FARMERS

Mr. PROXMIRE. Mr. President, the No. 1 economic shame in this country for the past 10 years has been low farm income. A flurry in farm prices last spring that seemed to promise a better day for the farmer has deceived many who should know better into the illusion that farmers are now doing well.

But consider the latest revelations in this morning's papers: Farm prices dropped last month and the prices farmers pay rose once again.

As a result farm parity, the best available—although imperfect measure of farm income, sank to 75 percent, the lowest level it has been at in many years.

Parity measures the level of farm income in relation to what the farmer has to pay.

Only the most massive exodus in American economic history of low-income farmers off the farm, combined with an effort to automate and increase efficiency that can only be classified as heroic has kept farmers' heads above water. Think of it: Efficiency on the farm has increased three times as rapidly as off the farm in the past 15 years. The typical American farmer is making by far the biggest investment in history—on the average in my State of Wisconsin, for example, he is investing over $50,000 per farm, and yet his income per hour, based on Department of Agriculture figures, is an insulting fraction of the minimum wage.

The 1967 Economic Report of the Council of Economic Advisers in an appendix that explains the big increase in personal compensation in 1966 points to the vast exodus of farmers out of farming and into industry where factory wages greatly surpass farm income as a principal reason.

What an injustice. These highly skilled, most productive people in our economy who are producing the food and fiber that represents the real necessity of life are earning a grossly inadequate, unjustly low income. How ironic that the farmers, who have increased their efficiency far more rapidly than others, and who have big investments, take big risks, and work far longer hours, should have an income so pitifully low that an exodus from farming to factory jobs—and unskilled factory jobs in most cases—is the element, more than any other, which has increased personal compensation in this country for the last several years.

I ask unanimous consent to have printed in the RECORD an article entitled "Farm-Price Decline of 1 Percent Led by Cotton and Milk," published in this morning's New York Times, which spells out the ratio of prices of farm products and the prices farmers are now required to pay.

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

FARM-PRICE DECLINE OF 1 PERCENT LED BY COTTON AND MILK

WASHINGTON, January 30.—Farm product prices declined 1 per cent between mid-December and mid-January. Reporting this today, the Agriculture Department said lower prices for cotton, milk, and eggs contributed most to the decline. Increases in prices for cattle, broilers and potatoes were offsetting factors.

Prices in mid-January were down 6.25 per cent from the peak reached in August, 1966. They also were down 3 per cent from January last year.

Prices paid by farmers for goods and services used in production and in family living also increased 1 per cent during the month, to a new record.

Farm prices as a whole in mid-January reflected 75 per cent of the parity goal of Federal farm programs. This compared with 77 per cent in December and 80 per cent in January last year.

The department said prices received by farmers in mid-January reflected 255 per cent of the 1910–14 base average, compared with 258 per cent in mid-December, 262 per cent in mid-January last year and a record 313 per cent in February, 1951.

Prices paid by farmers in mid-January average 340 per cent of the 1910–14 average compared with 337 per cent in mid-December, and 327 per cent set in mid-January last year.

The department said cotton prices declined 10 per cent between mid-December and mid-January, dairy prices 3 per cent, fruit prices 8 per cent and poultry product prices 4 per cent.

U.S. HISTORY OBLIGES SENATE RATIFICATION OF SLAVERY CONVENTION

Mr. PROXMIRE. Mr. President, just a little more than a century ago, the United States was embroiled in a great national debate: arguing the morality, necessity, and legality of slavery. Today nations, far less developed and far less sophisticated than 19th century America, are struggling to find their own answers to the slavery question. We can hope that these nations will find the same answers that the United States found 100 years ago. We can also hope that their answers will be reached without killing, bloodshed, and destruction.

But the Senate can do much more than collectively playing the unlikely roles of 100 Pollyannas. No new Federal legislation is required. No major revamping of our domestic life is necessary. By the relatively simple act of ratifying the human rights convention on slavery, we can offer to these new nations both the value of our national experience and the wisdom of our national decision.

Slavery is a totally dehumanizing and destructive institution. The slave belongs to society, but is not a part of it. He is a being—but not human—stripped of the basic consolations of family, friends, or faith. Prevented from establishing even the most primitive identity for himself, he can impart to his descendants only the same alienation and aloneness.

It took much of the Western World almost 2,000 years after the teaching of Christ to recognize and eliminate the basic inhumanity of slavery. Is it now the mission of the United States to withdraw from the forum where this basic question of human dignity is being decided? No; we have an obligation to all mankind to participate, to contribute, and to advocate.

I believe this American commitment to the continuing crusade for human rights is far more profound than either narrow nationalism or noisy chauvinism. Our former Ambassador to the United Nations, the late Adlai Stevenson articulated this commitment for all of us:

> When an American says that he loves his country, he means not only that he loves the New England hills, the prairies glistening in the sun, the wide and rising plains, the great mountains, and the sea. He means that he loves an inner air, an inner light in which freedom lives and in which a man can draw the breath of self-respect.

This is the meaning of America. This is the mission of America to the world. Let the Senate not impede that mission any longer. Let the Senate ratify the human rights conventions on slavery, forced labor, political rights of women, and genocide.

WHY NOT PHASE INVESTMENT CREDIT IN 1 PERCENT EACH MONTH BEGINNING JUNE 1?

Mr. PROXMIRE. Mr. President, a constituent of mine, Mr. John S. Randall, the executive vice president of the Kearney Treaker Corp., of Milwaukee, has made a most ingenious suggestion for meeting the serious economic problem involved in the suspension of the investment credit.

The action of the Congress last year in suspending the investment credit created a potential shutdown in the machine tool and other industries producing equipment for American industry.

This is because in the latter half of the next year, firms contemplating the purchase of equipment will be very reluctant to do so until January 1. Why is this? Because the postponement of the decision to buy for a few months could result in a handsome difference in profits.

A firm buying $100 million in jetplanes for example, would lose $7 million in net profits by buying on October 1,

compared to waiting until January 1 to buy.

The result in the view of many economists is that the many equipment industries in this country—representing a great deal of employment and industrial activity—might as well close up shop next fall with a big increase in unemployment. Conceivably such a development could kick off a recession which would not be stemmed by the resumption of the investment credit on January 1. If business conditions are not good at the first of the year, the postponed purchase might never be made.

To meet this problem, Mr. Randall has suggested that the investment credit should be phased in at the rate of 1 percent per month over a period of 7 months.

If this process should begin on June 1, it would mean that the 7-percent credit would be back in full force on January 1, 1968. There would be no disruption of production, and the purpose of the investment credit suspension—to hold down, but not to kill the investment in plant and equipment—would have been adequately served—but without the overkill that is sure to result without some adjustment such as Mr. Randall has suggested.

I hope the Ways and Means Committee in the House, the Finance Committee in the Senate, and the Treasury Department will all give this ingenious suggestion their careful attention. It makes excellent sense.

THE TRUTH-IN-LENDING BILL

Mr. PROXMIRE. Mr. President, on January 11, I introduced S. 5, the truth-in-lending bill. I am pleased that 22 Senators have joined with me in sponsoring this much needed measure to protect the interest of the American consumer. My appreciation is extended to Senators BARTLETT, BREWSTER, CASE, CLARK, DODD, GRUENING, HART, INOUYE, KENNEDY of Massachusetts, KENNEDY of New York, LAUSCHE, MAGNUSON, MCGEE, MONDALE, MORSE, MOSS, NELSON, PELL, RANDOLPH, TYDINGS, YARBOROUGH, and YOUNG of Ohio for cosponsoring this important bill. Today, I want to discuss the basic features of the truth-in-lending bill and to outline the reasons why I believe the bill is in the public interest.

Mr. President, the truth-in-lending bill was originally introduced by our great former colleague, Senator Paul H. Douglas, of Illinois. Paul Douglas fought long and hard for truth in lending as he did for many other causes throughout his distinguished career. We in the Senate owe him a great debt of gratitude for his leadership and efforts on behalf of issues and ideas which many lesser men would have long since abandoned.

And so it is with truth in lending. Paul Douglas saw the need for the full disclosure of consumer credit charges long before any of us. He educated us and the American public and paved the way, not only for truth in lending, but for a heightened awareness of the need for legislation to protect the American consumer on a variety of points. This awareness resulted in many constructive accomplishments by the Congress, including the truth-in-packaging bill on which our able colleague from Michigan [Mr. HART] has exerted such magnificent leadership.

Paul Douglas is a great economist and a great American. He was a great Senator. In all three roles, he truly believed in our free enterprise system and in the ability of the market to insure a more abundant life for all. He did not believe in governmental regulation or control, but rather saw the role of government as removing obstacles to free and open competition.

The truth-in-lending bill is a case in point. The market system requires information in order to function—information on the part of both buyers and sellers. When information channels become clogged, competition breaks down. The essence of the truth-in-lending bill is to restore full information in the consumer credit field—to insure a full disclosure of the cost of credit—and thus to permit the market system to function more effectively.

And so I predict the 90th Congress will enact a truth-in-lending bill, not only as a tribute to our dear former colleague, Paul H. Douglas, but also as a tribute to the American people and to our democratic system where it is possible for good ideas to live on and ultimately realize success.

PRINCIPLES OF TRUTH IN LENDING

Mr. President, a truth-in-lending bill has been before this body since January 7, 1960. Most Senators have an accurate understanding of the objectives and principles of this legislation. Nevertheless, as is frequently true in the case of strongly contested legislation, fictions and myths arise from the contest. Let me first, therefore, enumerate the bill's basic purpose and the principles on which this legislation is based.

The first principle of the bill is to insure that the American consumer is given the whole truth about the price he is asked to pay for credit. The bill would not regulate interest charges, but would rather aim at a full disclosure of the cost of credit so that the consumer can make an intelligent choice in the marketplace. I emphasize that it would not regulate interest charges. It would not set ceilings.

A crucial provision of the bill deals with expressing credit charges as an annual percentage rate. Without the knowledge of an annual rate it is virtually impossible for the ordinary person to shop for the best credit buy. However, in an effort to remove objections to earlier truth-in-lending bills, my new version makes it abundantly clear that lenders need only state an approximate annual rate and would not be held to absolute accuracy down to the last decimal point.

The second principle is that the whole truth about the cost of credit really is not meaningfully available unless it is stated in terms that consumers in our society can understand. Just as the consumer is told the price of milk per quart and the price of gasoline per gallon, so must the buyer of credit be told the "unit price." Historically in our society that unit price for credit has been the annual rate of interest or finance charge applied to the unpaid balance of the debt. Without easy knowledge of this unit price for credit, it is virtually impossible for the ordinary person to shop for the best credit buy. This is true, of course, because different offerings of credit may vary with respect to the amount of debt, the number of payment periods under which it is to be repaid, and the amount to be paid per period.

A third principle is that the definition of finance charge, upon which an annual percentage rate is calculated, needs to be comprehensive and uniform. It needs to be uniform in order to permit a meaningful comparison between alternative sources of credit. Two 12-percent loans are not identical in cost if one requires additional charges for credit investigation, processing fees, and the like. The definition of finance charge also needs to be comprehensive in order to convey the true cost of credit. A 6-percent loan which requires a lot of additional charges is really not 6 percent, but is something higher.

The bill, therefore, states that in calculating the annual percentage rate for a loan all charges incident to the extension of credit are to be included.

The fourth principle of the truth-in-lending bill is that its advocates believe in our modified free enterprise system; that we believe in the benefits of a free market in which people may make their own choices knowledgeably and freely as an enduring and efficient basis for our economy. If we think that the market should be governed by the choices made by people, with a minimum of interference, obstruction, or monopoly, then we must support the right of the consumer to know the full facts so that he can make wise choices.

This principle of the truth-in-lending bill means, therefore, that prices set by American businessmen for interest or credit should not be set arbitrarily by the Federal Government but rather should be determined by the forces of free and open competition. I want to emphasize this point, because I have heard suggestions that the truth in lending bill is the foot in the door to eventual Federal Government determination of allowable rates of interest or finance charge which businessmen may levy on consumer credit.

Nothing could be further from the truth. I repeat again that a basic principle of this bill is that disclosure—just disclosure—of the full cost of credit effectively will protect consumers and businessmen. Full disclosure will restore a more free operation of individual choices in the marketplace.

I state unequivocally that this Senator does not prejudge any reasonable rate of finance charge. I do not argue that 18 percent is too high a rate for revolving credit accounts, nor that 20 percent is too high for some kinds of short-term cash loans of small amount. I merely say that what is a fair and allowable finance charge should be openly determined in the marketplace by informed consumers.

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

Mr. PROXMIRE. I yield to the Senator from Ohio, who is a cosponsor of the bill.

Mr. LAUSCHE. Mr. President, the Senator from Wisconsin has just stated that on a short-term loan he does not feel that everyone ought to be condemned if the loan carries with it a rate of interest of 18 or 20 percent.

Mr. PROXMIRE. The Senator is correct.

Mr. LAUSCHE. How does the Senator reach that conclusion? The very fact that a rate of 18 or 20 percent interest is charged is shocking and revolting to me.

Mr. PROXMIRE. I understand that. I think, if we look at the total credit charged as containing the elements of interest, investigation for credit risk, the paper work involved in setting up the account we can understand that if the loan is for a short period, for a few weeks, then in order to reclaim the charges incident to providing this credit, it is necessary for the lender to secure more than the 6 or 7 percent which may be the cost of money to him.

The lender has to get more than 6 or 7 percent to cover these other costs. That is the reason why it may be necessary under some circumstances to charge as much as 18 or 20 percent, although it would be possible under this bill for the borrower to shop around and see if he can get money for that short a period of time at more reasonable terms. Or he can go to his own savings account and draw the money down at a cost of 4½ or 5 percent, or extend his mortgage, or use some other means of getting the money.

Mr. LAUSCHE. Mr. President, the Senator has stated that I am a cosponsor of the bill, and I gladly join in supporting it.

I believe that the person who is willing to pay 18 percent interest is a dead duck. He never would agree to pay it if he had any other chance of escaping his economic distress.

When I was serving on the court in Cleveland, I saw individuals who borrowed money on the basis of 3 percent a month. This would mean that in the event of a loan of $300, $9 a month interest would be charged. They never became freed from the chain that was around their neck. The only time they became freed was when they went through bankruptcy.

I merely wish to restate that I join with the Senator from Wisconsin in the proposal that there shall be a complete revelation of all charges involved in making a loan—hidden and open charges involved in making a loan—hidden and open charges—so that the borrower will know exactly how heavy the burden is that he assumes when he borrows the money.

Mr. PROXMIRE. Mr. President, there is no Member of the Senate I would rather have as a cosponsor of this bill than the Senator from Ohio. As everyone knows, the Senator from Ohio is the firmest kind of friend of the free enterprise system, that he is a strong foe of unnecessary Government regulation or unnecessary Government control. He has fought hard to keep the Government as limited as possible.

The Senator from Ohio recognizes, as do I, that this is not a bill to regulate or limit or determine the rate of interest, but simply to provide information to the consumer, so that the consumer, himself, will be in a position to evaluate a loan, to evaluate a financing charge, to know whether or not it is reasonable, and to be in a position to shop around.

I believe that this bill would improve and strengthen the free competitive system that the Senator from Ohio and I support.

Mr. LAUSCHE. I should like to make another comment. I have had the personal experience of going to a bank and borrowing a sum of money. Let us say that I borrowed a thousand dollars. The interest was 6 percent. They gave me $940. The ordinary individual would assume that the interest was 6 percent a year. But when they gave me only $940 on a thousand-dollar promised loan, the interest was much higher, of course.

Mr. PROXMIRE. The Senator is correct. Under some circumstances, the requirement is that the repayment be made at regular intervals, in which case the rate of interest could be double.

Mr. LAUSCHE. I have a bill pending and I respectfully suggest to the Senator from Wisconsin that I should receive some aid from persons who are attempting to protect distressed individuals in economic situations.

A shocking and woeful practice has developed of lenders on a mortgage charging a premium of 10 percent for making the loan. A poor individual borrows $20,000 to buy a house. Instead of receiving the $20,000, he receives $20,000 less 10 percent, which is $18,000. The $2,000 becomes an immediate paper profit to the lender. The borrower also promises to pay a rate of interest of 6 percent—not on the $18,000, but on the $20,000.

Now, what is the gimmick? The Government guarantees that the lender will receive not only the $18,000 which he has laid out, but also the $2,000 that he has charged to make the loan.

I investigated a bankruptcy case in the Federal court of Cleveland. Loans were made to poor Negroes who wanted to buy a house, and they agreed to pay the 10 percent premium, plus the 6 percent interest. The lender made the loan, and he made it in the hope that the poor colored man would not be able to pay in the first year; for, if the borrower did not pay in the first year, the loan would be foreclosed, and the lender would have earned a 10 percent premium and 6 percent interest.

It is a shocking situation, Mr. President, that the bill I have introduced is pending in the Senate, and I cannot get any cosponsorship of it.

These lending practices constitute robbery, and we tolerate them. The Federal Government is daily paying out guarantees not only on the actual money loaned, but also on the exorbitant charge of 10 percent premium. In Chicago, the premium is 15 and 20 percent.

Mr. PROXMIRE. I say to the distinguished Senator from Ohio that he has performed a great service in introducing that bill. As I understand, the bill is pending before the Committee on Banking and Currency, and it will receive my most careful and sympathetic consideration. I have spoken to members of the staff, and I have requested them to give us a report on it.

Mr. LAUSCHE. I commend the Senator from Wisconsin for his assistance.

Mr. PROXMIRE. Mr. President, the fourth principle of truth in lending is that ethical businessmen, those who believe in a competitive free enterprise system, and who work to achieve their profits by offering quality and service—and not deception or confusion—will be aided by full disclosure. Obviously, however, the truth-in-lending bill does not help the unethical businessman who engages in deceiving or confusing or fooling or cheating the credit customer.

I have great respect for and faith in American businessmen. I have, for a number of years, been the chairman of the Small Business Subcommittee in the Senate. I know that the overwhelming body of businessmen want to be competitive. I hope deeply that on reflection they will see that enactment of the truth-in-lending bill is the best way to avoid legislation which would actually have the Government set allowable interest and finance charge rates.

We want to avoid that kind of regulative legislation, and this disclosure legislation would do so. Full disclosure of the cost of credit will also protect the ethical businessman from unfair competition on the part of a few unscrupulous lenders who profit by providing deceptive information to consumers.

The fifth principle of the truth-in-lending bill is that consumer credit, unemcumbered by deception and confusion can be a force for stability in our economy. If consumers understand the price of credit as they understand the price of other articles and services, their choices can help to combat inflation or a recession. When finance charges go up in a period when inflation threatens, the consumers—if they know the cost of credit is going up—will be encouraged to postpone credit purchases; or when recession threatens, the knowledge that finance charges are lower can encourage consumers to buy. Thus, this knowledgeable action by consumers can help to keep the economy on an even keel. But of course, where finance rates are concealed, this mechanism of the marketplace is not permitted to work.

THE GROWTH OF CONSUMER CREDIT

Consumer credit has become a major element of American business and economic activity. I say this in commendation, not in criticism. The development of consumer credit has helped more people enjoy sooner the benefits of our magnificent productive capacity. Millions of people use consumer credit, and I am delighted that they do. I am not at all motivated by an effort to hurt the consumer credit segment of our economy. Quite the contrary. I want it to work better and to help more people to enjoy a better life.

The growth of consumer credit, from any point of view, has been spectacular. Short and intermediate term consumer credit now amount to $92 billion, or 2.2 times the total only 10 years ago.

If we consider also the mortgage debt outstanding on nonfarm homes, which now amounts to $220 billion, then the

total of consumer debt has reached $312 billion, only $18 billion less than the entire national debt of the U.S. Government.

It is interesting to note that consumers pay approximately $22 billion in interest or finance charges on their debt, while the Federal Government paid approximately $12 billion in 1966 on the national debt. On short and intermediate term consumer debt, consumers pay about $11 billion in finance charges, or nearly as much as the Federal Government pays in interest on the $330 billion national debt.

The really significant development with respect to consumer credit is not only that it has increased so rapidly and now has attained a huge total, but also in particular, that installment credit has grown so rapidly. According to the Economic Indicators for December 1966, by October of 1966 the total $91.899 billion of consumer credit outstanding was made up of $73.073 billion in installment credit and $18.826 billion in noninstallment credit, consisting of single payment loans, charge accounts, and service credit. Of the installment credit, the largest chunk is $35.82 billion in automobile paper and $19.737 billion in personal loans.

Of course, mainly the widespread use of installment credit has led to the confusion in the minds of consumers about the actual cost of credit. In the case of simple loans—that is, where the principal is paid back in its entirety at the end of the loan period—the rate of interest or finance charge is relatively easy to calculate. The grade school formula, that interest equals principal times the rate times the time, is relatively clear to many people. Thus, a loan of $1,000 for a year at 6 percent requires the borrower to pay a finance charge of $60.

The use of the installment repayment plan, however—in which the borrower immediately begins to repay a portion of the loan at the end of each payment period—brings about difficulties in easily determining the annual rate of interest. In the example of $1,000 borrowed for a year at a finance charge of $60 but repaid in 12 equal monthly installments, the actual rate of interest is not 6 percent, but slightly less than 12 percent—providing the borrower received the full $1,000 and not a "discounted" loan of $940. This difference in the finance charge expressed as an annual rate, of course, is due to the fact that the borrower has had the use, on the average over the course of the year, of only one-half the amount borrowed.

The intricacies of installment credit are explained in many publications, but recently an excellent publication of the National Shawmut Bank of Boston, Mass., has come to my attention, which succinctly and very helpfully explains the peculiarities of installment loans and the resulting actual interest rate.

Mr. President, I ask unanimous consent that this statement by the National Shawmut Bank be printed as an appendix to my remarks.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). Without objection, it is so ordered.

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I point out two things in connection with this brochure. First, note that this is a publication of a large commercial bank, one of the 70 largest banks in the country. The bank's publication of this brochure may be related to the fact that the legislature and Governor of the Commonwealth of Massachusetts have enacted two truth-in-lending laws requiring the full disclosure of the cost of consumer credit both in dollars and as an annual rate, but the brochure implies no criticism whatsoever of this requirement. Second, I point out that the formula which the brochure explains for determining the "simple annual interest rate" is only one of the possible formulas; namely, the constant ratio formula which the Massachusetts law requires be used. The bill I introduced today assumes the use of the actuarial method which is more precise, though easily implemented through the use of tables issued by financial publishing houses.

NEED FOR TRUTH IN LENDING

Mr. President, I am sure every Senator is aware of many of the abuses of the consumer which take place, whether or not they agree that this legislation is the best way to deal with them. The hearings held by subcommittees of the Senate Committee on Banking and Currency—in 1960, 1961, 1962, 1963, and 1964—the record of which numbers a total of 5,078 printed pages, contains testimony citing numerous examples of confusing and deceptive practices. I point out that these are examples relating only to deception and confusion in connection with disclosing the actual cost of credit. There are many other kinds of abuses in the field, but we have confined ourselves to this area.

In addition, subcommittees of the House Committee on Banking and Currency have also conducted investigations in this field and the records of those hearings contain many additional examples. I dare say, in addition, that every Senator has received letters of complaint from constituents who have felt cheated or deceived in a credit transaction. Also, the records of the bankruptcy courts and of the State courts which handle credit litigation are packed with examples of deceptive and confusing practices. Hardly a month goes by that some personal tragedy directly related to deceptive credit practices is not reported. To move into a singularly shocking area of abuse, Senators have been made aware, by revelations before the McClellan committee and other bodies, of the criminal "juice" racket which illustrates in the extreme the gouging of people desperately in need of funds, through exorbitant rates of finance charges.

There are numerous examples of consumers paying unusually high rates of interest as a result of not disclosing the full cost of credit. One witness before a Senate committee cited installment payments which involved interest computed at the rate of 168 percent a year. Many other examples are contained in the record of hearings conducted by the Senate Banking and Currency Committee. These hearings reveal a bewildering variety of methods for stating financial charges in today's consumer credit industry, so that an informed choice among different credit plans is all but impossible except for a trained mathematician.

Although there are many examples of these practices, I do not charge that even the majority of businessmen willingly engage in these practices. Clearly, most do not, but many are victims of their unethical competitors who force them to use questionable practices if they wish to compete successfully.

All these sources disclose five basic methods of presenting a credit offering to a customer which may conceal the cost of credit or misrepresent it. Let me briefly describe these five practices.

First. Frequently no rate of finance charge or of interest at all is quoted to the consumer. This is the easiest method of obscuring the cost of credit. A customer is told, for example, only that he will pay so much down and so much a month. Thus, neither the total amount of the finance charge in dollars nor the rate of the finance charge is disclosed. Frequently, the number of periodic payments is also left untold, leading to an open-ended series of payments which are continued until the customer finally realizes what has happened and protests. But even if he is told the number of monthly payments he still will not know the real cost of the credit in terms he can understand and compare with other offerings unless he is a skillful mathematician. Not many of us are.

Second. A second frequent method is that the customer is told the finance charge in "dollars per $100," with the debt repayable in equal monthly installments. If, for example, he is told that the charge on a $100 loan is $6, the loan may be represented as a "6-percent loan." But, of course, since he is repaying in installments, the actual rate is almost 12 percent or nearly double the stated rate. Thus, when the interest rate is quoted on the original amount of the debt, and not on the declining or unpaid balance, the true cost of the credit is concealed. This practice has been called the add-on rate.

Third. A third method, a variation of the add-on rate, is the discount rate. Under this method the borrower receives not the full amount of the loan, but that amount minus the finance charge. Using the example just mentioned, under the add-on rate the borrower receives $100 in cash and pays back $106. Under the discount method, he borrows $100 but only receives $94. Again, the finance charge of $6 per $100 may be represented as "6 percent." And again, the actual rate is about 12 percent, actually slightly more than 12 percent, or twice the quoted rate.

Fourth. In the fourth method, small loan companies and retailers frequently state only a simple monthly rate. The customer is told that the finance rate is, for example, 1½ percent per month, or 3 percent per month. The actual annual rate under this circumstance is 12 times the quoted figure, or 18 percent in the first example and 36 percent in the second, if the interest is based on the un-

paid balance at the end of each monthly period. But if it is based on the entire original amount of the loan which is gradually being repaid, the approximate annual rate is about 24 times the quoted figure, or in these examples 36 percent and 72 percent. This is so, of course, again because the borrower has only the use of one-half the amount loaned on the average.

Fifth. A fifth method is well documented. In this method lenders confuse customers' understanding of the actual cost of credit—and frequently evade State laws regulating credit—by loading on all sorts of extra charges. These may include wholly extraneous charges, for services not actually performed or for alleged expenses not actually incurred by the lender, such as credit investigation, processing and handling fees, and finders fees. Or they may include excessive charges for such services as credit life insurance or credit investigation.

If these charges are a cost to the borrower incident to the extension of the credit, they should rightfully be included in the finance charge. But by excluding them in a separate list the finance charge can be made to appear to be lower. If these charges incident to the extension of credit are not included in the list of the finance charges, then it is impossible for the borrower to compare the cost of one credit offering with another credit offering.

Examples disclosed by the sources I have mentioned have been frequently cited. Mr. President, I ask unanimous consent to have printed as an appendix to my remarks a statement of such examples.

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

(See exhibit 2.)

Mr. PROXMIRE. Mr. President, recently, the office of the chief judge of the circuit court of Cook County, Ill., issued a remarkable report on an investigation of credit practices which it conducted. Some of the results of this study were reported in the Chicago Tribune for December 16, 1966, but I have obtained a copy of the report of the study written by Mr. Jerome Schur, special assistant to the Honorable John S. Boyle, chief judge of the circuit court of Cook County.

In this study, Mr. Schur examined every confession of judgment complaint filed in the municipal or the circuit court of Cook County for the 2-week period from June 20, 1966, through July 1, 1966, inclusive. This period was chosen at random and was an average period. The total number of suits studied was 1,305.

There are many shocking disclosures in this report, but I will comment here only on what it shows about the finance charges involved in these cases. Finance charges as high as 283.9 percent were found in the case of used car contracts. In the case of radio, television and hi-fi sets, finance charges of 235 percent per year were found. In the case of clothing, rates of 199.6 percent, and for furniture, rates of 105.2 percent were found.

In all the suits studied—and remember that many of them arise out of other difficulties than high or concealed finance charges—the average rate of finance charge seems so exceptional that it would be difficult to explain how anyone would have accepted them if they had realized how high the charges were. In the case of used cars, the average finance rate for all cases studied was 30.7 percent, in the case of radio, television, and hi-fi sets 37.1 percent, for furniture 36 percent, for furniture covers 31.2 percent, and for other appliances 26 percent. I emphasize that these were the averages from all the cases studied.

WHAT THE BILL DOES

The truth-in-lending bill is written, not to regulate interest or finance charges, but to require simply that people be told what they are. Its provisions are intended to eliminate substantially the methods of deceiving or confusing customers which I have cited.

Mr. President, rather than take the time of the Senate now for a technical discussion, I ask unanimous consent that a commentary and digest of the bill be printed as an appendix to my remarks. For those who wish to read it, this will help to clarify the details of the disclosure requirement.

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

(See exhibit 3.)

Mr. PROXMIRE. Mr. President, the bill would cover all forms of consumer credit transactions including installment purchases, home mortgages, small loans, and department store revolving charge accounts. Those who lend or extend credit would be required to reveal the total finance charge, both in dollars and cents and as an annual percentage rate. Consumer debt now totals $312 billion and the annual interest payments alone amount to $22 billion.

Basically, this bill makes three important requirements. The first is that the seller or lender must disclose and itemize all the components of the debt so that the borrower will know how the total debt is arrived at and whether the contract represents the verbal explanation.

Second. The bill requires the seller or lender to give the total of the finance charges in dollars and cents, and this total of the finance charge must include all the charges incurred by the borrower for the extension or use of credit. The total finance charge must include loan fees, service and carrying charges, discounts, interest, time price differentials, investigators' fees, and all other charges incident to the use of credit. However, with respect to real estate transactions the definition of finance charges would not include such charges as title examination and insurance, preparation of deed and settlement statement, recording of deed, taxes and assessments, fire and casualty insurance, local transfer or ad valorem taxes, notarizing deed, and revenue stamps as such charges are clearly not incident to the extension of credit. Those charges are paid whether one borrows or not.

Third. This finance charge must be stated as an annual percentage rate.

There are other related requirements, and, of course, the necessary authority for the responsible administrative agency to carry out the act, allowance for certain exceptions, definitions, and provisions for civil and criminal penalties. But these disclosure requirements are the heart of the truth-in-lending bill and they constitute protection for the consumer and the ethical businessman against the deceptive practices I have cited.

PREVIOUS OBJECTIONS TO TRUTH-IN-LENDING LEGISLATION

Mr. President, I should mention some of the criticisms that have been made of this legislation in the past.

It was charged that an annual interest rate is too difficult to compute. In the many years—I should say several years, but it seems as if it has been many years—that I have been sitting on the Committee on Banking and Currency, and attending hearings in connection with this bill, the complaint has been that it is impractical and that it is too hard to compute.

This may have been true years ago, but the development of computers has made it possible for interest or finance charges to be stated as an annual percentage rate simply and quickly by computer written tables. Financial publishing houses are able to publish simple tables giving all the information required by the Truth in Lending Act and which can be used for nearly every conceivable lending situation.

The complaint that disclosure of the annual rate would be a burden on the sales clerk has been set to rest by the testimony given to our subcommittee by Under Secretary of Commerce Edward Gudeman. Mr. Gudeman, who had years of experience as a retailing executive with Sears, Roebuck said:

> We must realize that consumer credit extenders begin by setting all their charges individually and in total on an annual rate basis. This means that the businessman in setting his charges works backward from an annual rate determined in light of his own financing costs and the behavior of his competitors. This being so it is difficult to understand why the average businessman cannot easily state the annual rate implicit in his total rate charges.

So the point is that most businessmen already start with rate tables which tell them the terms which will yield the return they desire.

I also point out in this connection that this bill does not require an exact statement of the annual rate accurate to several decimal places. We changed the bill in this respect from the bill last year and the year before. We seek a statement of the approximate rate. The bill explicitly provides in section 5 that the administering agency may "prescribe reasonable tolerances of accuracy."

Second. The complaint was sometimes made that the annual percentage rate requirement cannot "be anticipated." Last March, for example, in the CBS report program on consumer credit, a spokesman for the opposition to the bill made the following argument:

> It is difficult to comply with the law by reason of the fact that the transactions are not as simple as the law anticipates they would be. For example, if you were to come in and borrow a thousand dollars and tell me that you were going to repay it over a period of twelve months and that you wanted to make your payment on the 15th

of each month and that the rate was six dollars per one hundred dollars face amount of loan, I could very easily compute what the simple interest equivalent would be.

However, suppose the first month you were late five days. I can't anticipate that in advance. The second month you're early three days. The third month you're late eleven days. You can see how impossible it would be for me to tell you at that very first instance when you were signing the note what the simple interest equivalent would be.

Mr. President, the truth-in-lending bill does not require disclosure of the annual rate in the circumstances this spokesman described. Nonthreshold questions, that is those applying to circumstances not anticipated in the contract, would be left to the State law under my bill, although I do include a requirement that the borrower be told the penalties for prepayment or late payment or other violations of the contract. In other words, this frequently cited objection to truth in lending is wholly irrelevant. The bill's requirements apply to the agreement made in circumstances like that of which the spokesman said:

I could very easily compute what the simple interest equivalent would be.

Third. It has been argued that sellers, if they are required to state the annual percentage rate, will conceal the finance charge by increasing the cost of the product or services. Of course, the first thing to be said about this is that it is no argument against truth in lending with respect to cash loans. But even with respect to the sale of products and services, this would be a self-defeating practice. The seller who tries to do this will simply price his goods out of the market.

A witness before our subcommittee, when pressed with this objection—and he was a businessman—retorted that the businessman who resorts to this tactic is "precisely the man against whom I want to compete." In other words, the ethical competitors could advertise and offer a lower price for merchandise and the consumer who wants to shop for the best buy will give the seller his business. Of course, this bill is not intended to protect the consumer against his will. The consumer who is not interested in making his money go further will retain his "right" to be fooled by the unethical businessman.

I point out also, that the present system penalizes the ethical businessman. If the unethical seller can advertise rediculously low prices but make huge profits through hidden finance charges, then his ethical brother either must adopt his tactics or lose business. As I have often said, the truth-in-lending bill is intended to help the businessman as well as the consumer.

Fourth. Some have objected to the bill on the ground that consumers "do not care what they pay in finance charges." The evidence overwhelmingly refutes this absurd charge. I know very few people who do not want to make their money go as far as possible and who do not try to shop for at least a "good buy."

Moreover, I point out that the truth-in-lending bill will be an important educational tool as well as a protective tool. Once the confusion with respect to finance charges is dispelled, people will not find it so forbidding a task to ask and determine what they are being asked to pay for credit. I have never claimed that the truth-in-lending bill will solve this problem for the poor and uneducated. But it will be an important foundation for consumer education and will at least afford an opportunity to help those of limited education to understand finance charges. Obviously, they are prevented from understanding them now.

Moreover, these arguments of disinterest in truth in lending on the part of consumers have finally been put to rest. Whenever the principle of truth in lending has been submitted to the people, it has been endorsed by an overwhelming margin. Polls have been conducted by eight Congressmen from all parts of the United States in which support for truth in lending varied from 88 to 95 percent.

These polls were conducted in Republican districts, Democratic districts and in well-to-do districts, as well as in districts in which income was low. The American consumer needs truth in lending—the American consumer wants truth in lending, and I intend to do all in my power to see that this bill passes the Congress.

Some of the congressional districts previously mentioned were predominantly lower income and Democratic, but several were relatively wealthy and predominantly Republican districts. Let me just give the percentage in each case indicating the proportion that approved enactment of truth in lending, along with the name of the Congressman whose district was polled.

In Congressman DONALD RUMSFELD's Illinois district, 91 percent were in favor of truth in lending; Congresswoman FLORENCE P. DWYER's New Jersey district, 92.5 percent; Congressman DONALD M. FRASER's Minnesota district, 86 percent; Congressman RICHARD L. OTTINGER's New York district, 95 percent; Congressman JEFFERY COHELAN's California district, 89.5 percent; Congressman LEE H. HAMILTON's Indiana district, 88 percent; Congressman JOHN CONYER's Michigan district, 89 percent, and Congressman Ken W. Dyal's California district, 92.4 percent. The facts seem to show that this is the most popular proposal pending in the Congress.

Fifth. It has been charged that disclosure of the annual percentage rate will retard sales. Absolutely no evidence has been given to support this allegation. In fact, I think it much more logical that the bill will stimulate even greater use of consumer credit because people will no longer be frightened by its mysteries. Moreover, many consumers are likely to shift their borrowing from high cost rates to low cost rates. Thus, they will have additional purchasing power with which to buy more. It is certainly my intent—and I am confident that it will be the effect of the truth-in-lending bill—that businessmen will be helped by its provisions.

Sixth. There have been objections to including revolving charge accounts under the annual rate requirement. My revised formulation of this requirement, in my opinion, has solved these objections very simply. All my bill will require is that the contract and the periodic statements must indicate an annual percentage rate determined simply by multiplying the periodic rate—for example, a monthly rate—by the number of periods per year. In other words, for revolving credit, the disclosure is not of the precise annual rate which was applied, but of the annual rate which forms the basis for the periodic rate which is to be applied. If the finance charge is 1½ percent per month, the bill simply requires that the statement indicate the annual percentage rate as 18 percent. This is a sufficiently close approximation to protect the consumer.

ADMINISTRATION SUPPORT

President Lyndon B. Johnson most succinctly stated the case for the truth-in-lending bill in his 1964 consumer message in which he said:

The antiquated legal doctrine, "let the buyer beware," should be superseded by the doctrine, "let the seller make full disclosure."

In that message President Johnson recommended enactment of the truth-in-lending bill, just as had President John F. Kennedy in his March 1962 consumer message.

In 1966, President Johnson urged the Congress to pass truth-in-lending legislation in three messages: namely, in his state of the Union address, in his Economic Report to the Congress, and in his message on consumer interests. In the latter message he said:

I, therefore, renew my recommendation for legislation requiring retailers to state the full cost of credit, simply and clearly, and to state it before any credit contract is signed.

Mr. President, President Johnson's message so well states the need for and the intent of this legislation, that I ask unanimous consent that the relevant portions of this message be printed as an appendix to my remarks.

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

(See exhibit 4.)

Mr. PROXMIRE. Mr. President, President Johnson once again reaffirmed his endorsement of truth in lending in his 1967 state of the Union message. The President said:

We should do more to protect the consumer. We should demand that the cost of credit be clearly and honestly expressed.

RECENT DEVELOPMENTS

Mr. President, there have been a number of very hopeful developments with respect to truth in lending in recent months.

A significant advance in protecting consumers occurred last July 1, when the Department of Defense put into effect their truth-in-lending directive. This directive, in essence, provides truth-in-lending protection for servicemen and their families. It does so by saying to lenders and credit sellers that if they expect to use military channels to collect debts owed to them by servicemen and their families, they must make truth-in-lending disclosure. This full disclosure would include both the total dollars charge for credit and a statement of this charge as an annual rate.

The establishment of this protection for servicemen was a needed and just

step. The subcommittee of the House Banking and Currency Committee has revealed devastating evidence that our servicemen are among the chief victims of unscrupulous lenders. Moreover, the implementation of this directive has shown that the annual rate requirement is not all that difficult to meet. The method for determining the approximate annual rate under this directive is the same as I have postulated as a basis for the truth-in-lending bill. The Department of Defense directive includes a table for determining the annual rate which has been constructed by the actuarial method. No undue difficulties have been reported in the implementation of this directive or in the use of these tables.

Mr. President, one of the most encouraging developments in the last year has been the action of the State of Massachusetts to enact and to put into effect the full protections of truth in lending for the people of that State. The Legislature of the State of Massachusetts passed and the Governor signed into law two truth-in-lending bills.

I might add that the distinguished junior Senator from Massachusetts [Mr. BROOKE] was a leading force in securing the enactment of these bills and he has been a great champion of truth in lending. The first, an "act requiring the disclosure of finance charges in connection with extensions of credit" requires, among other things, the disclosure of the cost of consumer loans both in dollars and as an annual rate. The second act, the Retail Installment Sales Act, gives similar protection to retail installment sales.

These bills were overwhelmingly passed by the Legislature of the State of Massachusetts and the country owes them a great debt for their magnificent leadership.

A very interesting and precedent setting development occurred only last December 18. On that date, the four Government agencies that regulate banks and savings and loan associations announced a new standard to be followed by banks and other lending agencies. This standard, intended to outlaw misleading claims about the rates of interest paid to depositors, has as a principal requirement that the interest rate paid to borrowers or shareholders must be stated in terms of the simple annual rate of interest. That is precisely the point behind my assertion that the consumer has the right to know the cost of credit as an annual rate. When we lend money to a financial institution there is usually no complaint about telling us the annual rate. They do not say such a requirement is unworkable. But when we borrow money, then we are denied this simple statement of fact.

I ask this question: Why is it workable to tell the annual rate to depositors, but unworkable to tell the annual rate to borrowers?

Mr. President, in conclusion, I cite again as a hopeful development the new evidence of extremely hot pursuit by the American public of this legislation. The congressional polls which I have cited show that this is one of the most highly desired, if not the most highly desired, reforms before the American Congress. I do not believe that Congress can keep faith with the American people and at the same time refuse to explore thoroughly this question in the coming weeks.

I wish to make it very clear that I make no across-the-board charges against American businessmen and that I am not seeking regulation of interest rates. My motivation is quite the contrary in both cases as I have already disclosed. I ask now that hearings on my bill be authorized to be held as soon as it is feasible. The evidence is overwhelming, but I think all members of the Banking and Currency Committee will be willing to look anew at all evidence that may be presented to us. I think the members of the committee will want exhaustive testimony and staff investigation. We do not intend to act hastily, but we do intend to act promptly, equipped with the facts.

In conclusion, I wish to call to the attention of the Senate, the new report to the President from the Consumer Advisory Council entitled "Consumer Issues, 1966." Mr. President, I ask unanimous consent that the following portions of this report to the President dated June 12, 1966, be printed in the RECORD at the close of my remarks. First, the list of members of the Consumer Advisory Council; and second, the statement of credit which appears on pages 29 through 32.

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

(See exhibit 5.)

Mr. PROXMIRE. Mr. President, in their summary of resolutions and recommendations, the Consumer Advisory Council "again emphasizes the necessity of legislation to require truth in lending as a part of any effort to correct the Nation's credit ills."

I join with the Consumer Advisory Council in this emphasis. I believe enactment of this legislation is clearly a necessity. I hope that its introduction today by my colleagues and me will prove to be the beginning of the final effort to provide this necessary protection to consumers which was so nobly initiated by our dear former colleague, Paul H. Douglas.

EXHIBIT 1

HOW MUCH DO YOU PAY FOR THE MONEY YOU BORROW?

FOREWORD

In the days ahead the term "Simple Annual Interest Rate" will come into common use in connection with installment loans and credit transactions of various types. This booklet has been designed to provide a better understanding of the term and what it means to you as a borrower. While simple annual interest rate in many instances reflects a change in the manner of expressing a price for a loan it does not follow that you will be paying more in dollars and cents than you have been accustomed to paying in the past. We hope you find the explanations in the booklet informative and helpful.

INTEREST AND THE COST OF A LOAN

When you borrow money there are two factors in the cost that are important to you. One is the simple annual rate of interest and the other is the cost of the loan in terms of dollars and cents. Many people believe that the simple annual rate of interest and the charge expressed in terms of dollars per $100 per year are identical, and in certain instances they are, but in many more they are not and have to be considered separately.

Whether you borrow from a bank or finance company, or arrange financing with a retailer of goods or services, find out both the simple annual interest rate and the dollar cost of the loan. A bank must make many kinds of loans to serve widely differing needs. Charges are commensurate with the kind of loan you need and should have.

EXAMPLES

If the finance or credit charge is added to the beginning amount owed and is included in the 12 equal monthly payments, commonly referred to as the "add on" method, the simple annual interest rate is:

If charged:	*Percent*
$4.50 per $100	8.31
$5 per $100	9.23
$5.50 per $100	10.15
$6 per $100	11.08

If charged only on the unpaid amount owed: ¾% per month, 9%; 1% per month, 12%; 1½% per month, 18%; 2% per month, 24%.

Let's take three types of bank loans and see how this works out:

SINGLE PAYMENT LOAN

This type of loan is generally written for large amounts and is usually identified with business loans, but it is the one type loan where the simple annual rate of interest and the annual dollars and cents charge for each $100 borrowed are identical so we use it for comparison purposes.

Let's suppose you could borrow $1,200 for a year at 6% interest to be paid in a single payment at year's end: Amount of loan, $1,200.00; term of loan, 1 year; charge for loan, $72.00; simple annual interest rate, 6%; dollars per $100 per year, $6.00.

INSTALLMENT LOAN

Here we take a $1,200 loan at a charge of $6.00 per $100 per year, but instead of a single payment at year end, the loan is to be paid off in 12 equal monthly instalments. Now we find, that although the dollars and cents charge for the loan is the same, namely $72.00, the simple annual interest rate is not 6% but figures out to 11.08% based on the premise that you have had the use of approximately only half the original amount for the full year: Amount of loan, $1,200.00; term of loan, 1 year; charge for loan, $72.00; simple annual interest rate, 11.08%; dollars per $100 per year, $6.00; monthly payments 12 at $106.00.

FORMULA FOR SIMPLE ANNUAL INTEREST RATE

The formula for calculating the simple annual interest rate is defined by state law and is as follows:

$$\text{Rate} = \frac{2\ PC}{A(N+1)}$$

Legend:

P=Payment periods in one year
C=Finance Charges
A=Loan Principal
N=Number of Instalments

Using the previous instalment loan example of $1,200 borrowed for one year at $6.00 per $100, the loan to be paid off in 12 equal monthly instalments, the annual rate of interest as determined by the formula would be:

$$\text{Annual interest rate} = \frac{2 \times 12 \times 72}{1{,}200\,(12+1)} = \frac{24 \times 72}{1{,}200 \times 13} = \frac{1{,}728}{15{,}600} = 11.08\%$$

REVOLVING CREDIT OR CASH RESERVE LOAN

Of course you know about revolving credit. You can get it at some banks and it is popular at some of the stores. Briefly, a line of credit is agreed upon and you can borrow money or buy things as needed without applying for the credit each time. The interest or carrying charges on accounts like these

are usually stated as a monthly percentage on the unpaid balance. So, if the rate is 1% per month it means that you pay a simple annual interest rate of 12% for the service. A nice thing about these accounts is the reserve feature which makes credit available without charge, and their flexibility. You can pay the whole thing off whenever you like. This cuts down your interest cost. For example: If you used $100 worth of credit for one week, the charge would be 23¢; one month $1.00—six months $3.50—but, as previously stated, the simple annual interest rate is 12%.

WHY DO INTEREST RATES VARY?

At this point it is certainly fair to ask why there are different charges for different kinds of loans.

To start with a very simple definition of interest:—"The rent one pays for hiring someone else's money." In the first place, the bank as the lender has to rent the money it lends and pays a price in the form of service or interest or both. In addition to the rental charge paid by the bank, the principal factors affecting the different loan charges to the borrower are: the size of the loan; the type of loan—secured, unsecured, partially secured, and the risk involved; the amount of employee time and paper work.

THE SIZE OF THE LOAN

Small loans command a higher interest rate than large ones, just as you must pay a higher price for anything you buy in small quantities. It is particularly true in lending money. One borrower may negotiate a loan for $100,000 and the transaction may not require as much handling expense or risk as another borrower who might want $1000. Obviously, processing one hundred loans of $1000 each is far more costly for the bank.

THE RISK INVOLVED

In general, installment loans fall into two classifications—unsecured and secured. The latter are sometimes referred to as collateral loans. In unsecured loans the lender's risk depends upon the character, earning ability and financial condition of the borrower; in collateral loans the marketable assets the borrower assigns reduce the lender's risk. Single payment loans may be unsecured or secured by such highly liquid assets as life insurance cash value and readily marketable securities. Installment loans may be unsecured or secured. When the loan is secured with an asset such as a chattel mortgage—frequent in the case of auto loans—the loan is more costly to handle than one secured with readily marketable securities. Revolving credit loans are usually unsecured.

EMPLOYEE TIME AND PAPER WORK

The amount of administrative work entailed also has an influence on the charge. A single payment loan represents a minimum of administrative work for the bank. An installment loan, requiring monthly notification of payments due, keeping a running balance of the payments, more comprehensive audit controls, issuing coupon books or other convenient payment forms, and posting payments—separating interest and principal—each month, is obviously more expensive. Also, installment loan borrowers usually like to have life insurance covering their unpaid loan balance (a feature not included in single payment loans).

The revolving credit loan is even more expensive to administer because of its flexibility. It can be paid in monthly installments or in a lump sum at any time at borrower's option. It can be paid in part and then at the borrower's option can be increased to the full extent of borrower's reserve. It would be possible to have daily transactions involving small amounts of money which obviously are very expensive to administer.

USE YOUR CREDIT WISELY

For many years people have made wise use of their credit to borrow money and to buy goods and services. Installment credit has proven to be a sound and sensible way to meet these needs.

One thing you can be sure of if you are going to borrow money is that it will pay you to shop. Any kind of installment buying involves borrowing money, and in most cases the important information is how much is the loan costing you. The simple annual interest rate will help you determine this cost when you are shopping.

In the final analysis, your best protection on any kind of loan is to do business with people you know and trust.

EXHIBIT 2

CASES FROM THE HEARINGS ON THE TRUTH-IN-LENDING BILL

1. A woman with four children to support on $44 a week, was persuaded through appeal to parental pride to purchase, on time, a $600 accordion for her daughter, whom the local "conservatory" of music insisted had great talent. Within months, the conservatory reported the daughter had "such exceptional talent" an $1,800 instrument would be necessary. The carrying charges alone came to $400, *a simple interest rate of 20 percent per year.* When finally the poor woman reached the edge of bankruptcy, she discovered she could have bought the $1,800 instrument elsewhere for only $400, and at half the rate of interest. She finally settled for a loss of $383.

2. A typist in the Justice Department, Washington, D.C., who became deeply involved with personal loans from bank and finance companies because of family illness, ultimately reached the end of her ability to pay. In reviewing all the special loan charges, the refinancing costs, the required insurance, and the original high—but unstated—finance charges, the young lady found she had been paying more than *40 percent per year in simple interest.*

3. A credit union manager recounted the case of an experienced FBI agent in Washington, D.C., who was certain the proposed financing of his automobile would cost him 4 percent. On carefully rechecking the figures, he was amazed to find the true interest rate was *more than 20 percent* per year.

4. Still another documented case was presented to the subcommittee in which a customer had purchased a television set for $285.55, to be paid at the rate of "about $14 per month." No mention of the interest or finance charge was made, either verbally or in writing, and even the number of months the customer would have to pay was not mentioned in the contract. After faithfully paying, on time, a total of $147.30, the customer discovered that to pay off the balance would cost him $206.22. So he actually paid $67.97 in credit charges, or more than 33 percent per annum simple interest.

5. In New York one witness testified that he bought furniture from a local furniture store for $389. Later he received in the mail a statement showing that he owed $588, to be repaid in monthly installments over 24 months. In other words, he was charged $199 for credit for 24 months.

We were shocked to learn *that this amounted to an interest rate of 49 percent* per year. If this witness had known that an *interest rate of 49 percent* was being charged him, I doubt that he would have purchased the furniture from this store.

6. Another witness in New York bought a bed for $200 from a furniture store. He was told that he would be charged an additional $76 for interest. However, his contract required him to pay back $23 per month for 2 years. We figured the true interest in *this case was 168 percent* per year.

7. A third witness in New York bought a television set on credit for 30 months. We figured out the interest rate on this transaction, and it turned *out to be 143 percent* per year. We asked the witness whether, had she known the interest rate which she was being charged, she would have signed the contract. The witness replied: "Never in my life."

8. In Pittsburgh a witness testified that he borrowed $900 from a small loan company and was told that his monthly payments would be $58.10 for 24 months. We figured the interest rate in this case, and it turned out *to be 52 percent* per year. Would you have signed this contract if you had known that you were being charged 52 percent interest?

EXHIBIT 3

COMMENTARY ON PROXMIRE TRUTH-IN-LENDING BILL

TITLE

Section 1 provides that the Act shall be cited as the "Truth in Lending Act."

PURPOSE

Section 2 declares the purpose of the bill as follows:

"The Congress finds and declares that economic stabilization would be enhanced and that competition among the various financial institutions and other firms engaged in lending or the extension of credit would be strengthened by the informed use of credit for the acquisition of property and services. The informed use of credit results from an awareness of the cost thereof to the user. It is the purpose of this Act to assure a full disclosure of such cost with a view to promoting the informed use of credit to the benefit of the national economy."

DEFINITIONS

Section 3 defines the necessary words and terms. The important definitions are as follows:

"Credit." Note that section 8 of the bill excludes two categories of credit transactions from coverage, namely, the extension of credit to business firms as such, governments, governmental agencies or instrumentalities; and secondly, transactions in securities or commodities in accounts by a broker-dealer registered with the Securities and Exchange Commission. Otherwise, "credit" is defined so as to include all forms of consumer credit including loans of cash and the time sale of goods and services, under both installment and noninstallment repayment plans. Automobile sales and revolving credit accounts are covered.

"Finance charge," which means the sum of all the charegs incurred by the borrower for the extension or use of credit and shall include, but not by way of limitation, loan fees, service and carrying charges, discounts, interest, time price differentials, and investigators' fees.

"Total amount to be financed," which means the total credit extended excluding the finance charge.

"Annual percentage rate," which means the percentage rate per period expressed as a percent per annum. It shall be equal to the percentage rate per period multiplied by the number of periods per year.

"Percentage rate per period," which means the percentage ratio of the finance charge for the period for which the charge is made to the unpaid balance of the total amount to be financed.

"Period," which means the time interval between the payments specified in the credit agreement for repayment of the total amount to be financed.

"Creditor." This definition is broadly inclusive like that of "credit." It is intended to include any person engaged in the business of extending credit to consumers regardless of the form of the credit, i.e., the bill applies to consumer loans as well as to the sale or rental of goods or services on a time, credit or installment basis.

"Person." Note again the exceptions in section 8. The definitions of "finance charge," "total amount to be financed," "annual percentage rate" "percentage rate per

period," and "period," are (in conjunction with the requirement of section 4) a new formulation of the annual rate requirement. This memorandum will discuss this requirement under its treatment of section 4.

DISCLOSURE REQUIREMENTS

Section 4 is the heart of the bill. Subsection (a) states the disclosure requirements for cash loans and for installment sales other than revolving or open-end credit plans. Subsection (b) states the disclosure requirements for revolving credit plans. Subsection (c) makes it clear that the disclosure requirements apply only to the terms of the contract as written (i.e., only to "threshold" disclosure). If the annual percentage rate disclosed under the Act is subsequently rendered inaccurate as the result of a prepayment, late payment, or other adjustment in the agreement mutually agreed upon by the parties, the inaccuracy is not a violation under section 4.

Lender must itemize all components of the debt

Subsection (a) basically makes three important requirements. First, the person extending credit must disclose all the separate components of the debt being incurred by the borrower. In other words, he must itemize: the cash price or delivered price of the property or service; any amounts to be credited as downpayment or trade-in; each of the charges to be paid by the borrower which are *not* incident to the extension of credit (for example, the cost of "extras" such as snow tires or a wax job on an automobile); and the total of the cash price minus any credits plus other charges, in other words the total amount to be financed. Second, he must clearly state the amount of the finance charge in dollars and cents. Third, he must clearly state the finance charge expressed as an annual percentage rate which shall not be less than the annual percentage rate computed by the actuarial method. He must also disclose the time and amount of payments scheduled to repay the indebtedness and the terms (penalties) applicable in event of payments advanced or delayed from those specified in the contract. (Disclosures of the time and amount of payments, and of the penalties for early or late payment, were not explicitly covered by earlier bills.)

Section 4 substitutes the term "annual percentage rate" for the term "simple annual rate" used in S. 2275. The annual percentage rate is arrived at by multiplying the "percentage rate per period" times the number of periods in a year. The percentage rate per period thus becomes the basic building block from which the annual rate is determined. This annual percentage rate is the rate to be applied to the unpaid balance of the total amount to be financed.

The use of a percentage rate per period to arrive at the annual percentage rate follows the formula of the acturial method and eliminates the need to describe the percentage rate of finance charge as a "simple," "effective," "true," "compound," or "nominal" rate. Each of these terms has a slightly different meaning to experts in finance. It also eliminates the need to refer to "actual," "add-on," "discount" and other rate expressions. Avoiding the use of the term "simple" or any other descriptive term avoids semantic disputes and possible difficulties in the administration of the law. The use of such a descriptive term as "simple" also might lead to widespread practices of avoidance by lenders and vendors.

Nevertheless, there is no change in concept and the "annual percentage rate" follows the two basic characteristics of the "simple annual rate": (1) use of the year as the common time unit denominator, and (2) expression as a percentage rate per period of the ratio that the finance charge bears to the money actually used during the period.

In the course of the hearings held in earlier years on the truth in lending bill, experts of various kinds proposed several formulas either to support disclosure of the "simple annual rate" or to show that such a requirement is "unworkable." The constant ratio, direct ratio, simple-discount, actuarial, simple-loan, residuary, and Merchants' Rule formulas have been considered as methods to disclose an annual rate of finance charge. The basic differences among these formulas are in the assumptions made: (1) regarding the amount to be financed as against the amount to be repaid as the base upon which interest is figured, and (2) regarding the assignment of periodic payments to principal or to interest.

The use of the term "annual percentage rate," based on the periodic rate, will result in the kind of disclosure that the sponsors of the bill have always intended by the term "simple annual rate." The language used in the Proxmire draft of the bill will: (1) permit fairly simple calculations by lenders and vendors, (2) allow the administering agency (or financial publishing houses) to issue easy-to-follow rate tables, and (3) enable consumers to check the charges quoted. This formulation of the annual rate conforms to the rate actually used when finance companies compute their yield on various forms of installment contracts and loans. Instead of asking "How do you figure the rate, given the finance charge and a set of payments?" both the lender and the borrower will ask and easily determine "What are the amounts of the finance charge and payments, given the rate?"

The administrative agency can establish procedures for handling irregularly scheduled payments.

The lender or borrower will easily be able to read out the percentage rate of finance charge from actuarial tables, given the amount of the finance charges in dollars and the number of payments scheduled, running out to any loan duration. And just as easily, the tables can be consulted to read out the amount of the periodic payments, given the percentage rate, the time and the principal.

Even the most complicated payment scheme can be handled. For instance, tables can be worked out for the following type of situation: A buyer of consumer goods wishes to delay payments for 30 days, avoid payments around income tax and vacation time and wishes to enlarge payments when dividends or bonus compensations are expected. In such a chaotic situation a daily rate may be selected, and a schedule of payments developed applying the rate to the outstanding balances for the days between payments. With the assistance of the consumer finance industry, the Board can develop uniform methods to provide for unusual situations and to establish tolerances of accuracy in stating the information required to be disclosed.

It should also be noted that both the term "annual percentage rate," based on a periodic rate, and tables using the actuarial method are consistent with the Instant Rate Converter Wheel put out by CUNA, and with the Household Finance Corporation's "Consumer Credit Cost Calculator." The actuarial method, which the sponsor and finance experts consider to be the best method of calculating annual percentage rates of finance charges, is itself grounded in the so-called "United States Rule." This rule requires that each periodic payment is to be applied first to the interest for the period, with the remainder of the payment applied to reduce the principal outstanding. (See *Story* v. *Livingston*, 38 U.S. 359 (1839).)

Revolving credit accounts

Section 4(b) provides a simplified way to handle revolving or open-end credit accounts (in which commonly a department store permits a customer to charge purchases up to a specified maximum amount, repaying an agreed upon minimum each billing period—usually a month—with a "service charge" applied periodically to the amount owed). Persons extending such credit would be required to disclose the periodic percentage rate of finance or service charge, the periodic date when a finance charge will be imposed, and the annual percentage rate of the finance charge. The complaints voiced earlier about the unworkability of requiring such disclosure for revolving credit are eliminated by providing that the annual percentage rate for the purpose of this requirement is determined simply by multiplying the periodic rate by the number of periods per year. "Period" is used rather than "month" to give maximum flexibility to businessmen in their determination of the way they construct their revolving credit plans. This manner of determining what is called the "annual percentage rate" in connection with revolving credit avoids the difficulties which would arise in determining an exact rate of finance charge under varying amounts of debt, varying payments schedules, and varying methods of applying the charge to the debt.

This subsection also requires the creditor to furnish to the borrower, as of the end of each period: a clear statement in writing of the outstanding balance; any additions to the debt; the total received in payments; the outstanding unpaid balance of the account as of the end of the period; the annual percentage rate used to compute the finance charge for such period; the balance on which the periodic finance charge was computed; and the finance charge, stated in dollars and cents, imposed for the period.

While many stores provide a periodic and itemized statement of some of this information, it is clear from testimony and information received that none disclose an annual percentage rate of finance charge and some fail to make clear what balance the finance charge is applied to and even what periodic rate of finance charge is used.

Only threshold disclosure is covered

Section 4(c) is important and should be read in connection with the penalties in section 7. Section 7 provides that no person shall be entitled to recover civil penalties "solely as a result of the erroneous computation" of the annual percentage rate if the percentage disclosed "was in fact greater than the percentage required" by section 4 or the regulations prescribed by the Board.

In a CBS television documentary program on consumer interest last year, a spokesman for opponents of the bill said the truth in lending bill was unworkable because of the impossibility of stating an accurate annual percentage rate when the borrower repays earlier than scheduled or misses payments, etc. But this is a wholly inapplicable criticism, because S. 2275 and this bill specifically provide that the disclosure of an annual rate applies to the agreed upon terms of the contract, not to violations or irregular payments not anticipated by the contract.

FEDERAL RESERVE BOARD REGULATIONS

Section 5(a) provides that the Federal Reserve Board, as the administering agency, shall prescribe the rules and regulations necessary to carry out the Act. Among these would be the methods which may be used in determining the annual percentage rate in ordinary cases and in irregular payment situations. It would have been possible, of course, to establish in the Act the formulae or methods which are to be used. The Massachusetts' Legislature did this in their truth in lending bills by specifying that the "constant ratio" formula, which the State Act specifically spells out, be used.

But, as discussed above under section 4, the sponsor believes that the actuarial method is the best method for computing the annual percentage rate. This method is commonly recognized in the home mortgage, service and investment fields where the

actually expressed rate is applied to the unpaid balance. Since it is now possible to rapidly develop and reproduce tables to cover any given set of credit terms, it is expected that the Board will publish or authorize the financial publishing houses to publish official tables which would be used by lenders to conform with the Act. The Board would prescribe reasonable tolerance of accuracy with respect to disclosing information under section 4. Despite charges made against the bill, it clearly is intended to require only a fair and *approximate* statement of the annual rate. It does not require the statement of an annual rate exact to several decimal places.

The Board also is to establish rules to insure that the information disclosed under the Act is prominently disclosed so that it will not be overlooked.

Section 5(b) would have the Board request the views of other agencies and (c) authorizes the establishment of an advisory committee.

STATE LAWS

Section 6 provides that the Act shall not be construed to annul or to exempt any creditor from complying with the laws of any State relating to the disclosure of credit information, "except to the extent that such laws are thoroughly inconsistent with the provisions of this Act in regulations issued thereunder." Under subparagraph (b) the Board may exempt credit transactions or classes of credit transactions which it determines "are effectively regulated under the laws of any State so as to require the disclosure by the creditor of the same information as is required under section 4 of this Act.

CIVIL AND CRIMINAL PENALTIES

Section 7(a) provides for civil penalties and (b) for criminal penalties for violations of the Act. The sponsor expects that once instituted the Act will be "self enforcing," mainly, under the civil penalties section.

EXEMPTIONS

Section 8 exempts from the provisions of the Act credit extended to business firms and governments, and securities transactions. The exemption of coverage for business credit raises some difficulties. How shall a farmer be treated, for example? It would be possible to: (1.) exclude protection for him completely; (2.) identify the classes of credit which are "consumer credit" and to be covered (for example, a passenger automobile, even though used partially for business purposes, would be covered, while a milking machine would not); or (3.) attempt to determine on an item by item basis if the loan, article or service is a consumer item and therefore covered. Also, there are those who believe that the owner-operator of a small business ought to have this protection and that, therefore, businesses with a gross income or investment under a specified amount should be covered.

EFFECTIVE DATE

Section 9 provides that the Act shall take effect 180 days after enactment (6 months), except that the Board would prescribe the rules, request the views of other agencies and establish the advisory committee immediately under section 5.

EXHIBIT 4

EXCERPT FROM THE PRESIDENT'S 1966 MESSAGE ON CONSUMER INTERESTS

TRUTH IN LENDING

Every consumer and every business in America benefits from our system of consumer credit. Credit and the economy have grown together. Last year merchants, lending companies, and financial institutions extended about $75 billion in new installment credit to consumers.

Consumer credit:

Permits purchase of many of the goods and services which enrich the quality of American life—the homes, the automobiles, and household appliances we buy.

Finances the costs of higher education, travel, and other activities which broaden and develop the human spirit.

Relieves suffering and distress by spreading major medical expenses over a period of time.

Enables our young families to acquire and furnish homes early in life when good housing is most needed and best enjoyed.

Over the years, this system has worked well. Lenders charge reasonable rates. Borrowers repay their debts promptly. But a minority of unscrupulous operators charge all that the traffic will bear. They wring from the unwary purchaser a price far higher than the credit market requires.

The right of the consumer to know the actual cost of his credit has been ignored for too long. Credit is a commodity. The consumer has just as much right to know the cost of borrowing money as to know the price of any other article he buys.

Credit charges are a key item in the consumer budget. They totaled $25 billion last year. It is important that consumers be able to plan their budgets wisely—and prudently—in this important area.

Yet, many consumers had no information on how these credit costs relate to the cost of the article being financed.

They were confused by statements of credit rates described in unusual or even misleading terms.

They unknowingly paid higher prices for credit than reputable lenders were charging.

We must protect and inform the consumer in his use of the consumer credit system. Our credit structure will be sounder when the consumer has this information.

I therefore renew my recommendation for legislation requiring lenders to state the full cost of credit, simply and clearly, and to state it before any credit contract is signed.

This legislation will help consumers:

Budget their incomes more intelligently, because they will know the price of credit in the same clear terms as the price of milk or gasoline.

Compare credit costs so they shop for the best combination of quality and price including *all* of the charges involved.

Avoid unscrupulous lenders who use excessive credit charges and other sharp practices.

This legislation will also help the legitimate lender by offering protection against any competitor who seeks to gain business by misrepresenting credit costs. It will insure the fair and effective competition that legitimate lenders desire.

It will *not* regulate the cost of credit itself, or interfere with existing laws.

It will *not* reduce the volume of credit.

It will *not* dampen the vigor of consumer buying.

This legislation will right the balance of legal protection between lenders and borrowers.

I urge the Congress to act to insure that the American consumer is given a clear price tag when he shops for credit.

EXHIBIT 5

MEMBERS OF THE CONSUMER ADVISORY COUNCIL

Chairman: Richard H. Holton, Professor of Business Administration, University of California, Berkeley, California.

Mr. David W. Angevine, Public Relations Director, Cooperative League of the U.S.A., Washington, D.C.

Miss Genevieve Blatt, Secretary of Internal Affairs, State of Pennsylvania, Harrisburg, Pennsylvania.

Dr. Dorothy Brady, Professor of Economics, University of Pennsylvania, Philadelphia, Pennsylvania.

Dr. W. Palmer Dearing, Executive Director, Group Health Association of America, Washington, D.C.

Honorable Bronson C. La Follette, Attorney General, State of Wisconsin, Madison, Wisconsin.

Mrs. Florence Low, Assistant Director for Extension Home Economics, Texas A&M University, College Station, Texas.

Mr. Sidney Margolius, Columnist, Port Washington, New York.

Mr. Kenneth J. Marin, Chairman, Department of Economics and Business, Aquinas College, Grand Rapids, Michigan.

Rev. Robert J. McEwen, S.J., Chairman, Department of Economics, Boston College, Boston, Massachusetts.

Mrs. Helen Nelson, Consumer Counsel, State of California, Sacramento, California.

Miss Mattie Waymer, Chairman, Department of Home Economics, Morris Brown College, Atlanta, Georgia.

CREDIT

In 1945 consumer debt was less than $6 billion, one-fortieth the size of the Federal debt. High incomes during the war years, combined with shortages of consumer goods, had led consumers to reduce their debt to a very low level. Last year, consumer debt stood at $86 billion [17] and one-third the size of the Federal debt. As a share of disposable income, consumer credit rose from 10 percent in 1950 to 18 percent in 1965.

While many families use credit wisely, too many must wage a continuous, uphill battle to keep on top of their debts. While most of them do not go bankrupt, last year, nine of 10 bankruptcies—170,000—were incurred by families and individuals. The number of persons who are overextended cannot be accurately measured, but the bankruptcy statistics suggest a problem that cannot be ignored.

For the wary and well-to-do as well as the unsophisticated and economically despairing, present-day practices make it almost impossible to make intelligent decisions about credit. Various methods of stating consumer credit costs confuse, confound, and often mask the true financing cost. In an ideal credit transaction, the debtor is told the accurate price of credit and the charges are stated as an annual rate. More frequently, instead of the ideal, the following practices are employed:

The price of credit is given as a simple monthly rate which on a true annual basis amounts to 12 times the monthly rate.

The borrower is quoted an add-on or discount percentage rate. That is, he is quoted a rate on the original amount of credit rather than on the periodic declining balance. The true interest rate is approximately twice the so-called add-on or discount rate.

The consumer is quoted an add-on or discount rate plus numerous extra fees. In this case, the true annual rate is considerably more than twice the quoted rate.

No rate is quoted; the borrower is only told the amount down and the amount due each month.

TRUTH IN LENDING

The Truth-in-Lending Bill (S. 2275) reintroduced by Senator Paul H. Douglas (D-Ill.) on July 12, 1965, would require creditors to state the total finance charge both in dollars and cents and as a true annual percentage rate due on the outstanding unpaid balance.

S. 2275 protects the businessman as well as the consumer. Certainly, the public benefits when public policy provides rules which enhance vigorous price competition. The

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[17] Excluding mortgage debt for 1- to 4-family houses of $213 billion.

disclosure of true costs of credit will give the ethical lender a strong competitive position against sharp operators who make misleading claims. Under the Douglas bill, lenders would have to compete on the basis of fully disclosed rates.[18]

Recognizing that consumers are beset with many problems in the credit area, in addition to those covered by the Truth-in-Lending Bill, the Council adopted the following resolution:

Whereas, Every Consumer Advisory Council since 1962 has strongly endorsed truth-in-lending legislation; and

Whereas, Widespread misrepresentation of interest rates, vaguely worded credit contracts, unscrupulous repossession methods, trick balloon payment clauses, high pressure door-to-door selling tactics, unconscionably high rates for credit, unregulated services by debt consolidation companies, and severe garnishment laws, to name but a few, all can and do work severe hardships on consumers;

Therefore, be it resolved that, the Consumer Advisory Council again emphasize the necessity of legislation to require Truth in Lending as a part of any effort to correct the Nation's credit ills;

Be it further resolved that, The Consumer Advisory Council recommend that each State review its existing laws in these areas to determine their adequacy in protecting consumers;

Be it further resolved, That the Administration and the Congress begin concurrently with the States to explore the feasibility of regulating these activities.

The National Conference of Commissioners on Uniform State Laws is studying and developing a uniform code governing consumer credit transactions. The Council awaits the results with great interest, for this presents an opportunity to cure many serious ills in consumer credit.

LOOKING AHEAD

The credit situation in America today demands a study in depth of all problems, and on the broadest scale practicable, from the viewpoint of the consumer. It should cover the following:

Examination and evaluation of the work of the National Conference of Commissioners on Uniform State Laws regarding consumer credit;

Attitudes towards credit, such as consumer concepts of usury; credit for the poor; the "6 percent myth" and its implication; and, the position of the cash buyer in the credit market;

Problems surrounding the extension of credit, with a comprehensive review of the relations between creditor and prospective debtor prior to execution of the contract; ways of improving the tone and appeals of inducements to borrow—advisability of minimum standards for advertising which solicits the use of consumer credit; considerations involved in permitting the financing of the whole debt vis-a-vis establishing minimum down payments.

The special credit problems of the poor;

The degree and method of regulation by Government (Federal, State or local), whether there is need for a universal (Federal) approach or for differing regulations by States.

Whether licensing is necessary for all credit and lending; what standards would be most meaningful and how to enforce them, especially disenfranchisement of firms that fail to comply with the standards; the degree to which the lending rates and charges should be controlled, including ceilings, if any, to be established.

The need for and feasibility of local credit bureaus where the consumer can get information helpful to him in choosing a creditor;

Development of a model credit contract and the drafting of general rules governing its use, including recordation;

Methods to improve debtor remedies and defenses against sellers and creditors; the creation of uniform penalty provisions with consideration to punitive damages for intentional fraud; the feasibility of class suits and the group practice of law;

Enforcement posture of the government in all of the above relationships as an effective third party, including remedies as well as sanctions;

Credit counseling, debt pooling, debt adjustment, and safeguards necessary to eliminate conflict of interest in these areas.

BANKER'S SUPPORT FOR TRUTH IN LENDING

Mr. PROXMIRE. Mr. President, since I have introduced the truth in lending bill, the response on the part of the general public has been overwhelmingly in favor of the bill. However, I have also received a letter from Mr. Fortney H. Stark, Jr., president of the Security National Bank of Walnut Creek, Calif. Mr. Stark supports the truth in lending bill and believes that banks will benefit from the enactment of this bill.

I agree with Mr. Stark and would commend his position to the American Bankers Association. Certainly the full disclosure of the cost of credit would enable the vast majority of banks to compete more effectively with high-cost lenders, who, through one device or another, manage to conceal the true cost of their credit.

Mr. President, I ask unanimous consent to have inserted in the RECORD, Mr. Stark's letter together with an excellent pamphlet published by the Security National Bank entitled "What Every Customer Should Know About Borrowing."

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

SECURITY NATIONAL BANK,
Walnut Creek, Calif., January 23, 1967.

Hon. WILLIAM PROXMIRE,
Senate of the United States, Senate Office Building, Washington, D.C.

DEAR BILL: I hope you won't think it presumptuous of a former constituent and present admirer to submit that the enclosed brochure comes close to what you and Mr. Douglas have in mind.

While I am not sure any of my peers would elect me president of the ABA on this platform, I think banks are in a position to get a positive benefit from your truth-in-lending legislation, and you have my support and encouragement in your efforts. If there is anything I can do in my small way, let me know.

Sincerely,

FORTNEY H. STARK, Jr.

WHAT EVERY CUSTOMER SHOULD KNOW ABOUT BORROWING!

INTEREST OR FINANCE CHARGE?

How much do you know about interest, which of course is the "rent" you pay for borrowing money? Did you know that the exact amount you pay depends not only on the rate but also on the way the interest is figured? Often the cost of handling a transaction far exceeds any reasonable interest rate. This is true in our charge card system. Here the account is for your convenience and the merchant makes no charge if you pay promptly. If you wish to extend payments a "fee" is charged—usually 1½% per month. This is 18% per year. However, when you realize that the cost of bookkeeping and postage on a $5 item can exceed the entire value of the item, the charge of 7½c for 60 days shouldn't seem too much for the convenience involved. On an auto loan of $3,000, however, $45 per month interest would be staggering!

The purpose of this brochure is to explain the manner in which interest is figured in your dealings with Security National Bank.

INSTALLMENT LOANS

This is the most common type of bank loan and is used for personal needs, purchases of automobiles, home improvements, vacations, etc. Here interest is added to the amount of the loan and the total figure is divided by the number of months in your repayment schedule. The result is your monthly payment. You should realize this "add-on" interest is about double the simple interest rate. Interest is figured on the total amount of the loan despite the fact you are periodically reducing it by making monthly payments. Therefore, you do not have the full use of the money for the entire term of the loan.

What do you, the customer, get for this added cost? First, the convenience of making a monthly payment even on relatively small amounts. Next, the right to pay off the loan in advance without penalty, plus the ability to adjust payments, increase the loan, skip a payment, have it automatically deducted from your checking account, as well as having a "line of credit" waiting for your use at a moment's notice! The accounting, billing, credit reviews and personal services necessary to offer these loans is costly—therefore, we charge more than for "commercial" loans.

SIMPLE INTEREST

This is the way the interest is figured on real estate, business (commercial) and some personal loans secured by stocks, life insurance or savings accounts. Typically, these are large loans and, with the exception of real estate loans, must be repaid in less than one year. The usual period is 90 days which is suited to the requirements of our business customers. Businesses use this type of loan to buy inventory, finance seasonal cash needs, and usually the "net worth" of the borrower is many times the amount of the loan—often the cash in the business account is equal to the loan amount. The rate on this type of loan averages about 3% over the current savings rate or 7% to 8% on an annual basis.

COST OF CREDIT

You should be aware of the true cost of credit and shop for it just as you would for any major item. Lenders sometimes disguise costs by stating them as "pennies a day" or "2½% a month" or "low terms."

Here is the true story—if finance charges are "added-on" to the purchase price and the total is repaid in twelve equal monthly payments:

When they say 4 percent per year you pay 7.4 percent per year; when they say 6 percent per year you pay 11.1 percent per year; when they say 8 percent per year you pay 14.8 percent per year; when they say 10 percent per year you pay 18.5 percent per year; when they say 12 percent per year you pay 22.5 percent per year.

If charges are made "only on the unpaid balance":

When they say three-fourths of 1 percent per month you pay 9 percent per year; when

[18] With a bill enacted in the spring of 1966 and due to become effective November 1, 1966, Massachusetts took the lead among the States in effective credit legislation. The bill requires full disclosure in all installment transactions, and dollars-and-cents disclosure in revolving credit sales. In addition, it limits interest rates, gives buyers a full business day to change their minds about purchases from door-to-door salesmen, requires buyers' rights to be spelled out on the credit contract, tightens repossession procedures, prohibits advertising of percentage finance charges in other than true annual interest and establishes enforcement procedures (Acts 1966, Ch. 284).

they say five-sixths of 1 percent per month you pay 10 percent per year; when they say 1 percent per month you pay 12 percent per year; when they say 1¼ percent per month you pay 15 percent per year; when they say 1½ percent per month you pay 18 percent per year; when they say 2½ percent per month you pay 30 percent per year.

By making a large down payment and paying off the balance as quickly as you can, you keep interest charges to a minimum. The best basis of comparison between alternate financing methods is to compare the actual dollar and cents cost of financing your purchase. It goes without saying, never sign a contract until you know what the exact interest and extra charges will be!

Whenever you are in doubt, get the agreement in writing and then stop by the bank to get a comparison with a Security National Bank loan. Remember, our officers are always available for financial counseling.

Mr. YARBOROUGH. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I am happy to yield to the Senator from Texas.

Mr. YARBOROUGH. I thank the distinguished Senator from Wisconsin for yielding to me. I want to commend him on his very fine statement concerning truth in lending.

I was a cosponsor of the bill introduced by the former Senator from Illinois, Mr. Douglas, when he was the principal sponsor of this legislation. Of course, it was cosponsored by the Senator from Wisconsin. I wish to commend the Senator for his leadership.

Mr. PROXMIRE. I thank the distinguished Senator from Texas. I certainly welcome him as a cosponsor of this bill. I do not know of anyone in the Senate who has worked harder for the workingman, the farmer, the small businessman, and all the other people who are, in many cases, debtors and would be greatly benefited by the opportunity to have the full facts of any loans disclosed to them before they make them.

The Senator from Texas has always been in the forefront of the fight for full disclosure and full information to be made available to the American consumer.

Mr. YARBOROUGH. I thank the distinguished Senator from Wisconsin for his remarks, which are more generous by far than I deserve. I am grateful that he has made them.

Mr. CLARK. Mr. President, will the Senator from Wisconsin yield?

Mr. PROXMIRE. I yield.

Mr. CLARK. I should like to commend the Senator from Wisconsin for the splendid speech he completed a few moments ago on his truth-in-lending legislation.

I am happy to be a cosponsor of that legislation and to have been a cosponsor for a good many years of prior legislation introduced by our great colleague, whom we all miss so much, Senator Paul Douglas, of Illinois.

For a good many years I served on the Banking and Currency Committee and was delighted to have the opportunity to support Senator Douglas in his sponsorship of this legislation at a time when there were not many Senators who agreed with it.

It was like a breath of fresh air when the Senator from Wisconsin came on the Banking and Currency Committee, picked up the torch, and supported Senator Douglas as strongly as several of us had. I am delighted that he has taken over his mantle with, I hope, a substantially better chance of success than was the case in the earlier years when we were trying to develop strong public opinion in favor of this much-needed legislation.

It is always interesting to me that for so many years there was not a feeling of strong popular support for this legislation, because so many millions of people did not realize they were, in a real sense, being defrauded. I think it was largely as a result of the public's education by the Senator from Wisconsin and Senator Douglas which resulted in so many people supporting this kind of legislation.

Mr. PROXMIRE. I am very flattered that the Senator has put it that way. However, I am convinced that it was the then Senator from Illinois, Senator Douglas, who really popularized this bill. He was chairman of the subcommittee which held hearings in many cities throughout the country, and brought the matter to the attention of the American people, and secured overwhelming support for it, as shown by every poll taken. Eight Members of Congress took polls showing that somewhere between 88 to 95 percent of the people were for it, in Democratic and Republican districts. It is because of Senator Douglas' wonderful, bulldog tenacity, with the aid of the Senator from Pennsylvania and others on the committee, that it is possible this year to pass it.

Mr. CLARK. I think the Senator from Wisconsin is entirely correct. I join him in his commendation of Senator Douglas for his years of effort, at a time when the bill was not very popular.

It is interesting to me, as I am sure it is to the Senator from Wisconsin as his service in this body grows year by year, that a proposal like that of Senator Douglas took so many years to receive support. It is now supported by the President, who for a long time did not support it. I commend President Johnson for his support of it both in his state of the Union message and in the Economic Report.

I think the Senator from Wisconsin is to be congratulated on the amendments in this particular bill, which make it far less complicated than it might have been to determine the interest rate. The Senator can remember the roadblocks which were thrown in our way for many years by those who insisted the bill was quite impractical because one could not figure out the various complicated methods which showed what the real interest rate was. The Senator from Wisconsin has cut through those arguments and has given us a feasible, practical definition of what a proper interest rate is, which is going to be difficult for anybody to controvert.

Again let me say I am happy to cosponsor the legislation. Again I want to commend the past efforts of Senator Douglas, and to commend the Senator from Wisconsin [Mr. PROXMIRE] for the splendid leadership he is showing, which will bring this cause to fruition after almost, if not more than, 10 years from the time when Senator Douglas first undertook to sponsor the legislation.

Mr. PROXMIRE. I certainly thank the Senator from Pennsylvania, who is as doughty and hearty a battler for liberal causes as there is in the Senate.

I should like to make one concluding statement, and then I shall yield the floor; and that is to say that I have talked with a number of members of the Banking and Currency Committee and I am now convinced that a strong and practicable bill will be reported this spring by the committee. The President supports it. It has been tried out by the Department of Defense and found to be workable. It has been tried out by the State of Massachusetts. There is a growing awareness of the desirability and need for this legislation throughout America.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MORTON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

THE UNITED STATES-SOVIET CONSULAR CONVENTION

Mr. MORTON. Mr. President, in the coming days, the Senate will consider ratification of a Consular Convention between the United States and the Soviet Union. Two years ago, the same consular agreement was favorably reported out of committee only to die of fear and misgiving.

It is open to question whether the responsibility for killing this forward-looking proposal in the 89th Congress rests with the administration which had misgivings about securing the necessary two-thirds vote—or with the extremist fringe groups in our society who fear Polish hams as much as they fear any new gesture toward world peace.

Unfortunately, Mr. President, the same fears and misgivings today threaten to frustrate this historic first attempt at a bilateral United States-Soviet agreement. Unfortunately, timidity of purpose on one hand, and hysterical opposition on the other, may once again thwart the efforts of those who see in this Consular Convention a safe and sound approach toward better relations between the world's two mightiest powers.

It is interesting and significant to note that a start toward improved United States-Soviet relations was urged by President Eisenhower on April 16, 1953. With America committed in Korea to the defense of freedom, the President declared:

Every gun that is fired, every warship launched, every rocket fired signifies a *theft* from those who hunger and are not fed, those who are cold and are not clothed . . .

The cost of one heavy bomber is this: a modern brick school in more than thirty cities . . . We pay for a single fighter plane with a half million bushels of wheat. We pay for a single destroyer with new homes

that would have housed more than eight thousand people . . .

This is not a way of life at all, in any true sense. Under the cloud of threatening war, it is humanity hanging from a cross of iron . . .

A world that begins to witness the rebirth of trust among nations *can* find its way to a peace that is neither partial nor punitive. The fruits of success would present the world with the greatest task, and the greatest opportunity of all—a declared total war, not upon any human enemy, but upon the brute forces of poverty and need.

I might interject, Mr. President, that I think that is when the war on poverty was declared.

President Eisenhower concluded:

We are ready to dedicate our strength to serving the *needs*, rather than the *fears*, of the world.

Then as now, Mr. President, the hysterical voices of fear and hatred, of false witness and self-deceit, rose up in wrath against those groping cautiously and unconditionally toward a relaxation of tensions.

Then as now, armed Asian conflict caused many well-intentioned leaders to stress the need for total security at the expense of total freedom.

Then as now, those who voiced the strongest opposition to the closed societies of the Communist world, faltered in their faith in our open society here at home.

The years in between have witnessed a continuing effort, by Democrats and Republicans alike, to expand diplomatic relations with the Soviet Union. I speak with particular pride of the initiatives taken by my own party in support of the very principles embodied in the present Consular Convention.

At the Geneva Conference in 1955, President Eisenhower urged that "concrete steps" be taken to lower "the barriers which now impede the opportunities of people to travel anywhere in the world, so that all will have a chance to know each other face to face."

In 1959 Vice President Nixon suggested to Soviet officials that the interest of peace and the interests of both the United States and the Soviet Union would be well served if consulates were established in New York and in Leningrad.

That same year, the Secretary of State, the late and revered Christian Herter, stressed the desirability of additional consulates, and strongly proposed that negotiations begin as soon as possible for a consular convention.

As an Assistant Secretary of State, I believed 10 years ago that a consular agreement and broadened diplomatic relations with the Soviet Union were unquestionably in our national interest. I believed then, as I believe now, that we would advance the cause of peace, and the cause of the free world—if we could make the first gesture toward widening the channels of communications between East and West.

The Consular Convention is such a gesture and I am convinced that it can lead toward the resolution of many problems over which the United States and the Soviet Union face each other around the world. This agreement is also a symbol, at home as well as abroad, that our Nation's political leaders will not permit themselves to be mesmerized by the tragedy in Vietnam at the expense of opportunities elsewhere to bring the world closer to peace.

The sound and fury of the unenlightened have distorted the substance of the proposed Consular Convention. They have also shown that the pen can be mightier than the sword. The testimony for and against the convention has all the characteristics of a chain letter. My mail is running 100 to 1 against ratification. While many correspondents express honest if misinformed opinions, there can be no doubt that this avalanche is largely the result of a carefully planned and well financed "big lie" operation designed by the paranoids and fearmongers.

Let me explain this treaty, not in heat, but in the light of day. It will permit our Government to assist and protect more effectively the 18,000 American citizens who annually travel in the Soviet Union. Without the protection of such an agreement, Americans have frequently been isolated in Soviet prisons for long periods and kept from contact with American Embassy consular officers.

The treaty does not provide for the opening of consulates. Approval of the convention has no bearing on this question, since under the Constitution the President can agree to reciprocal opening of consulates in the United States and the U.S.S.R. at any time.

There are no formal proposals or plans pending for the opening of separate consular offices in either country. If at a later date it is appropriate to open a consulate outside the respective capitals, it would be the subject of careful negotiation on a strict quid-pro-quo basis. Such an office would probably involve 10 to 15 Americans in the Soviet Union, with the Soviets permitted to send the same number here. Secretary Rusk has stated that state and local officials of the community to be affected would be consulted before concluding such an agreement.

This convention gives full immunity from criminal jurisdiction to consular officers and employees of both countries. We would not send American officials or clerical employees to serve in the U.S.S.R. without this protection. Since 1946, 31 Americans at our Embassy in Moscow have been expelled by the Soviets, most often on allegations of espionage. Without immunity consular employees could be jailed or suffer even harsher punishment on similar trumped up charges.

Furthermore, action against American consular personnel serving in the Soviet Union without diplomatic immunity could be a temptation to Soviet authorities whenever a Soviet citizen was arrested in this country for espionage. Other governments similarly protect their officials and clerical employees in the U.S.S.R.; the British and the Japanese recently negotiated consular conventions with the Soviet Union containing immunity provisions modeled after those in the treaty we will soon consider.

I must say, Mr. President, I would hate to go to Leningrad as consul for the United States without diplomatic immunity. We have heard much about this question of immunity. Immunity is in this agreement because we insisted upon it, not the Russians. We are not arbitrarily going to throw some fellow in jail. If we did, it would be in the papers and they would know it. Ours is an open society. But they will do so, and they have.

The opening of one Soviet consulate in the United States would not materially affect our internal security. The number of Soviet citizens now enjoying immunity, 452, would be increased by only 10 to 15 persons. In addition, we have the right under the treaty to screen the personnel of such an office before agreeing to their assignment. We are also authorized by the treaty to prevent them from traveling to sensitive areas in the United States and to expel them if they prove to be undesirable. We could close a Soviet consulate whenever we wished, and we could cancel the Consular Convention on 6 months' notice.

By any realistic yardstick, the advantages to be gained by ratification of the Consular Convention favor the United States. Far more Americans traveling in the Soviet Union require the protection this treaty will offer than the nominal number of Russians traveling here. Furthermore, by the very nature of our society, the Soviet Union can gather as much intelligence from the "yellow pages" as from a few additional consular officials.

But the real issue here is not a meaningless numbers game involving tourists and spies—the real issue is whether the Government of the United States will be authorized by the Senate to explore a dim light at the end of the dark tunnel that is the "cold war."

The task before the Senate and the administration is clear. We must educate—not placate.

Let us not placate those who would creep out from darkness to bomb embassies and legations. We had an example of that the other day.

Let us not placate those who would use patriotism as a shield for twisted conspiracy. Indeed, those who bombed the Yugoslav Embassies and consulates did so under the shield of patriotism.

Let us not placate those who frozen in the past would freeze out the future.

Rather we must educate many who harbor unfounded suspicions of anything new, and who place rigid and unfounded faith in anything old.

The administration has indicated it favors ratification of the Consular Convention. But experience in the last Congress, and the campaign in opposition to the treaty today, convince me that something more is required.

Therefore, I urge the President to declare to the American people, and the world, his determination to achieve a victory in the Senate for the Consular Convention. Only the most forceful and persuasive testimony will result in ratification, and justify the hopes of those, like myself, who believe in this first cautious step toward new East-West understanding.

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

Mr. MORTON. I yield.

Mr. COOPER. Mr. President, I compliment my colleague, the Senator from Kentucky, on his very eloquent speech and his forceful support of the Consular Convention.

I believe that the provisions of the treaty have been deliberately misrepresented by some. Yet it is fair to say that there is a great deal of honest misunderstanding about its provisions, and opinions honestly held.

My colleague has done a great deal today to explain correctly and factually the provisions of the convention.

As the Senator has said, there is no provision in the convention which orders any particular number of consulates to be opened. There is no provision which would mean that our country would be flooded with an avalanche of consular employees and officers.

One of the fears held by the people of our country—and this is apparent from the mail that I receive and the Senator receives and it is normal—is that the consulates established would be seats of espionage. The idea has been fostered by several organizations who quote the letter of the distinguished Director of the Federal Bureau of Investigation, Mr. Hoover.

I think, however, upon reading his letters that one cannot say that he has fostered this idea. He has simply stated a fact, that the additional number of officers and employees here will, of course, be possible sources of espionage. However, I think that no one would be more sure that he could control those possible sources of espionage than Mr. Hoover.

As the Senator has said, 10 to 15 employees and officers would be added to the 452 now in this country.

The Senator has correctly pointed out that this convention would insure important protections and advantages for the citizens of our country who may be in the Soviet Union. Today they enjoy no procedural rights if they are held in detention. But, under this treaty they would be assured procedural rights greater than those accorded to the citizens of the Soviet Union.

The Soviet Union would be required to notify the consular offices at once of the detention of an American citizen and to provide continuing communication and access to any of our citizens detained by consular officers.

In a larger sense the Senator has called attention to a most significant value of the convention. It is that it would be a step—although it may be a small step—toward the reduction of tensions between the United States and the Soviet Union. It could be a little step which might lead to a nonproliferation treaty regarding nuclear weapons.

It could be a step—a small step, but nevertheless a step—toward better communications with the Soviet Union and the settlement of some of the problems which, as long as they last, threaten war and world peace.

I happen to be the newest member of the Committee on Foreign Relations, but I shall vote for the convention and for this small step toward peace.

I congratulate my colleague.

He has given an accurate description of the convention. As a known leader of our Republican Party, or who has held official posts in the Republican Party, he has the light toward advanced positions of our party so that it might not become retrograde.

He has called attention to the fact that the convention could be a step toward better relations with the Soviet Union, the reduction of tensions, and we hope toward true peace someday in the future.

Mr. MORTON. I thank my senior colleague for his very generous comments.

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

Mr. MORTON. I yield.

Mr. AIKEN. Mr. President, as I have stated earlier today, I hope the Senate can consider this consular treaty in a sane and rational manner and not be overly influenced by agitators who have special axes to grind.

I do not think Russia has behaved for the last 2 years as a first-class nation should. Certainly Russia should assume much responsibility for the continuation of the war in southeast Asia, and I am not in a forgiving mood as far as that goes. However, this consular treaty is another matter. I do not believe we should let people who originally came to this country seeking freedom dictate our course in world affairs or agitate war and violence in other countries, particularly in countries from which they came.

If people come to America, they should accept the traditions and the rules of our country.

It is said that this convention will open the way to more spying on the part of the Russians. As far as I know, every embassy and consulate in every country in the world learns what it can about what is going on in the country in which it happens to be located. I expect that is true of the Russians, but I fear there is not much that the Russians can learn about this country that is not already freely offered to them.

As an example, I had a request from constituents the other day for a certain map. I called the Defense Department to get a copy of the map. I was told: "It is classified. They cannot have that map." So they had to go to the Government Printing Office and pay 20 cents for the map. I am sure that the Russians could do the same thing.

I did not give away a classified map. I do not want the Senator from Kentucky to think that I was trying to do that.

Mr. MORTON. I know that the New England frugality of the Senator would have prevented him from paying the 20 cents.

Mr. AIKEN. They had to pay 20 cents for the map. I am sorry in a way that the proposed Consular Treaty—to which perhaps I had not given enough attention up to a month ago—has now become a symbol of hate and is being exploited by agitators to encourage violence and even war in other parts of the world.

Mr. MORTON. I thank the Senator.

Mr. AIKEN. The Senator from Kentucky has done a good job.

Mr. MORTON. In commenting on what the Senator from Vermont has so well pointed out, I may say that it will be pointed out by those who object to this treaty—they are men of sincerity and dedication and patriotism—that the record is replete with Russian violations of agreements. This is true. I admit it.

LEGISLATIVE REORGANIZATION ACT OF 1967

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair). The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which the clerk will read.

The LEGISLATIVE CLERK. A bill (S. 355) to improve the operation of the legislative branch of the Federal Government, and for other purposes.

THE UNITED STATES-SOVIET CONSULAR TREATY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator from Kentucky may continue with his address.

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. SCOTT. Mr. President, I withdraw my request.

Mr. MORTON. My point is that the monolithic structure still exists, to a degree, but not to the degree that it existed at the time of Stalin. Indications are that things are getting better. In the so-called satellite countries, we see now the profit motive being reinjected into the society, because the profit motive works, rather than the planned motive.

I believe that progress is being made, and merely because agreements have been violated is no sign that we must stop. The test ban treaty, which the Senator from Vermont and I supported, has not been violated, to my knowledge, and I believe that we have adequate surveillance. I believe that this proposal presents an opportunity to take another step forward.

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

Mr. MORTON. I yield.

Mr. HATFIELD. Mr. President, I should like to commend the Senator from Kentucky for a very eloquent and succinct statement on this important treaty.

My mail is running about 100 to 1 against the treaty, as the Senator from Kentucky has indicated that his mail is running also. I consider that I am an authority on "kook" mail, because I have received a goodly amount of it during my political life. However, in the mail that I have received during the last few days from my constituents in the State of Oregon and from people in other States are letters from many sincere and dedicated Americans who are deeply concerned about the meaning of this treaty. In letter after letter I find quotations from a so-called letter written by J. Edgar Hoover, a man whom, I am sure, we all deeply admire and respect for his great skill and for his patriotism. They say that Mr. Hoover has called this treaty "a cherished goal for the Soviet intelligence services." Because of this quotation and because I have not seen the letter, I should like to know whether the junior Senator from Kentucky wishes

to comment on the statement by Mr. J. Edgar Hoover and its relationship to the question that will be before the Senate when we consider the treaty.

Mr. MORTON. I shall be happy to comment.

I believe that three letters from the distinguished Director of the FBI on this subject are public and a matter of record—two to the committee and one to the senior Senator from South Dakota [Mr. MUNDT]. I believe that these letters should be read in their entirety.

It is obvious—we all grant this—that the burdens on Mr. Hoover's office, on the FBI, would be increased should consulates be established. Should 15 more Russian nationals with consular training be in this country, more surveillance would be required. However, I point out that today 452 such Russian nationals are in this country; and in all his communications, the distinguished Director of the Federal Bureau of Investigation has said repeatedly that he could cope with the problem. He may have to ask Congress for 5, 10, 15, or 20 additional agents, but he has never indicated that he could not adequately cope with this problem.

I suggest to the Senator from Oregon that the full content of these letters be made available to his constituents, who are rightfully expressing some apprehension because of quotations out of context that may have been sent to them through some medium.

Mr. HATFIELD. Mr. President, will the Senator yield for an additional question?

Mr. MORTON. I yield.

Mr. HATFIELD. Is it possible to obtain the full text of these letters?

Mr. MORTON. It is possible.

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

Mr. MORTON. I yield.

Mr. SCOTT. Mr. President, I read the statement of the distinguished Senator from Kentucky before he made it. I found the statement very cogent, and I certainly entirely agree with it.

I believe that it is worth remembering that the negotiations for consular interchange had their inception under the Eisenhower administration; that the distinguished former Vice President of the United States, Mr. Nixon, took part and proposed this interchange, I believe, in 1959, as the Senator pointed out; that the business of seeking to find some method of protecting our people in negotiation with the Russians has been bipartisan and has been supported by at least three successive administrations.

Therefore, it seems to me that there is strong and expert background behind this proposal, in addition to the Senator's own distinguished and great experience in the foreign policy field, when he was an Assistant Secretary of State in the Eisenhower administration.

I should like to ask the Senator from Kentucky whether it is not also a fact that with respect to other treaties we have had with the Russians, we have had no difficulty whatever—for example, the Antarctica Treaty; and prior to the negotiation of that convention, many nations were claiming wedges of Antarctica. The question of sovereignty—particularly the question of mutual exploration and development—was in a very hazy condition.

I have spoken with an American scientist in New Zealand who was en route to work with the Russians in Antarctica, to cooperate with them, by direction of the U.S. Government. The United States, in turn, has shared in scientific investigation in Antarctica.

Since that convention was concluded, so far as I know, no serious territorial conflicts or lack of cooperation have occurred.

I call attention, also, to the recently negotiated Space Treaty, with which we are all familiar, and the importance of having a reasonable and cautious—and I hope justified—optimism, that by agreeing between great powers that the use of space shall not include military ventures on the part of any nation, we have progressed in seeking to advance the possibilities of peace in this world.

I believe that as we secure our personnel in dealing with the Russians, we eliminate, or hope to eliminate, or should eliminate, another possible cause of friction—that is that every time the Russians grab an American citizen and stick him in the "pokey," as I said before, American public opinion is inflamed. The reverse can also be true.

We are a nation of law and order, a government of laws and not of men; and, as a government of laws, we extend the privilege of our laws to the Soviet citizens on condition that they extend to our citizens privileges which the Russians do not extend to the Soviet citizens.

It seems to me that such a convention might itself have some impact on Russian public opinion, which is more important now than it was 10 years ago; and the Russians may seek to extend to American nationals, British nationals, and Japanese nationals some of the benefits of the American system of law and order which are presently denied the Soviet citizens—presently denied to us but permitted to the British and the Japanese.

In my opinion, the advantages inherent in this proposal weigh heavily on our side, although the question of mutual trust and confidence is always involved in the working out of a convention or treaty.

I thank the Senator from Kentucky for his great contribution.

Mr. MORTON. I thank the Senator from Pennsylvania.

The question about an open society is of some interest. Obviously, we are an open society. One can read some of our great newspapers or magazines and find out as much about this country as one can probably find out about Russia through consulates for that matter.

I recall that in the days of World War II, I was in command of a vessel in the Pacific. We had received some ammunition, with instructions that we could not do anything about examining it, taking it apart, or anything else. We had to fire it once a week. It contained a proximity fuze. If it blew up before it hit the water, it was all right; if it did not, we threw the whole lot overboard. We argued at great length in the wardroom as to how that fuze worked. Some thought it was a magnetic device and some thought that it was a radar device. We made a bet one day. We decided to meet 5 years after the war and pay off the bet. We came ashore several days later and picked up the overseas edition of Time magazine and found the entire fuze explained and we were able to settle the bet before the war was over.

We are an open society and I do not believe that two or three Russians in Chicago are going to find out more than I can find out in the New York Times or in Time magazine.

Mr. SCOTT. I might add a footnote to the statement of the Senator. I was the second-ranking intelligence officer in the 3d Amphibious Force. The fuze about which the Senator spoke was so secret that the information was not available to me as the No. 2 man. The Senator is correct in stating that the explanation could be found in Time magazine but I did not know it aboard ship, and I was the second-ranking intelligence officer in a major force.

Mr. MORTON. This is one of the prices that we pay for having an open society. I hope that we will always have an open society. I believe that the price is well worth the reward.

THE PRESIDENT'S VETERANS' MESSAGE

Mr. YARBOROUGH. Mr. President, today, the President has sent to Congress a fine message proposing additional veterans' benefits, both for the veterans of our present conflict in Vietnam and for the veterans of prior wars. I feel sure that Congress will look most favorably on these proposals to insure fully adequate recognition and benefits for the veterans who have made sacrifices and are making sacrifices to insure our freedom and security. I am sure that Congress will act speedily to look at every veterans program and make needed improvements. Pensions, disability compensation, hospitalization, and readjustment educational benefits will all get our attention.

I am pleased that the administration has become an enthusiastic supporter of the cold war GI bill which was passed last year through congressional initiative. The President's message points out that today over 250,000 young veterans are taking training under the bill, and they will become 500,000 before the end of the next fiscal year.

The message expresses concern with the situation of the 100,000 young men leaving the service every year who have not finished high schools. I certainly share their concern. Last year the Senate bill provided for high school education but when the cold war GI bill was returned to the Senate with the House amendments, it was discovered that language in the House bill defended by the Veterans' Administration would have barred any GI educational benefits to veterans needing high school training. At my insistence, after much argument with the Veterans' Administration, they agreed not to oppose a further Senate amendment insuring the right of a veteran to finish his high school education with GI bill benefits. So I am gratified

that this year, at last, the Veterans' Administration has "gotten religion" and supports a plan to even more fully encourage high school completion by veterans. They are late to the fold, but I welcome them for making their meritorious proposal.

A further improvement proposed to the cold war GI bill by the administration is in raising the amounts of monthly educational allowances payable. The administration proposed increase to $130 for a single veteran is the same as that proposed by my bill S. 9, but the further increases suggested would not meet the needs of the veterans with families.

The 52 cosponsors of S. 9, the bill providing educational benefits to Vietnam veterans equivalent to those of the Korean GI bill, will want to study the details of the administration proposal carefully, in comparison with the more generous provisions of S. 9 now pending. I feel that there is a great need to restore flight training, on-the-job, and on-the-farm training to the options available under the cold war GI bill, and to improve both the amounts and duration of the benefits none of which are mentioned in the President's message. This number of cosponsors indicates that a majority of the Senate shares my desire to make really meaningful improvements in the cold war GI bill.

Mr. President, under the Korean GI bill, a veteran could take flight training, on-the-job, and on-the-farm training. The House of Representatives cut that out of the GI bill last year. We had to accept the deletion of flight training, on-the-job, and on-the-farm training or lose the bill entirely. Thus, we took the bill with those items cut out, but they are in the Senate bill now pending, S. 9, cosponsored by 52 Senators.

I regret these subjects are not specifically mentioned in the President's message but I hope that when this bill passes the Senate, our veterans will be given the opportunity to take flight training, on-the-job, and on-the-farm training, as the veterans of World War II and the Korean conflict did. There is a great necessity for this training at this time. Every estimate is that we will be short 12,000 commercial pilots in this country by the year 1970. Many pilots—flying other commercial planes today are flying on temporary certificates, I am told. These cold war and Vietnam veterans should have the opportunity to take flight training and my bill will be one way to meet the shortage.

Mr. MONRONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CLARK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

LEGISLATIVE REORGANIZATION ACT OF 1967

The Senate resumed the consideration of the bill (S. 355) to improve the operation of the legislative branch of the Federal Government, and for other purposes.

AMENDMENT NO. 64

Mr. CLARK. Mr. President, I call up my amendment No. 64 and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read the amendment, as follows:

On page 2, in the table of contents, immediately after the item relating to section 122 of the bill, insert the following new item:

"Sec. 123. Standing Rules of the Senate."

On page 30, between lines 10 and 11, insert the following new section:

"STANDING RULES OF THE SENATE

"SEC. 123. Paragraph 6 of rule XVI of the Standing Rules of the Senate is repealed.

Mr. CLARK. Mr. President, Senators will recall that, after rather substantial debate yesterday, the Senate by a very substantial majority, tabled an amendment which I had offered to give to six legislative committees of the Senate; namely, the Committees on Commerce, Finance, Interior and Insular Affairs, Judiciary, Labor and Public Welfare, and Banking and Currency, the same privilege of having three of their members serve ex officio on the Committee on Appropriations when bills coming within the legislative competence of those committees were before the Committee on Appropriations for funding, as has been given for some time to eight other committees; namely, the Committee on Agriculture and Forestry, Post Office and Civil Service, Armed Services, District of Columbia, Public Works, Foreign Relations, Atomic Energy, and Aeronautical and Space Sciences.

During the course of that debate several Senators suggested that they thought it was indeed inequitable and unfair to give this special privilege, largely on an historical basis, to certain legislative committees while denying it to others, but that they would prefer to remove the privilege from the eight committees rather than to grant it to the six additional committees.

Mr. President, I indicated at that time that I would propose the pending amendment in the event that my earlier amendment was tabled, which it was.

In the interest of consistency and, indeed, of poetic justice, I cannot see the slightest justification for favoring the eight committees over the other six legislative committees.

Therefore, I am adopting the suggestion made to me by the minority leader [Mr. DIRKSEN], the ranking minority member, Senator MUNDT, on the committee of the Senator from Oklahoma [Mr. MONRONEY], and one or two others. I would like to give Senators the opportunity to remove this inequity in the present procedure and thus eliminate all ex officio members on the Committee on Appropriations.

If I may have the attention of the Senator from Oklahoma, I do not know whether I care to say anything more than I have already. I hope to get a rollcall vote on this matter. If the Senator from Oklahoma [Mr. MONRONEY] would be interested, I would be happy to propound a unanimous consent request to limit the time on this amendment, after we have a quorum call, and after we have gotten enough Senators to raise the yeas and nays, and determine whether there is any objection to a limitation of time.

Mr. MONRONEY. I agree with the Senator from Pennsylvania [Mr. CLARK] that there is no useful purpose to be served in using an extraordinary amount of time on the pending amendment. All Senators are familiar with the operation of the Committee on Appropriations, and the proposal made in the amendment of the additional six committees and the eight committees which have come down to us from the setting up of the Budget and Accounting Act of 1922.

Would the Senator feel that 15 minutes would be a sufficient time for discussion? I do have one thing with which I am concerned. Many Senators are not in the Chamber, unfortunately, although they are fully advised as to the pending amendment.

Many of them who are in the Armed Services and Appropriations joint meeting downstairs have expressed strong opposition to the proposal of the distinguished Senator from Pennsylvania, as the Senator would perhaps expect. I do not know whether they wish to be heard on this subject or not.

Mr. CLARK. I would be guided entirely by the desire of the Senator from Oklahoma.

Mr. MONRONEY. I would say that I should like to have some time reserved, if possible, for them, if they wish to make use of it. Therefore, if the Senator from Pennsylvania would care to proceed for a few moments, I will try to ascertain from these Members whether they have a desire for time or not.

Mr. CLARK. I have nothing further to say and therefore suggest the absence of a quorum in order to permit the Senator from Oklahoma to make the inquiry he has in mind.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

[No. 12 Leg.]

Anderson	Gruening	Montoya
Baker	Hansen	Morse
Bartlett	Harris	Morton
Bayh	Hart	Moss
Bible	Hayden	Mundt
Boggs	Hill	Murphy
Brooke	Holland	Pastore
Burdick	Hollings	Pell
Byrd, W. Va.	Hruska	Smathers
Clark	Kuchel	Sparkman
Cooper	Long, Mo.	Spong
Cotton	Magnuson	Stennis
Curtis	McGee	Symington
Dominick	McGovern	Talmadge
Ervin	Metcalf	Yarborough
Gore	Monroney	Young, Ohio

Mr. BYRD of West Virginia. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from New York [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. McINTYRE], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. McCARTHY], and the Senator from Connecticut [Mr. RIBICOFF] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Hawaii [Mr. FONG], the Senator from New York [Mr. JAVITS], the Senator from Iowa [Mr. MILLER], the Senator from Illinois [Mr. PERCY], and the Senator from Texas [Mr. TOWER] are absent on official business.

The PRESIDING OFFICER. A quorum is not present.

Mr. BYRD of West Virginia. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from West Virginia.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After a little delay, the following Senators entered the Chamber and answered to their names:

Aiken	Hatfield	Pearson
Bennett	Hickenlooper	Prouty
Byrd, Va.	Inouye	Proxmire
Cannon	Jackson	Randolph
Carlson	Jordan, N.C.	Russell
Case	Jordan, Idaho	Scott
Dirksen	Kennedy, Mass.	Smith
Dodd	Lausche	Thurmond
Ellender	Mansfield	Williams, N.J.
Fannin	McClellan	Williams, Del.
Fulbright	Mondale	Young, N. Dak.
Griffin	Muskie	
Hartke	Nelson	

The PRESIDING OFFICER. A quorum is present.

The Chair recognizes the Senator from Oklahoma.

Mr. MONRONEY. Mr. President, I apologize for the delay, but I felt that since this matter concerned the ex officio seats of some 27 ex officio members of the Appropriations Committee that it would be best to have a live quorum so that these members would be on notice that this amendment to eliminate ex officio membership from all committees was being proposed.

It would provide only for the 26 regular members of the Appropriations Committee that we have at the present time.

UNANIMOUS CONSENT AGREEMENT

Mr. President, I should like to propound a unanimous-consent request for time at the conclusion of my brief remarks, hoping to close debate in 10 to 15 minutes, with the time to be equally divided.

I do feel that we should have some of the Members who serve as ex officio members of the committee present to explain the duties they perform.

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

Mr. MONRONEY. I yield.

Mr. CLARK. Mr. President, I wonder if we could have the yeas and nays.

Mr. MONRONEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. MONRONEY. Mr. President, I also ask unanimous consent that the time on the amendment be limited to 15 minutes, with the time to be controlled and equally divided by me and the distinguished assistant minority leader.

Mr. SYMINGTON. Mr. President, reserving the right to object, and I shall not object, would the distinguished senior Senator from Oklahoma be agreeable to 20 minutes?

Mr. MONRONEY. That would be agreeable.

Mr. CLARK. Ten minutes to a side?

Mr. MONRONEY. That would be 10 minutes to a side.

Mr. CLARK. That is agreeable.

The PRESIDING OFFICER. The request of the Senator from Oklahoma is that 20 minutes be allowed on the amendment, the time to be equally divided. Is there objection? The Chair hears none, and it is so ordered.

Mr. MONRONEY. Mr. President, the Committee on Reorganization carefully considered both of the recommendations of the distinguished Senator from Pennsylvania. His first recommendation was that we add three representatives from each of the six standing committees of the Senate which had heretofore not been represented in ex officio membership.

Yesterday during the discussion of this question, it was suggested that if we cannot have ex officio membership for all committees, we should not have it for any.

It was decided not to extend the privilege of ex officio membership. Then the Senator from Pennsylvania offered the present amendment to eliminate the present ex officio membership on the eight committees that have enjoyed this privilege.

I point out one important reason why I feel the adoption of the amendment would be unwise. As I say, the committee carefully considered both the amendment proposed on yesterday and, in substance, the amendment proposed today.

We feel that the members who presently serve in an ex officio capacity have a certain degree of expertise and experience that go along with the position, and that that adds greatly to the information that the Appropriations Committee has.

I call attention to the fact that the Committee on Agriculture now has three members. A bill pertaining to financing required for the various activities of the Department of Agriculture is one of the most difficult to understand.

I believe that everyone can appreciate the need for expertise and experience from the Armed Services Committee in the writing up and marking up of the $76 billion total Defense appropriations bills which will be facing us in a few weeks.

With its $500 million budget, I believe we can understand why the Committee on the District of Columbia needs people on the Committee on Appropriations who understand that work; because very few of the regular members concern themselves with the District of Columbia appropriations with the exception of our distinguished chairman of the Subcommittee on District of Columbia, the Senator from West Virginia [Mr. BYRD].

The Committee on Public Works is a highly technical committee, involving thousands of public works projects throughout the Nation. Its members too, have a special degree of information.

With respect to Atomic Energy and Space, I think it needless to say that special knowledge is required of what is going on in the complicated and often secret authorizations and needs for the development of this scientific research and new weapons.

I yield 3 minutes to the distinguished senior Senator from Missouri.

Mr. SYMINGTON. Mr. President, I appreciate the position taken by the distinguished senior Senator from Oklahoma.

At this time, as a result of the very able and distinguished chairman of the Committee on Armed Services also being chairman of the Department of Defense Subcommittee of the Committee on Appropriations, we are now having joint hearings on the $12 billion supplemental and the $73 billion budget for fiscal 1968. In effect, this means that the various leading members—civilian and military—of the Department of Defense only appear once in order to defend the position of the administration with respect to this $73 billion budget.

Mr. President, especially considering the fact that for the first time the distinguished senior Senator from Georgia is conducting joint hearings on the appropriations bill, I would hope that the Senate would not decide to eliminate the Armed Services Committee members from their ex officio representation on the Defense Subcommittee of Appropriations.

Mr. MONRONEY. Mr. President, I am informed that the minority has no request for time, so this would leave additional time for Senators who wish to speak, and also for the distinguished Senator from Pennsylvania [Mr. CLARK] if he wishes additional time.

Mr. CLARK. If the Senator from Oklahoma has no further time he would yield, I yield my time.

Mr. MONRONEY. I yield 5 minutes to the Senator from Washington.

Mr. JACKSON. Mr. President, I would like to associate myself with the remarks of the able senior Senator from Oklahoma and the able senior Senator from Missouri.

It seems to me that the bill that is now before the Senate involves the legislative efficiency of this body, and we should consider seriously what would result if the amendment were adopted.

It has been pointed out that when one becomes involved in the defense budget, he is speaking of $85 billion. More important than the amount of money is the complicated nature of the budget. The members of the Committee on Armed Services have the responsibility of authorizing all the procurement to support the Defense Establishment. One cannot disassociate that authority from the responsibility that exists within the Appropriations Subcommittee to pass on the appropriations to implement the Department of Defense program.

It has been my experience—and I know that it has been the experience of those of us who serve as ex officio members of the Subcommittee on Department of Defense—that this association is extremely helpful to the Committee on Armed Services and to the members of the Subcommittee on Department of Defense.

I cannot think of an area more important than that of national security. It would be a mistake, indeed, to break up

this fine working relationship that has played such an important part, in my judgment, in making for a more efficient conduct of the problem within the Department of Defense. As the able Senator from Oklahoma and the able Senator from Missouri have pointed out, we hold concurrent hearings. This not only saves the time of the representatives of the Department of Defense, but it also saves the time of Members of the Senate. Of even greater importance is the fact that we have demonstrated that we do a much better job with this kind of working relationship than we would do without that arrangement.

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

Mr. JACKSON. I yield.

Mr. MONRONEY. Is it not a fact, also, that the Committee on Armed Services, of which the distinguished Senator from Washington is a member, fixes in every instance the top authorization limit not only of weapons and space programs and material programs, including aviation and Navy supplies and things of that kind, but also determines the total public works of the Military Establishment, both in the United States and abroad; and that it would be impossible, in the limited time that the Committee on Appropriations has the bills before it, to ascertain fully the needs for the appropriations for our far-flung military forces around the world, both in material and in the building of necessary installations?

In addition, there are both the military applications of space and the military applications of atomic energy, are there not?

Mr. JACKSON. The Senator is correct. The Joint Committee on Atomic Energy is intimately involved because it has the responsibility, through the Committee on Armed Services and the Subcommittee on Defense Appropriations, of implementing the nuclear test ban safeguard, for example. The budget contains a sizable amount of money that covers those items. Then, of course, all the weapons programs that relate to the application of atomic weapons are contained in the budget.

In addition, the Committee on Appropriations gets the benefit of the experience of the members of the Committee on Armed Services, who are working the year around on national defense matters. Obviously, the members of the Subcommittee on Defense Appropriations are necessarily limited as to time because they serve also on other subcommittees on appropriations.

In my opinion, this working relationship has inured to the benefit of both committees and, more important, I think, to the country as a whole. It enables us to do a far better job.

Mr. MONRONEY. It brings to the Committee on Appropriations the talents, the knowledge, and the experience of Senators who devote almost all of their time to highly technical programs that are so vital to the Nation's security. The ex officio membership on the Committee on Appropriations of members of the Joint Committee on Atomic Energy would be abolished by the amendment, as would the ex officio membership of Senators who are members of the Committee on Aeronautical and Space Sciences. They would lose their membership on the Committee on Appropriations.

Mr. JACKSON. The Senator is correct.

Mr. MONRONEY. I am not saying that they would not continue to be members of the Joint Committee on Atomic Energy, but on the Subcommittee on Defense Appropriations at least three of them would have to give up their seats.

Mr. JACKSON. The Senator is correct.

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

Mr. MONRONEY. Mr. President, how much time have I remaining?

The PRESIDING OFFICER. The Senator from Oklahoma has 1 minute left.

Mr. CLARK. Mr. President, I ask unanimous consent that the Senator from Oklahoma may have 5 additional minutes.

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

Mr. MONRONEY. Mr. President, I yield 3 minutes to the distinguished senior Senator from Washington.

Mr. MAGNUSON. Mr. President, the Senator from Oklahoma put his finger on the problem when he said, among other things, as the junior Senator from Washington has mentioned, that many of the members of the Subcommittee on Defense Appropriations are also chairmen of other subcommittees to whose work they must devote a great deal of time. The senior Senator from Washington is one of them. He serves on the Subcommittees on Independent Offices Appropriations and Defense Appropriations. Without the aid of the ex officio members, particularly with respect to the huge Department of Defense budget, on some of the line items and details, we would not have enough time to examine into every item. That is why it is so important that, at least in this field, we retain those Senators. If the activities of the Subcommittee on Defense Appropriations were the only work that its members had to attend to, that would be one thing. But almost all of them are also deeply involved in other committees, some of them as chairmen, and they rely on the advice they receive from the ex officio members from other committees.

The Senator from Oklahoma has put his finger on the real, practical problem of the workings of the Committee on Appropriations, especially as it relates to defense appropriations, which have always been 50 percent or more of the total budget.

Mr. MONRONEY. I thank the Senator from Washington.

Mr. CLARK. Mr. President, I yield 2 minutes to the senior Senator from Ohio [Mr. LAUSCHE].

Mr. LAUSCHE. Mr. President, yesterday it was conceded by several of the debaters that consistency in the application of principle in constituting the membership of the committee would require representation on the Committee on Appropriations by all of the committees except a certain designated number, as the rule now requires.

I put the question yesterday to the Senator from Oklahoma [Mr. MONRONEY] as to whether there would be greater efficiency in the management of the Committee on Appropriations if the committee membership were stripped of the ex officio members, or whether there would be greater efficiency if the number of ex officio members were enlarged.

The answer of the Senator from Oklahoma was that greater efficiency would be achieved with the reduction rather than an expansion of the members.

Mr. President, yesterday I voted against the proposal of the Senator from Pennsylvania [Mr. CLARK]. Inasmuch as we were told that if we wanted efficiency in the management of the committee we should reduce the number, I said yesterday that if the Senator from Pennsylvania would offer an amendment to reduce the number of the members I would support him. That is what I do today. I support the proposal of the Senator from Pennsylvania because it was rather generally conceded that with the large number of members there was difficulty in getting quorums and also there was confusion.

The Senator from Pennsylvania is consistent. He said we should have each of the standing committees represented, or none of them. When he asked yesterday that each committee be represented, his proposal was rejected. Today he asks that none of the standing committees be represented. He argues that greater efficiency will be achieved.

Mr. President, I support the proposal of the Senator from Pennsylvania [Mr. CLARK].

Mr. CLARK. Mr. President, I yield myself such time as I may require.

I am faintly amused at the course the debate has taken yesterday and today. Having exhausted the arguments in support of giving to six standing committees the same privileges of ex officio members on the Committee on Appropriations as have been given for purely historical reasons to eight other committees; yesterday a motion to table was made and the amendment was tabled by a vote of 63 to 13. I wish to commend the Senator from Washington [Mr. JACKSON] for his consistency in this regard. He was one of the 13. He would like to see all committees have the same privileges to which only some committees are presently entitled.

However, I ask the other 63 Senators who voted differently yesterday—most of whom, I ask that the RECORD show, are not now in the Chamber—what their justification would be if they should now decide they want to have their cake and eat it too and perpetuate the present inequitable situation.

Mr. President, I am also faintly amused at the strenuous arguments made in support of having ex officio members from the Committee on Armed Services. I wish to point out that there are presently four members of the Committee on Armed Services who are also on the Committee on Appropriations. They are Senators RUSSELL, STENNIS, BYRD of Virginia, and SMITH. So there can be no doubt that within the confines of the Committee on Appropriations there are sufficient Senators who know what the Committee on Armed Services is up to when it is dealing with authorizations.

Mr. President, I would hope in due course that we could get away from what I believe to be the overemphasis of the military-industrial complex way of life, and get back to supporting adequately some of the Great Society programs which were cut substantially last year and, in essence, will be cut further this year. It never occurs to anybody, except a few of us, to suggest that the Committee on Labor and Public Welfare, which does not have the privilege of ex officio members, should be given that privilege because of the enormous sums which it authorizes every year in the area of education, the war against poverty, health, and a score of other measures.

Whenever anybody suggests that the Committee on Armed Services, which votes for preparations for war, should be placed in the same category as the Committee on Labor and Public Welfare, which votes for programs in the interest of peace and prosperity, the analogy does not seem to be appealing to certain Members of this body.

Mr. President, I have little doubt as to the outcome of the vote, but I will be amused to see the rationale by which Senators who voted against my amendment yesterday justify their vote against my amendment today.

Mr. President, I am prepared to yield back the remainder of my time if the Senator from Oklahoma [Mr. MONRONEY] is willing to yield back the remainder of his time.

Mr. MONRONEY. Mr. President, I yield back the remainder of my time.

Mr. CLARK. Mr. President, I yield back the remainder of my time.

Mr. MONRONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

All time on the amendment having expired, the question is on agreeing to amendment No. 64 of the Senator from Pennsylvania [Mr. CLARK].

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. BYRD of West Virginia. I announce that the Senator from Maryland [Mr. BREWSTER], the Senator from New York [Mr. KENNEDY], the Senator from Louisiana [Mr. LONG], the Senator from New Hampshire [Mr. MCINTYRE], and the Senator from Maryland [Mr. TYDINGS] are absent on official business.

I also announce that the Senator from Idaho [Mr. CHURCH], the Senator from Mississippi [Mr. EASTLAND], the Senator from Minnesota [Mr. MCCARTHY], the Senator from Connecticut [Mr. RIBICOFF], and the Senator from Florida [Mr. SMATHERS], are necessarily absent.

I further announce that, if present and voting, the Senator from Maryland [Mr. BREWSTER], the Senator from Mississippi [Mr. EASTLAND], the Senator from Louisiana [Mr. LONG], the Senator from Florida [Mr. SMATHERS], and the Senator from New Hampshire [Mr. MCINTYRE], would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Colorado [Mr. ALLOTT], the Senator from Hawaii [Mr. FONG], the Senator from Oregon [Mr. HATFIELD], the Senator from New York [Mr. JAVITS], the Senator from Iowa [Mr. MILLER], the Senator from Illinois [Mr. PERCY], and the Senator from Texas [Mr. TOWER] are absent on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Oregon [Mr. HATFIELD], the Senator from Iowa [Mr. MILLER], and the Senator from Texas [Mr. TOWER] would each vote "nay."

The result was announced—yeas 17, nays 66, as follows:

[No. 13 Leg.]

YEAS—17

Baker	Griffin	Pastore
Bartlett	Lausche	Pell
Brooke	McGovern	Proxmire
Clark	Morse	Smith
Dirksen	Moss	Williams, N.J.
Dodd	Mundt	

NAYS—66

Aiken	Hansen	Mondale
Anderson	Harris	Monroney
Bayh	Hart	Montoya
Bennett	Hartke	Morton
Bible	Hayden	Murphy
Boggs	Hickenlooper	Muskie
Burdick	Hill	Nelson
Byrd, Va.	Holland	Pearson
Byrd, W. Va.	Hollings	Prouty
Cannon	Hruska	Randolph
Carlson	Inouye	Russell
Case	Jackson	Scott
Cooper	Jordan, N.C.	Sparkman
Cotton	Jordan, Idaho	Spong
Curtis	Kennedy, Mass.	Stennis
Dominick	Kuchel	Symington
Ellender	Long, Mo.	Talmadge
Ervin	Magnuson	Thurmond
Fannin	Mansfield	Williams, Del.
Fulbright	McClellan	Yarborough
Gore	McGee	Young, N. Dak.
Gruening	Metcalf	Young, Ohio

NOT VOTING—17

Allott	Javits	Percy
Brewster	Kennedy, N.Y.	Ribicoff
Church	Long, La.	Smathers
Eastland	McCarthy	Tower
Fong	McIntyre	Tydings
Hatfield	Miller	

So Mr. CLARK's amendment No. 64 was rejected.

Mr. MONRONEY. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. HOLLAND. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 8

Mr. CLARK. Mr. President, I call up my amendment No. 8, and ask that it be read.

The PRESIDING OFFICER. The amendment will be stated.

The ASSISTANT LEGISLATIVE CLERK. The Senator from Pennsylvania [Mr. CLARK] proposes an amendment as follows:

Beginning with line 12, page 14, strike out all to and including line 8, page 15, and insert in lieu thereof the following:

"(c) No standing committee of the Senate or the House shall sit, without special leave, while the Senate or the House, as the case may be, is in session. A motion for leave for a standing committee to sit while the Senate or the House is in session shall be a privileged motion and shall not be debatable.".

Mr. CLARK. Mr. President, does the Senator from Oklahoma wish to propose a unanimous-consent request?

Mr. MONRONEY. I do. I thank the Senator from Pennsylvania.

Mr. President, I ask unanimous consent that debate on this amendment be limited to 30 minutes on each side, 30 minutes to be controlled by the Senator from Oklahoma, and 30 minutes by the distinguished senior Senator from Pennsylvania.

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

Mr. CLARK. Mr. President, I yield myself such time as I may require.

Mr. MONRONEY. Would the Senator like a record vote on this amendment?

Mr. CLARK. Yes.

Mr. MONRONEY. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

Mr. CLARK. Mr. President, for a number of years—since 1946, when the Legislative Reorganization Act was passed—it has been possible for a single Senator to prevent any committee of the Senate from sitting while the Senate is in session. This has crippled and handicapped the work of our overloaded legislative committees.

I think the Senator from Oklahoma will agree with me—and I ask him whether this is not the fact—that it was never the intention of the authors of the Reorganization Act of 1946, which the Senator, then a Representative, so skillfully guided through the other body, to permit a single Senator to prevent committees from sitting while the Senate is in session, but that this practice was established by a ruling of the Parliamentarian somewhat different from what the Senator from Oklahoma had in mind at the time?

Mr. MONRONEY. The Senator is absolutely correct. We felt it should require special permission for committees to sit during a session of the Senate, but we never had anticipated that a unanimous-consent rule would be applied. For that reason, we sought in our report, as the distinguished Senator from Pennsylvania seeks in his amendment, to make it easier for committees to sit while the Senate is in session, and particularly with reference to a prolonged debate, when the Senate is meeting for long hours and the ordinary meeting times of the committees cannot possibly be observed.

Mr. CLARK. I should like to note some of the testimony given by the Senator from Oklahoma at a hearing held before the Committeee on Rules and Administration back in 1963, which confirms the understanding we have both reached.

At that time the Senator from Oklahoma said:

> In the Reorganization Act we did not intend absolutely to prohibit the committees from sitting during Senate sessions except with unanimous consent only. We meant that they should not sit during Senate sessions without special leave. This leave could even be by a majority vote, without debate, or it could be by permission of the majority and minority leaders.

Now, what actually happens, as all Senators know, is that, whether or not

for purposes of delay—and sometimes it is only for purposes of personal convenience—a Senator will either refuse unanimous consent for permitting committees to sit while the Senate is in session, or, even more frequently, he will advise the majority or the minority leader that if such a request is made, he wishes the majority or the minority leader, as the case may be, to register an objection on his behalf.

The end result is that while committees, during all of the sessions I have been a Member of the Senate, have been refused permission, time after time, to sit while the Senate is in session, on most occasions the matter never comes to a record vote on the floor. This is because the chairman of the committee or of the subcommittee, harassed and overworked, and desiring to get legislation out onto the floor, goes to the leader of his party and requests the leader to ask or permit him to ask unanimous consent that the committee may sit that afternoon or the next afternoon, and he gets word back, "Well, there is no use making that request, because Senator X has already indicated that he will not grant unanimous consent." So the request is never made.

This delaying tactic, never intended by the Reorganization Act, in my considered opinion each year holds up adjournment by anywhere from 2 weeks to a month, and I speak, I think, with some authority—at least the same authority which any other Senator would have—because this has happened time after time with committees on which I serve, with a consequent delay in the marking up of bills.

Two or three years ago, when the Senator from Idaho [Mr. CHURCH] was concerned about this matter, the Senate did adopt a modification of the present practice, which permitted committees to sit while the Senate was in session, but only during the morning hour.

This is a somewhat dubious blessing, since on some days the morning hour lasts 5 minutes or even less, and on some other days it lasts a good deal more than an hour; and nobody knows ahead of time how long it will last. So it is rather difficult to plan for a committee session.

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

Mr. CLARK. I am happy to yield to my friend from South Dakota.

Mr. MUNDT. I was somewhat fearful that the Clark-Mundt axis, which was defeated in the rollcall vote a little while ago, would not last forever, but I am disappointed that its demise occurred so soon.

Mr. CLARK. I am as disappointed as the Senator from South Dakota, but I am not surprised.

Mr. MUNDT. I point out to the Senator from Pennsylvania that this package from the report of the joint committee does move substantially in the direction for which the Senator from Pennsylvania has been pleading. It is quite a different thing, may I say, to permit any one of a hundred Senators to get up and, with not much thought or consideration, object to the sitting of a committee, as against what we propose. It provides that all we need to do in order to have a committee sit while Congress is in session is to have both the majority leader and the minority leader concur.

I know what is in the mind of the Senator. He is going to say, "Well, that means that instead of each individual coming up and objecting, he will go to his respective leader and say, 'Please object in my behalf.'"

Granted that that might be an inclination, it is also true that we all recognize it takes leadership on both sides of the aisle to make the U.S. Senate operative, and the leaders are pretty effective people. If you go to them and say, "EVERETT or MIKE, I wish you would object on my behalf," and there is a real need to move forward with the business of the Senate, our leaders are going to say, "Well, now, just a minute. What is bothering you?"

The Senator would say: "Well, I cannot be there for this reason, or for some other reason." The leader will then try to argue with him and talk him out of it.

I think it will accomplish 50 percent of what the Senator desires if he permits it to stand as it is, whereas, if the Senator insists on having a rollcall vote each time, it would deprive those meritorious cases in which individual Members feel there is a real significant reason why the committee should not meet while the Senate is in session.

I spent about a half hour this afternoon discussing the bill with the respective members of our policy committee. There is serious objection to any change whatsoever because it would deprive an individual Senator, we felt, of the right to be sure that he is representing his State adequately on the Senate floor in a case in which he might have a dual responsibility.

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

Mr. MUNDT. I yield.

Mr. CLARK. Mr. President, since we are operating on rather limited time, I wonder if the Senator would be willing to have the time he is using on the colloquy be charged against the time of the Senator from Oklahoma?

Mr. MONRONEY. Mr. President, I shall yield back whatever time is not consumed, because I do not intend to use the full time allotted.

Mr. MUNDT. Mr. President, I think we have made substantial progress. I think it would be better to accept this progress and be sure that it is not something which is going to irritate a lot of Senators to the point that we lose everything we have gained in other areas, rather than to try to obtain this all at one fell swoop.

Mr. CLARK. Mr. President, if the Senator will change the word "substantial" to "some," I will agree with him. The rule brought in by the committee on which the Senator from South Dakota serves with such distinction as the ranking minority member does indeed make progress.

Without wishing to be unduly lyrical:

Tomorrow, and tomorrow, and tomorrow,
Creeps in this petty pace from day to day,
To the last syllable of recorded time.

I doubt if that progress is much more than barely perceptible for the reasons which the Senator from South Dakota has just stated.

I point out that there is no feeling on my part that we would have very many, if any, rollcall votes.

The text of my amendment provides that a motion for leave for a standing committee to sit while the Senate or House is in session shall be a privileged motion and shall not be debatable.

I should think that 5 out of 10 of these cases would be decided on voice vote.

Mr. MUNDT. However, if we have some obstinate brother who is against having a meeting, the easiest thing to do on the Senate floor is to get a rollcall vote.

Mr. CLARK. The Senator is correct. It might take 20 or 30 minutes, and at the end of that time, in all likelihood, the committee would be given permission to sit.

The principal reason why the present rule has been advocated through the years is that if committees sit while the Senate is in session, then nobody will come to the floor to hear that deliberative debate for which this body is perhaps so justly noted through the ringing corridors of time.

I would think that perhaps the results of the debate in the last 2 or 3 days—which I think are typical of the Senate—might lay that ghost.

The Senator knows better than I how many committees are meeting at the present moment, with or without unanimous consent, but it took us the better part of an hour to get a live quorum today. And when we had a live quorum—if I may say so sardonically—and the Presiding Officer announced, as he is required to do, that a quorum was present, there were not enough Senators on the floor to get the yeas and nays. While the Presiding Officer was stating that there were 51 Senators present, in effect, there were not 11 Senators on the floor—another sardonic implication of our mores.

Mr. MUNDT. Is the Senator not arguing against himself when he says that, because if we have 51 Senators present on the floor, we are slowing down the committee work.

Progress is progress, and maybe we ought to try this for a year or two and see how it works before we try to change the rules. Otherwise, people who are really concerned about what might develop would be inclined to vote against the whole package, most of which I know the Senator from Pennsylvania supports, and much of which is certainly of a substantial nature.

Mr. CLARK. As the Senator from South Dakota has earlier said, the South Dakota-Pennsylvania axis is shattering. Perhaps we had better agree to disagree on this.

I must indicate before I close that this technique of one Senator being able to prevent committees from sitting has been used on a good many occasions as the adjunct of a filibuster, because when a little group of determined men desire to keep a piece of legislation favored by a majority of the Senate from coming to a vote, one of the screws to use—if I

may borrow from the vocabulary of the torture chamber—is to deny permission to all committees to sit while the Senate is in session, with the end result that the whole legislative process come to a halt.

For myself, having watched with both amusement and sometimes dismay, I am well aware of the fact that there is hardly ever anybody on the floor to participate in debate in the Senate except at the time just before a bill is about to come to a vote.

Knowing, as I and I think most of my colleagues do, that the most important work of the Senate is done in committee and not on the floor, I would rather allow more time for work in committee, even if the results somewhat curtail floor attendance. We do not have the kind of debate which I suspect went out with Webster, Clay, and Calhoun. At least, we do not engage in it very often on the floor of the Senate.

I am happy to yield to my genial friend, the senior Senator from Florida.

Mr. HOLLAND. Mr. President, I thank the Senator for yielding.

I appreciate the eagerness of the Senator from Pennsylvania to offer amendments to the bill.

I wonder if the Senator realizes that the amendment he has just offered would afford one of the handiest tools for the filibusterers, whom I know he generally does not sympathize with, that he could possibly suggest.

Every Senator is a member of a committee or the chairman of a committee or of a subcommittee, and to make a motion for committees to be allowed to meet during the proceedings of the Senate, followed by an immediate request for a live quorum, would take up a tremendous amount of time.

If there were four or five Senators banded together, each of whom, one after the other, could make a motion—as they could, if this were a privileged matter—for the Senate to give consent for the meeting of their committee or subcommittee, followed by an immediate call for a live quorum I cannot think of anything which would be a more ready handmaiden to so-called filibusterers, which would not count as one of their two speeches on the pending business.

As the Senator knows, I have never been averse to filibusters under the rules, but I never expected my distinguished friend to suggest an amendment which is of such ready assistance to those who believe in unlimited debate and sometimes engage in filibusters.

I think this is exactly what this would result in being.

I wonder if the Senator has given consideration to that aspect of his amendment?

Mr. CLARK. I have. With all due respect to my good friend, the Senator from Florida, his logic completely escapes me. In the first place, no committee that desired leave to sit would ask for leave to sit unless a majority of its members, including in almost every instance the chairman of the committee or subcommittee, felt it was important for the committee to sit while the Senate was in session.

Therefore, in my judgment, the tactic which the Senator from Florida suggests, as a practical matter, would never arise.

On the contrary, when a few filibusters undertake to keep all committees from sitting, across the board, this does grind the legislative process to a halt.

I see that the Senator from Florida has gone to the desk to obtain the text of my amendment, and I will relieve him of the necessity of reading it by reading it myself:

> (c) No standing committee of the Senate or the House shall sit, without special leave, while the Senate or the House, as the case may be, is in session. A motion for leave for a standing committee to sit while the Senate or the House is in session shall be a privileged motion and shall not be debatable.

For many decades, the procedures and practices of the Senate have been that committee meetings are called by the chairmen. If the Senator thinks that my amendment is slightly obscure—I do not believe it is—and if I could be assured of his support if I were to amend it, I would be happy to interject into the language an amendment which would make it read like this:

> A motion for leave for a standing committee to sit while the Senate is in session may be made only by the chairman of the committee in question and shall be a privileged motion.

I believe that that language is quite unnecessary, because the clear implication, in the light of the practices of the Senate for many a long generation, is that no committee asks leave to sit unless its chairman and/or a majority of its members have voted, formally or informally, that they wish to sit because they have a heavy weight of legislative business they would like to dispose of.

Mr. HOLLAND. Mr. President, I appreciate the willingness of the Senator to effect a modification of his amendment. I would not expect him to do that, and that would not change my view.

I call the attention of the Senator to the fact that, as stated, his amendment would be applicable both to the Senate and to the House; that a provision of this kind, difficult as it would be to carry out in the House, where a rollcall to determine a quorum much less a rollcall to pass on the measure, takes so much time and is so time consuming, would, I think, be completely unacceptable to the other body, just as the amendment in its present form is unacceptable to the Senator from Florida.

I am stating my position very frankly and earnestly when I say that I think that this would be the best tool that the Senator could possibly offer for one interested in delay. For that reason and others, I oppose the amendment.

I stated yesterday that I would be against all amendments that would affect the Standing Rules of the Senate; and I believe that this amendment would in a way affect the standing rules, though it is not proposed as an amendment of a standing rule, now stated. It would amend the whole procedure of the Senate and would set up a privileged motion not now set up in that rule of the Senate which does name the privileged motions. So, it is an amendment of the standing rules.

I hope that the Senator will not insist upon his amendment.

I thank the Senator for yielding. He is always courteous.

Mr. CLARK. I thank the Senator from Florida for his unfailing courtesy.

May I say that insofar as the provision including the House is concerned, that language was inserted because a reference to the House is contained in the Monroney proposal. I thought it only courteous to include the other body in my amendment. I would not have any objection, if I thought it would result in more votes for my amendment—I am sure it will not—to eliminate all reference to the House in this regard.

The issue is very clear and very simple. The Senator from Florida was candid enough to state that he had other reasons than the one he advanced for voting against this amendment. I think he would also be candid enough to admit that those other reasons are perhaps of greater weight than the one he has just suggested.

The issue is very clear, and although this debate is taking place with practically no Senators on the floor, I should like to state the issue for the RECORD. The issue is whether one Senator shall be permitted to tie up the legislative business of the Senate for an indefinite period by the simple device of refusing unanimous consent to permit committees to sit while the Senate is in session. To me, this procedure is very difficult to justify.

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

Mr. CLARK. I shall be happy to yield to the Senator from Texas, and I wonder whether he would like some time on his own.

Mr. President, how much time do I have remaining? I assume that the time taken by the Senator from Florida will be charged to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Pennsylvania has 10 minutes remaining.

Mr. MONRONEY. May I say that I am happy to yield some of the time reserved for us, if additional time is required for the Senator from Texas.

Mr. YARBOROUGH. My question will be friendly.

Mr. CLARK. Does the Senator wish time of his own, or does he wish to ask a question?

Mr. YARBOROUGH. If the Senator from Oklahoma says that he will yield some time, if we are using up the time of the Senator from Pennsylvania, I will ask him to yield some time for clarification.

My first interrogatory to the Senator from Pennsylvania is this: Under section 5 of rule XXV, as it now exists, a standing committee can sit during the morning hour, without special leave, while the Senate is in session. Is that statement correct?

Mr. CLARK. The Senator is correct. That is a recent amendment.

Mr. YARBOROUGH. That is the present law.

Under the amendment as proposed by the distinguished Senator from Oklahoma—the bill reported by the committee—that would no longer be the law. I refer the Senator to page 14, line 20 of S. 355, which reads:

> Any other standing committee of the Senate may conduct a hearing while the Senate is in session if consent therefor has been obtained from the majority leader and the minority leader of the Senate.

In other words, for a hearing. It could not be an executive session. Is not the proposed rule far more restrictive than the present rule?

Mr. CLARK. It certainly is more restrictive than the present rule.

Mr. YARBOROUGH. The proposed amendment of the distinguished Senator from Pennsylvania would relax slightly this great restriction on committee hearings while the Senate is in session, as proposed by S. 355.

Mr. CLARK. The proposed amendment would relax the restriction rather substantially, because it would apply not only to committee hearings but also to executive markups, and it would provide a procedure by which the will of the Senate could be promptly determined, as to whether a majority of those present and voting wished to accord the privilege of sitting to a committee while the Senate was in session. In other words, sitting while the Senate was in session would not be automatic. The request would have to be made, in the form of a nondebatable motion. But if—as I assume in almost every case—a majority of the Senate would wish to give that courtesy to a committee whose chairman asks for a committee to sit, I would think that the business of the Senate would be vastly expedited.

I say again that I believe we could adjourn every year anywhere from 2 weeks to a month quicker.

Mr. YARBOROUGH. I have a question which I do not think improper at this time for the senior Senator from Oklahoma to clarify. I should like to ask the senior Senator from Oklahoma whether the proposed amendment is not an amendment to the Standing Rules of the Senate.

Mr. MONRONEY. It is such a change. However, it deals with the organization of the committees off the floor of the Senate and is within the jurisdiction of our committee for that reason.

Mr. YARBOROUGH. Lines 9 and 10 of page 15 read:

> Paragraph 5 of Rule XXV of the Standing Rules of the Senate is repealed.

Is that not an amendment of the Standing Rules of the Senate?

Mr. MONRONEY. It is an amendment, but it does not deal with floor procedures. It merely provides that the work of the committees may be carried on with the consent of the majority leader and the minority leader.

We do not believe that this is a matter that comes under the prohibition clause of the resolution by which the joint committee was created, nor do we feel that the amendment of the distinguished Senator does, nor amendment No. 57 of the distinguished Senator from Texas, which almost parallels in its entirety the amendment that has been offered by the Senator from Pennsylvania.

Mr. YARBOROUGH. What the Senator has said is true. But my amendment was offered only to relax the stringent rule that is proposed.

It seems clear to me that the proposed amendment is a proposed amendment to the Standing Rules of the Senate which would repeal paragraph 5, and in lieu of that you have substituted in the preceding lines other procedures, in lieu of paragraph 5 of rule XXV.

Mr. MONRONEY. We feel that——

Mr. YARBOROUGH. That is not an amendment of the Standing Rules of the Senate when a rule is repealed and something else is substituted for it.

Mr. CLARK. What is the rationale of the Senator from Oklahoma [Mr. MONRONEY] in taking a step backward by refusing committees the right to sit during the morning hour?

Mr. MONRONEY. We are trying to permit them to sit for hearing purposes beyond the morning hour. In instances, such as where a witness has been brought in from out of town, the bells may ring after he has testified for 30 or 40 minutes. We feel that the morning hour amendment has been a slight degree of help, but we are seeking to open up the privilege of committees not being denied the opportunity to take testimony and hear witnesses after the morning hour.

No one is more keenly concerned with the entire program of the Senate to finish its agenda and to pass bills than the majority members and minority members working in agreement, because it is the proper thing to do.

Mr. CLARK. The Senator overlooks the fact that his purpose is defeated. The committees can sit in the afternoon while the Senate is in session, if not to hold hearings, to mark up bills. Now we have the right to mark up bills during the morning hour.

If one wished to resort to subterfuge one could send a member of the committee over to keep the morning hour going while other members are sitting there marking up bills. To my knowledge that has not been done, but it could be done.

Now, the pending bill would deny the right of the committee to sit during the morning hour, and I do not know why the Senator takes that position.

Mr. MONRONEY. The hearings consume 80 percent of the time of the average committee. We tried to push it up to allow the greatest amount of time for committees to bring forward the bills for final passage. We think that by allowing committees to conduct hearings in the afternoon, the consideration of bills will be expedited.

Mr. CLARK. Mr. President, I wish to say to the Senator from Oklahoma, that this provision refusing to allow committees to sit is usually invoked toward the end of the session for the purpose of delaying controversial bills from coming to the floor which are in the process of being marked up in committee. Sometimes hearings have been completed for weeks.

The proposal of the Senator is quite significant. Perhaps it is a step backward by denying the committees the Church amendment which was adopted several years ago. Even if my amendment is defeated I think that the Senator from Oklahoma should amend his own amendment so that we would not lose the benefit of the Church amendment which the Senate adopted after an overwhelming vote 2 or 3 years ago.

Mr. MONRONEY. That was in lieu of permitting committees to have longer sessions. I was in on that committee, as was the Senator from Pennsylvania, I believe. We discussed it a great deal and we found that the best way available to us to accommodate the committees to get their work done during a filibuster, or when committees were denied unanimous consent to meet, was to permit it during the morning hour. That was not what we wished. We wished to open up the whole day to them unless there was a valid objection to them sitting while the Senate was discussing something of such great importance that the leadership or the majority of the Senate determined the committee should be present to hear.

Mr. CLARK. I believe that we are at cross purposes. My plea to the Senator from Oklahoma is that it is quite unnecessary for him to repeal the present provision in section 5 which permits committees to sit without restriction during the morning hour.

The Senator could very easily amend his own section, if he will. If the Senator will look at page 15, lines 9 and 10, we would have a situation where the Senator would give slightly greater authority to committees to sit while the Senate is in session for the purpose of taking testimony, without repealing the present provision which allows them to sit, not only for the purpose of taking testimony but also for marking up bills, during the morning hour.

I wonder if I have made myself clear to the Senator from Oklahoma. I think that what the Senator is doing is inadvertent and he did not intend it.

Mr. MONRONEY. We are not trying to restrict the right of the committee to meet and take action in reporting a bill. The morning hour seemed unnecessary to us for that purpose since we had expanded the available time for hearings. The leadership would not deny the right of a committee to conduct hearings while the Senate is in session unless there was something of overriding importance on the floor of the Senate.

Therefore, although the morning hour is used to mark up a bill, the period of time between 9 o'clock and 12 o'clock usually exceeds by three or four times the length of the morning hour. Certainly in that period committees would have more time for markups than if they were limited to the morning hour.

Mr. CLARK. I am afraid that the Senator misunderstands me.

My plea to the Senator from Oklahoma [Mr. MONRONEY], assuming my amendment is defeated, is that he not repeal the privilege that is already existing. I have had experience after experience, and I expect that the Senator from Oklahoma has also, where a legislative committee comes in near the end of the session and attempts to mark up a controversial bill.

They come in at 10 o'clock and by the time that 12 o'clock arrives they are

pretty close to coming to an agreement, or they might dispose of three or four amendments, vote on them, and come back the next day. Then, the bell rings, the chairman raps his gavel, and says that the committee has to be adjourned because the refusal of permission for committees to sit while the Senate is in session has been announced. Then, we get the morning hour and sometimes it lasts an hour. I have had instance after instance where that extra 20 minutes, 30 minutes, or 1 hour would have enabled us to report a bill or to dispose of amendments.

I wish to say again to the Senator from Oklahoma that my plea is simply to strike from his amendment lines 9 and 10 on page 15, which will leave the rules of the Senate as they are now, and add to that the salutary change which the Senator has recommended.

Mr. MONRONEY. As I understand the Senator from Pennsylvania, he would be agreeable to the language, providing lines 9 and 10, which do strike the morning hour, would be eliminated.

Mr. CLARK. I cannot say that I would agree to it. I have proposed my amendment; we have ordered the yeas and nays, and I am not permitted to modify it.

Mr. MONRONEY. The Senator would say that the two proposals are pretty much in line if the morning hour provision were restored; is that right?

Mr. CLARK. No.

Mr. MONRONEY. The Senator has given us persuasive reasons why, when near the ringing of the bell at 12 o'clock the committee may be nearing completion of the markup, it is only logical for any committee, knowing the exigencies of time and the will of the committee, to reach an agreement wherever possible.

Mr. CLARK. The Senator from Oklahoma [Mr. MONRONEY] may not be willing to do it, but I would like to have a rollcall vote on my amendment—and I know it will be rejected because there is no one here to hear the argument—and then I would like the Senator, in his good will and grace, to strike those two lines.

Mr. MONRONEY. Would the Senator proceed with his use of time while I confer with my ranking minority member on the committee?

Mr. CLARK. Yes, indeed. Perhaps we can have some more interesting debate.

Mr. YARBOROUGH. Mr. President, will the Senator from Pennsylvania yield to me for a moment?

Mr. CLARK. Why do I not yield on my time and the Senator from Oklahoma can have his conference?

Mr. YARBOROUGH. I should like to ask the distinguished Senator in charge of the bill if he would strike those two lines. If he does not, I have an amendment to offer although not exactly like that of the Senator from Pennsylvania; but if the Senator from Oklahoma does not strike those two lines, I shall wish to amend them in order to preserve the right of committees to meet during the morning hour. If lines 9 and 10, inserted in paragraph 5 of rule XXV, were to be deleted, I think the right of committees to meet during the morning hour would be preserved.

Mr. MONRONEY. Would that be satisfactory to the Senator from Texas?

Mr. YARBOROUGH. Then I would forgo offering my amendment.

Mr. MONRONEY. The Senator's proposal would be agreeable to me.

Mr. YARBOROUGH. Is that agreeable to the distinguished Senator from Oklahoma?

Mr. MONRONEY. As I understand it, the Senator from Texas would like to propose an amendment——

Mr. YARBOROUGH. I would propose an amendment to delete lines 9 and 10 on page 15.

Mr. MONRONEY. Certainly. I wish my distinguished colleague would delete it, but I should like to confer with the ranking minority member, because this is nonpartisan.

Mr. YARBOROUGH. I am trying to preserve the right of committees to meet during the morning hour. Otherwise, it would cripple some committees from meeting during the morning hour.

Mr. MONRONEY. The Senator has raised an important point, in that we oftentimes get close to agreements just as the bell rings and then we have to begin all over again. I think this is a matter which should be given careful consideration. I will therefore ask that the distinguished Senator from Pennsylvania continue to speak while I confer with the ranking minority Member.

Mr. CLARK. Mr. President, I would suggest, instead of that procedure, that the absence of a quorum be suggested and that the time not be charged to either side; and if the Senator from Oklahoma can come back with some such agreement, and if we could perhaps make some legislative history with respect to the majority and minority leaders' attitude of mind when these requests are made, then I might be willing to ask unanimous consent to withdraw my amendment.

Mr. President, I suggest the absence of a quorum and ask unanimous consent that the time not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered; and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MORSE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

Mr. CLARK. Mr. President, as a result of the discussions between the Senator from Oklahoma [Mr. MONRONEY], the Senator from Texas, the Senator from South Dakota [Mr. MUNDT], and myself, I am going to ask unanimous consent to withdraw my amendment, even though the yeas and nays have been ordered, in order to state an agreement modifying the amendment of the Senator from Oklahoma which we have reached.

I therefore ask unanimous consent to withdraw my amendment.

The PRESIDING OFFICER (Mr. BAYH in the chair). Is there objection? Without objection, it is so ordered.

Mr. CLARK. Mr. President, I ask for the attention of the Senator from Texas [Mr. YARBOROUGH] and the Senator from Oklahoma [Mr. MONRONEY].

We have agreed, I take it, that draftsmen shall rework the proposal of the Senator from Oklahoma which appears on pages 14 and 15 of S. 355 so as to provide that the present privilege for committees to sit during the morning hour shall be continued as requested by the Senator from Texas [Mr. YARBOROUGH] and myself.

It is further agreed that——

Mr. MONRONEY. And as it exists under the present rule of the Senate.

Mr. CLARK. The Senator is correct.

Since that requires a degree of sophisticated draftsmanship, we will not agree to it today, but we hope to present a proposal which perhaps can be adopted by voice vote tomorrow.

Mr. MONRONEY. That is my understanding of the agreement we have reached.

Mr. CLARK. We also agreed, did we not, that, with respect to the provisions in the proposal of the Senator from Oklahoma, which reads as follows:

> Any other standing committee of the Senate may conduct a hearing while the Senate is in session if consent therefor has been obtained from the majority leader and the minority leader of the Senate

In giving that consent the majority leader and the minority leader will not be governed by the request of a single Senator to deny permission to sit, but will be governed by their independent appraisal of whether the expeditious conduct of the business of the Senate would be advanced by granting such permission?

Mr. MONRONEY. Of course, we cannot tell the majority leader or minority leader what they must do. That is within their capability. But I certainly am happy to join the distinguished Senator from Pennsylvania and the distinguished Senator from Texas in stating that it is the purpose of the language and the changes being made in the bill to eliminate the ability of one man, by denying unanimous consent properly made, to prevent a committee from sitting; that this possibility will be removed and we are acting for that purpose; and that in the representation of both the minority and majority parties we wish the leadership to speak for both parties and not agree to any suggestion made by a single Member that he would be better accommodated if leave to sit were denied.

I am sure the majority leader, charged with the task of getting the Senate out at a reasonable time at the end of the summer, would like to have this right. That is the reason we wrote into the bill reference to the majority leader and minority leader.

Mr. CLARK. I thank the Senator. I think we are all agreed.

Mr. YARBOROUGH. It is intended to accomplish in its effect the provision in paragraph 5 of rule XXV of the Standing Rules of the Senate as now in force. Is that correct?

Mr. MONRONEY. That is correct; to work it in the redrafting as it is in the rules now, as the distinguished Senator from Texas has himself proposed, quite correctly. I had overlooked the situation that oftentimes, when we were near to

getting action in committee, Members have been able to prevent action. This will take care of the amendment that has been proposed already to the Senate by the distinguished Senator from Texas.

Mr. YARBOROUGH. I invite the attention of the draftsman, in the rewriting, to my amendment which appears on page 1895 of the RECORD of January 30, 1967.

I thank the distinguished Senator from Oklahoma for the attention he has given these proposed amendments.

Mr. MONRONEY. I thank the Senator for his observations.

AN EVENING WITH WADE WILLIAMS

Mr. MORSE. Mr. President, an article concerning an outstanding coach in my home State appeared in the Oregon Journal on January 20, 1967. Mr. George Pasero, Journal sports editor, described the reunion held to honor Mr. Wade Williams, former teacher and coach at Lincoln High School in Portland.

A large crowd of his former students turned out to spend an "Evening with Wade Williams" and, as Mr. Pasero noted:

> It's astounding, when you think of it, really, what influence one man can have on so many people. It's a tribute to the teaching profession, because Wade prides himself on having been a teacher—in the class room, in counsel and on the athletic fields.

I was pleased to note that my friend Bruce Fleetwood, former Senate subway car operator, was mentioned in the article. Mr. Fleetwood, who is now residing in Klamath Falls, Oreg., since his retirement from the U.S. Capitol Building, was a star 4-year quarterback at Baker High School under Wade Williams. He also lettered in track, baseball, and basketball. Both Bruce Fleetwood and his wife were students in Mr. Williams' classes in Baker, Oreg. I am sure my colleagues in the Senate remember Mr. Fleetwood and his friendly and courteous manner in performing his duties here at this building. His son, Mr. Wade B. Fleetwood, former executive secretary to Senator FRANK CHURCH and now associate director of the Partners of the Alliance Programs, Agency for International Development, in Washington, D.C., was named after Mr. Wade Williams.

Mr. President, I ask unanimous consent that the article from the Oregon Journal, together with one from the Oregonian for January 8, 1967, be printed at the conclusion of my remarks.

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

[From the Oregon Journal, Jan. 20, 1967]

PASERO SAYS

(By George Pasero)

Bill Carney hates to admit how long ago it happened, but Wade Williams hasn't forgotten.

Williams' Lincolns were playing Grant in baseball and Wade had instructed his players to "take" the first pitch until he told 'em differently.

So what did Carney do? Oh, he just pasted the first pitch out onto 18th street for a homer.

"Ask him what happened when he came back to the bench after circling the bases," needled Williams. "He was all smiles and he had his hand out, but not one of us would shake it . . . Remember, Bill?"

Carney was quite a hitter for Lincoln, rapping the ball at an amazing .591 clip (still a PIL record) in 1938 . . . And then, of course, he went on to star at U-Oregon with Dick Whitman and John Bubalo as outfield teammates, at times . . . and later played some for the Portland Bevos.

Wade sometimes used girls as scorekeepers and someone suggested that was the reason for Carney's big average, but Williams says no, that the gals were tougher than boys in awarding base hits.

That first-pitch homer helped, anyway. But Bill still has to try to "explain" to Williams . . . "Aw," he grins at his old coach, "it looked like a basketball coming in there . . . really, Wade."

"An Evening With Wade" at Mrs. Murphy's Chowder House the other night was strictly A–1 . . . and the place was jammed not just by former gridders and baseball players coached by Wade but by women who recalled that Wade "taught them something, too" . . . good, sound values in life.

It's astounding, when you think of it, really, what influence one man can have on so many people. It's a tribute to the teaching profession, because Wade prides himself on having been a teacher—in the classroom, in counsel and on the athletic fields.

WADE REMEMBERS ALL

Now 74, Wade amazes his old students with his memory. He recalls the "little things" in his relationship with the boys and girls he guided at Lincoln . . . the oddities, the bits of humor that are part and parcel of athletics . . . and, yes, the tongue-lashings he gave the wrong-doers, who learned a lesson they never forgot. Oh, his athletes will tell you, Wade could be stern.

Good coaches are good teachers, of course. Bill Bowerman at Oregon makes the point as does Williams. The great Webfoot track coach has always considered himself a teacher, and, for many years carried a heavy class load as well as coaching.

It was strictly informal at Herman DeVault's place, and perhaps this is the best way to handle these tribute affairs . . . Williams had plenty of time to mix with "the Williams crowd" and thoroughly enjoyed himself before he got on his feet for some laugh-provoking reminiscenses.

There were people like Moe Jubitz ("If he wasn't my greatest pitcher at Lincoln, I'd say he was my smartest"), Bill Patrick of the famous Patrick twin combination (Bob and Bill), John Leovich, Chet Patton . . . Carl Lehrer, Len Linde, Jack Dunn, Milo Meskel, Philo Grimes, Bill Lowery, Vince Pesky, Tom Becic, Dr. William Acker, Bob Polich . . . and Arden X. Pangborn, all-city for Wade at Commerce High.

There were others from rival schools . . . saying hello . . . Vern Smith, Gene Tanselli (now OSU baseball coach), Andy Pienovi, Joe Huston, Fred Wilson of Lewis and Clark, where, said Huston, "Wade came up for a year to help out and won the only baseball title we've ever had."

And Charlie Orr, who coached at Grant against Wade . . . Len Gehrke. Doug Lowell, Maurie Smead, Dick Montgomery, Mrs. Jerry Margulis, Russ Allemang, John Maylie, John Granato, ex-Grant pitcher John Linde, Chappie King, Vere Windagle, ex-sports writer Al Gould, "Punch" Green, Wayne Strohecker . . . Al Lehrer, who is with Toronto as an infield hopeful for the Boston Red Sox . . . and Mrs. Lindsey Campbell, widow of the Jeff baseball coach who was Wade's counterpart for the Demos . . . and a couple dozen more, at least.

WHAT'S SO NEW ABOUT THE 'I'?

From Wade's old Baker teams . . . were Dr. Lynn Whipple, fullback in 1914, and Bruce Fleetwood, QB . . . who was on the original I-formation team . . . Yes, USC's Johnny McKay can't claim invention of the I, since the Baker men insist Wade used it way back when.

There were telegrams from Jim Partlow at Oregon Tech (. . . he was Wade's partner in late Legion coaching) and from Johnny Pesky, who now lives in Lynn, Mass., and is a Pittsburgh coach . . . It was L. H. Gregory, also in attendance, who influenced John to shorten his name from Paveskovich . . . for box score purposes . . . John and Wade have kept in close touch over the years.

It was a "loose group" and a fun evening, and, as Carney grinned, "Yeah, that's what he'd remember about me . . . that hitting a 'take' pitch."

[From the Sunday Oregonian, Jan. 8, 1967]

FETE SLATED FOR WILLIAMS

An informal evening and dinner to honor Wade Williams, former teacher and coach at Lincoln High School, has been scheduled for Tuesday, Jan. 17.

The "Evening With Wade Williams" will be held at Mrs. Murphy's Chowder House, 8130 SW Barbur Blvd., and those interested can call the restaurant for reservations.

Attendance will be restricted.

Williams, a long-time Portland resident who began his extensive coaching career in Baker in 1913, was a baseball and football coach at the old Commerce High and then at Lincoln.

The number falling under Williams' influence is great and many are business and prominent people in the metropolitan area.

PARK NAMED AFTER HIM

Mrs. Williams, the former Thelma Hollingsworth, was Portland's first Rose Festival queen in 1914.

For his work with Little League in the Baker area, Williams was honored in 1961 when the Little League park was named for him.

Among those receiving the benefits of Williams' talents have been pro baseball players Johnny and Vince Pesky, Eddie and Joe Erautt, Johnny Leovich, Dick Sinovic and current Chicago White Sox player Pete Ward.

Following his 1951 retirement from active high school and American Legion coaching, Williams was hired as a scout for the Portland Beavers.

SPEECH OF SENATOR MORSE READ AT ANNUAL MEETING OF EASTERN NATIONAL LIVESTOCK SHOW

Mr. MORSE. Mr. President, I ask unanimous consent that a speech on "Government and Agriculture: A Hard Look at the Political Future," which I was scheduled to deliver this noon at the annual meeting of the Eastern National Livestock Show at the Baltimore Holiday Inn be printed at this point in my remarks. The speech was read for me at the meeting because my duties in the Senate made it necessary for me to stay here.

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

GOVERNMENT AND AGRICULTURE: A HARD LOOK AT THE POLITICAL FUTURE

(Remarks of Senator WAYNE MORSE (Democrat, Oregon) at the annual meeting of Eastern National Livestock Show, Inc., Tuesday, January 31, 1967, 12:30 p.m., Baltimore Holiday Inn, Downtown)

President Allen and friends: I am very honored that you have asked me to meet

with you today to contribute whatever I can to your sessions.

To begin with, let me confess to you my biases in favor of agriculture. The popular word is convictions but as a part-time farmer in my own right, a small scale cattle rancher, in fact, I think that the correct word is bias. It is such a basic and emotionally held system of values that I question whether, in honesty, I could claim it as a purely rational set of convictions.

The tenets are these:

One: Agriculture is the indispensable base of our economy and our society. Unless most people can have enough to eat and decent clothes to wear, progress in other areas is irrelevant.

Two: Although rural life as a way of life is satisfying, in and of itself, the producer of food and fiber is, and should be, entitled to receive that fair return upon his investment of capital, labor and knowledge which is equivalent to the return that is received by other segments of our society who are engaged in such economic functions as the distribution of goods, the extraction and transformation of natural resources, manufacturing, or the purveyance of personal services.

Three: I have an appreciation of the interrelationship which exists between the farmer as the primary producer and merchants on the main street of our towns and cities which can be summed up by saying that when farm income falls at the farm gate, the cash registers stop ringing in Baltimore and Washington. When farm machinery sales stop, production can back up with job layoffs all along the line. Detroit today is acutely aware of decisions to postpone the purchase of automobiles.

Four: Greater than these material considerations, however, is my deeply rooted belief that it is truly immoral and a derogation of every ethical canon to misuse our resources, both natural and human, in such a manner that in this day and age we can knowingly let people anywhere in the world starve when we can—if we have the will to do it—apply our skills to raise the food and fiber that can help to alleviate these conditions at least until such time as we can bring to those peoples the knowledge that we have gained, which, if applied, can provide them with the capabilities of feeding and clothing themselves.

I have taken this time at the outset to give you my credo, because of my conviction that politics in a democracy is the method whereby the goals people establish for themselves can be achieved.

Let me make it clear at the outset that one of the major benefits of this discussion today, as I see it, is what I can learn from you during the question period and from the informal discussions I have had and will have with many of you. I sense that each of you has concerns about the livestock industry that is shared by Oregon cattlemen.

For years, I have preached to my colleagues my belief that Washington, D.C. has no monopoly on policy formation nor is it the sole repository of wisdom. As a Senator, one of my major responsibilities is to act as an advocate for the policies and programs that farmers and cattlemen feel will best provide solutions to the problems which affect them. As an advocate of such recommendations, I am only as effective as the briefing you, your colleagues and competitors give me. I have found that my colleagues in the Senate are more than willing to listen to, and be guided by factually based, rational considerations. More so than is generally recognized.

So it is my hope that you will individually and collectively provide me with your positions on the many issues affecting agriculture which will be raised in the coming year. I cannot give you an assurance that if you provide me with the facts that I will be able to win acceptance every time for your views, but I can assure you that the points you raise will be given a careful hearing by the Senators on the committee dealing with the problem and that, for the most part, consideration of your points will be a sympathetic one if you can make your case.

However, with respect to the agricultural policies which we adopt nationally, there are a few points that I should like to raise with you because I think they are important enough for you to want to take them under consideration. You have heard to the point of weariness that politics is the art of the possible. The considerations I raise are designed to sketch for you the boundaries and limitations as I see them, as to what can be achieved in the 90th Congress and thereafter.

The first is a demographic consideration. While I find it difficult to believe, I have it on the authority of the Republican Policy Committee study recently published that soon teachers will outnumber farmers as voters. What are the implications of this? Not the least is that, in terms of political strength in Congress, farmers and cattlemen need now, as never before to win support from political allies. Areas of agreement with other groups, such as labor and small business need to be widened. Common support given by farm groups to the specific legislative remedies sought by other groups to solve their problems can yield dividends in voting behavior on matters of primary concern to the cattleman. Farmers and cattlemen cannot go it alone. So the remedy lies in courting unity of action. It is easy to say that the consumer ought to pay more for the commodity he receives. I am tempted to agree, or better, I would be so tempted if I were not aware of the reaction in the supermarkets by the suburban housewife, and if I did not know how grievously this would curtail the food intake that can be bought by a welfare check or a social security annuity.

But I can see the benefits to both the beef farmer and the school child, especially the city central slum area school child, whose school lunch is enriched by a government program financing the distribution of meat from where it is produced to where it is consumed.

Food stamps and an increase in our productive acreage to produce a greater variety of high energy protein foods for our school children, the patients in our hospitals and our local, State and Federal institutions can and should be thought of as essentially an investment in a better America instead of being dismissed as great society frills.

We know, too, that the abundance which characterizes our American scene is localized, insofar as the world is concerned, and with the population growth all over the world rising as rapidly as it is, the prospect of famine over large areas of the globe come frighteningly close. In our own true national interest, I say we cannot afford to tolerate this prospect.

Our agricultural pre-eminence, based as it is on the work of the scientists who study in the federal laboratory at Beltsville, Maryland or at the great land-grant universities, those who labor on the demonstration farms or who man the laboratories of our agribusiness corporations, cannot continue if we shut off the funding of institutions such as these. Research feeds upon itself. It would be pennywise and pound foolish to make claims of budgetary savings by curtailment of these operations. It would be as foolish as an effort to end crime by closing our schools and applying teachers' salaries to the building of jails.

The point is that all of the problems we face are interrelated. Solutions in some of these areas will help to solve the problems of other areas. For cattlemen at this time, the problem is not how to grow more beef. That can be licked. The problem is how to finance the distribution of meat so that it appears on the tables of the hungry, here at home and elsewhere. That is a harder problem, but it can be met if measures which can command your support can also command the support of your allies in labor, our churches and small business.

Let me give you one area of federal financial expenditures which I believe deserves your support, in your own self-interest. In this session, when the federal budget estimates are debated in the Congress, I am sure there will be voices raised saying "we must cut—so let us cut down even more than the President on college construction assistance."

Your boys and girls, and those of your neighbors, want—and are better qualified for—higher education than any previous generation of American children.

If we curtail expenditures for the building of physical facilities of our colleges, we must realize that we are actually lowering the potential lifetime earnings of those young people who will be turned from the door of educational opportunity by the chilling verdict of "no more room at the inn." This means that the skills you need in your own communities will not be available, either because there was no opportunity to learn them here, or because the young men and women have gone elsewhere to gain their skills and will not come back. In either case your communities are impoverished in every sense of the word.

The pity of it is, doomsayers to the contrary, that America *is* rich enough, and confident enough of the future, to be able to fund all of these programs and many more. If we decide that is what we want to do, we can do it. The cost of a tax increase to raise the revenues to provide these services is far less than the hidden cost of self-impoverishment which will follow surely on the cutback in such programs. These are programs which, in the long run, not only pay for themselves but yield great dividends amounting to many times the original investment. Federal college construction grants are as seed corn planted on the loam of the campus.

The money we invest in the education of our young people through a program such as the work-study payments under Title IV of the Morse-Green Higher Education Act of 1965 is money wisely invested.

Ask yourselves if a budget cut which would eliminate scholastic opportunities to 25 or 30 students at this institution would be in your best interests as a community, or would it in the long run be a very expensive type of pseudosaving?

Let us look at another area.

I know of only one route to expand total agricultural capacity: research that opens opportunities for greater efficiency in the production, marketing, and utilization of farm products. Providing solutions for unexpected problems as they arise, and further improving procedures and products now used in providing the Nation's food, will be a part of this effort. But, in addition, we must extend research frontiers by findings ways of doing things that now are only theoretically possible.

One of the areas in which we must build upon the framework of theory with firm knowledge is in meat animal production. By the end of this century, we will have market demands for 70 to 80 per cent more meat than our farms are turning out; and even now, domestic output is not quite supplying current requirements. Neither land nor manpower may be available for raising these numbers of livestock if farmers must depend on present knowledge. Consequently, research must find ways of increasing the number of young raised per breeding animal, and ways of bringing livestock to marketable size with less food.

Improvements in livestock production have lagged behind those in crops. Livestock husbandry research *support* has lagged behind that for crop production. The closing of these gaps in support and technology is essential. And it is essential that we start moving faster, now.

Additional research is needed to improve reproduction rates of meat animals. In the Nation's breeding herds, 20 per cent of the beef cows and 15 per cent of the sows fail to produce offspring each year.

We must find ways to increase efficiency of feed conversion and carcass quality. Meat animals are receiving more and better feed now than they were 20 years ago, but the efficiency of feed conversion has not been materially improved. Livestock scientists can well be challenged by the phenomenal efficiency reached by the broiler industry. A pound of broiler meat can be produced with as little as 2½ pounds of feed but it takes 10 pounds of feed for each pound of beef marketed. Ruminants probably cannot be made to convert feed as efficiently as poultry, but whatever progress we can make will stretch the supply of feed grains and allow us to use more land to grow food. In addition, there is a need for research on meat-type animals that carry less fat and yield meat cuts that more nearly suit consumer preferences.

In order to intensify research efforts to solve some of these problems, the U.S. Department of Agriculture is establishing a National Meat Animal Research Station near Clay Center, Nebraska. Eventually the station will maintain about 5,000 cattle, 10,000 sheep, and 3,500 hogs. The Congress has already provided funds for initial construction, staffing, and development of land and farm operations. These activities have been started, and approximately 1,000 sheep and 1,500 head of beef cattle have been assembled.

The Department has been conducting beef cattle research at Front Royal, Virginia since 1949. Emphasis of the work is being continued on breeding to improve characteristics of economic importance, such as growth rate and conformation. This research is developing knowledge and improved stock that especially benefit Eastern producers.

In addition, the Department's scientists are carrying out approximately 300 research projects on livestock and poultry production and related problems at the Beltsville Agricultural Research Center and at various locations throughout the country.

A number of these projects are in basic research. Much of the technology needed to solve the problems facing the livestock industry depends upon a better understanding of fundamental animal biology and other physical aspects of livestock production. Part of the investment in basic research can be applied immediately in the solution of today's important livestock problems, but full return may not come for 10, 20, or even 30 years. However, without constantly pushing forward the frontiers of knowledge in animal sciences, we cannot hope to make today's theory a reality in the future.

For these reasons, USDA is conducting basic research in such fields as animal cell metabolism and reproduction, enzymes, blood antigens, physiological bases for heredity, and microbiology of the rumen and intestines.

In addition to these pioneering studies and the research to cut costs of production, the Department is continuing research on better ways to protect livestock from diseases, parasites, insect pests, and toxic plants and materials. In utilization research, Department scientists are concerned with developing new and improved meat products and improving the efficiency of processing these products.

To show what can be accomplished when a responsive and concerned democracy wants to help people, let me review some of the progress Farmers Home Administration, a government lending agency, has made in helping to recapitalize and revitalize rural America:

In fiscal year 1960, the Farmers Home Administration made less than 300 farm ownership loans totaling $43 million to help small farmers purchase farms or to enlarge their land holdings to more efficient size. Six years later the same agency was able to make more than 14,000 such loans for a total of more than $233 million.

And mark this: a recent survey of FHA borrowers shows that over a five-year period the average farm ownership loan borrower has increased his gross farm income from $9,000 to more than $17,000. This shows you what a combination of credit and wise and sympathetic supervision can accomplish in strengthening the economic position of our family farmers.

Many people do not know this—but nearly half of all the substandard and dilapidated housing in America is to be found in rural areas where less than one-third of our population resides. With the help of new housing programs passed by Congress the Farmers Home Administration is doing something about this. Since January 1, 1961 through June 30, 1966, the Farmers Home Administration has made over $850 million in loans to improve rural housing compared to $180 million loaned in the previous six years.

Under current authorities, FHA can now maintain an annual loan rate of about $400 million for rural housing and this is the equivalent of nearly 40,000 new homes each year, benefiting nearly two million rural people during the next decade. This also means providing some 30,000 man-years of on-site employment in rural areas—areas where unemployment and underemployment is usually high.

One more item of progress: Prior to 1961, the Farmers Home Administration loaned less than a million dollars a year to assist small rural communities to construct needed central water supply systems. In this day and age, most people take water and sewer services in their homes for granted. It is considered a basic necessity for minimum standard of living. But did you know that there are more than 30,000 rural communities in America that do not have these basic facilities? Is it any wonder, then, that we have a massive migration of rural people to our congested cities—crowding already overcrowded ghettos and creating Watts-like areas in nearly every major city?

To attack this problem, the 89th Congress passed the Rural Communities Facilities Act which authorizes the Farmers Home Administration to make loans and grants to rural communities up to 5,500 population to construct or improve their water and waste disposal systems. By helping to rebuild our rural communities, we can, at a minimum, halt or at least slow down the migration of rural people to cities. By providing these facilities and by improving rural housing we can make these communities attractive places for people to live and attractive to new business and services.

Some day, very soon, we must give the people of this Nation a right to choose where they want to live. A generation from now we will have twice as many people in this country than we had in 1960—something like 350 million. We can't pack or stack them all in our cities without explosive and disastrous results. We must find places for these additional millions of people to live—places that have the same quality of environment and economic opportunity that our cities afford.

And herein lies the challenge before us. While we have made measurable and encouraging progress in the past six years to strengthen our agriculture—to improve our rural communities and alleviate rural poverty, we still have so very, very far to go.

Let me cite a few facts and figures that are dismaying and discouraging. In the 1954 Agricultural Census, Oregon had over 54,000 farms. Ten years later, according to the most recent agricultural census, Oregon has a little over 39,000 farms, and, of these, only 21,500 can be classified as operating "commercial" farms—meaning those with annual cash marketings of $50 or more. Somewhere—somehow—in one decade—this State has lost more than half its farms. Nationally, we lost more than a million family farms.

And while it is ironic to note that while we are permitting—perhaps even encouraging—the elimination of farm family agriculture in this country which has been the envy of all the world for its miraculous efficiency, Soviet Russia, according to a recent article in the Washington Post, is now thinking seriously of abandoning its collective-type agriculture and is now experimenting seriously with a family-type agriculture. A Russian newspaper says "the land is no longer an orphan but responds to its master"—the family farmer, in other words.

The loss of our family farms in this nation will continue if something isn't done about it. And good farm prices—as important as they are—won't stop the trend. And our farmers have never received real parity of income. This is true not only in this country but in the underdeveloped nations. Only a combination of good prices and adequate sources of credit at reasonable terms can save our magnificant farm family agriculture.

Farmers cannot keep going in a tight money situation when they have to pay interest rates that approach the usury level and face the prospect of paying an extra three per cent if their payment is delayed. The burden is too great. This type of credit policy in our democracy cannot be tolerated.

In this day and age farmers need an enormous amount of operating credit to stay in business. Since 1960, the need for short term and intermediate operating credit has doubled.

As farmers go into the 1967 crop year, they face two serious major problems. One: they are being asked to put an additional 26 million acres back into production so we can replenish our stockpile of food reserves and to meet our increasing food commitments abroad—to famine-ridden countries like India. Just to finance the production costs of these 26 million additional acres will require an additional $2.5 billion in operating capital.

The second problem is this: where are the farmers going to get the needed operating credit? Already, operating credit is tight because of current money policies. Local banks are running low on funds. Dealer and local supplier credit is tight and very selective. Only the best risks can get the money. The general lending policy, whether banks or local dealers, is: if you fit, you are in—if not, you are out.

I was informed by the Farmers Home Administration that its operating funds for the State of Oregon were exhausted as of January 1st of this year; it is not able to process any more applications for operating loans. And farmers in my State have not even begun to start putting in their crops.

Last year, Congress increased the operating loan authorization of the Farmers Home Administration to $350 million. But the Bureau of the Budget has reduced this by $75 million.

Rather than cutting it back, circumstances warrant that operating loan funds for the Farmers Home Administration should actually be in the neighborhood of $700 million—and this would only represent about five per cent of the total operating credit farmers will need in 1967.

To deny a farmer a source of adequate operating capital these days is to deny him the right to farm and the right to make a living. If this credit isn't made available, then you will see a continued massive exodus of family farmers out of Oregon and in every other State in this nation. Further, this lack of credit can seriously endanger this nation's capacity to produce sufficient food and fiber. I say it is a risk we cannot afford to take.

Tight money and high interest rates are seriously hampering progress in improving rural housing. In my State of Oregon alone, we have over 55,000 rural homes in either serious deteriorating condition or so dilapidated they are unfit to live in. At the rate of $10,000 per home, it would take $150 million just to replace the 15,000 dilapidated rural homes in Oregon. It would take another $300 to $400 million to improve, remodel or replace the other 40,000 substandard homes in rural Oregon. This would require more loan funds than the Farmers Home Administration has available for the whole United States.

I could go on. But this gives you some idea of the staggering problems that face rural America. I say that if we can afford to spend $2 billion a month to fight an undeclared war in Vietnam, we can afford to invest a few billion a year to provide decent housing, attractive communities, adequate health and education opportunities and jobs for our rural people.

Does it makes sense to you to cut back in the name of the budget on programs such as these? These are programs of investment in our most precious national resource, the human beings who make up this country.

If you share the point of view I have expressed here tonight, what can you do? You can let your representatives in Congress know how you, as voters, feel. Your letters and telegrams, your interviews with them when they visit with you, both here at home and in Washington, can be very helpful to all concerned. In my judgment, by expressing your convictions to your elected representatives you are fulfilling the primary duty of citizen-statesmanship.

I have touched upon only a few points. There are a great many areas equally worthy of detailed discussion. Policies regarding curtailment of services provided by the Rural Electrification Administration, the Soil Conservation Service, the Bureau of Land Management, the Bonneville Power Administration and the Forest Service, to name a few, are under review.

But if I am right in my premise that under our system of government the political process is the engine to be directed by the people to do collectively the work they wish done that cannot be done or done as well individually—this is the political doctrine that Lincoln, among others, has preached—then the decisions that you and other concerned citizens take, and the actions you follow up by taking, in sessions such as this all over the country, can result in the ends you want being accomplished.

Government is choice, it is said. Make sure that you have a voice in determining that choice so that your ends are served. Count the long range costs of your choices among the alternatives that are offered. If you do, it is my belief that the hard common sense which informs your decisions with respect to your individual operations will incline your decisions on the national issues to select the alternatives designed to assure relative abundance in your lifetime, and for the lifetime of your children and grandchildren.

I thank you.

ORDER FOR ADJOURNMENT

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

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

Mr. MONRONEY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

APPOINTMENT TO DEMOCRATIC SENATORIAL CAMPAIGN COMMITTEE

Mr. MANSFIELD. Mr. President, for the information of the Senate, and especially the Democratic Members of the Senate, I wish to announce that, after consultation with the senior Senator from Washington [Mr. MAGNUSON] and the distinguished junior Senator from Hawaii [Mr. INOUYE], and with their concurrence, the leadership announces the appointment of the distinguished junior Senator from Maine [Mr. MUSKIE] as chairman of the Democratic Senatorial Campaign Committee, and the distinguished junior Senator from Maryland [Mr. TYDINGS] as the vice chairman of that committee.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MONRONEY. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

PARADOXES OF SOUTHEAST ASIA

Mr. DOMINICK. Mr. President, the recent speech by my distinguished colleague, the Senator from Missouri [Mr. SYMINGTON], commenting on the need to redirect the use of our airpower in North Vietnam and the ensuing colloquy between the Senator, Senator TOWER, Senator PEARSON, Senator BYRD, and myself hit some responsive chords throughout the country. More and more of the American public are expressing their impatience with the way this war continues to drag on, despite the fact that we are dealing with a relatively small country and despite the fact that we have numerical superiority on the ground and overwhelming superiority in the air and on the sea.

Each day brings new casualties to our men, to our allies, to our enemy and to noncombatants. Each day the war continues will bring still more casualties and perhaps at an accelerated rate. It is only natural that people should question our apparent lack of success and that the Lorelei cries of "Get out of Vietnam," "Ban the Bombing," "Vietcong Si—Yankee No" should beguile ears tired of hearing from the highest level that we are making great strides in southeast Asia but seeing no visible evidence to back such a conclusion.

We are told that this is a political war. We are told that it is a limited war. We are told that we are reacting to Communist aggression. We are told that we are proving that aggression does not pay.

We are told that the war is supported, supplied, and led by North Vietnam. Then we are told that we cannot knock out North Vietnam and have no hostile intentions toward that government.

We declared a quarantine of Cuba in 1962 when not a single American soldier was in that country and enforced it against all nations. With over 400,000 Americans committed in Vietnam we permit external supplying of North Vietnam, the stated key to the puzzle.

We are told that the Red Chinese are supplying the North Vietnamese and then we find that the Soviet Union and its European allies are, in fact, supplying the vast majority of supplies and equipment to North Vietnam.

We are told that North Vietnam produces very little of its own war supplies and equipment, but we are prohibited from blockading the country to prevent those war supplies from being shipped in by the Soviets.

While the Soviets supply the North Vietnamese with the equipment used to kill our own people, we are told to approve a policy enlarging our own trade with the Soviets and to approve a treaty adding to our security problems.

While our flyers attack empty trucks on a lonely dirt road in North Vietnam, they are prohibited from attacking the ships bringing in these supplies.

While we have more men committed in the Vietnam conflict than we have had in any other overseas conflict in our Nation's history except for World War I and World War II, we are told that we are not at war.

We are told that this is a fight for the future of freedom in Asia, but there are remarkably few Asians fighting on our side.

We are told by the "Ban the Bombing Boys" that we are hurting North Vietnamese noncombatants, but we are not told of the thousands of noncombatants in South Vietnam who have been mutilated and murdered by the Vietcong.

We are told by the "Get out of Vietnam Gang" that we have no business in Asia, but we are not reminded that without the strength and ideals of the United States, there would be no free Philippines, no free South Korea, no free Taiwan.

We are told by the "Vietcong si—Yankee No Nuts" that this is a peoples revolution in the cause of peace, but we are not told that the Vietcong recruit by hacking off the arms and legs of a villager, hanging him on a hook, disemboweling him, leaving the carcass to dry in the sun.

We use B–52 strategic bombers on tactical targets in South Vietnam and tactical bombers on supposedly strategic targets in North Vietnam.

Mr. President, the paradoxes of this struggle could be listed endlessly.

But there is one point on which the vast majority of Americans are agreed. If we are to commit the cream of our young men to hostile fire in foreign territory, let us use maximum effort to make their period of service as short as possible.

If cutting off North Vietnam is the key to success, let us get on with the job

Let us use our superior air and sea power to prevent external supplying of the enemy by the most feasible methods. Let us use our air power to hit strategic targets in North Vietnam; let us prevent a long drawn out ground war in Asia; let us affirm for America and the world, that a war for freedom, whether our own or for people of another country, cannot be half won on the battlefield or at the negotiating table. Freedom and independence are not divisible, Mr. President.

WEST VIRGINIA MINERAL OUTPUT INCREASES

Mr. BYRD of West Virginia. Mr. President, for the fifth consecutive year West Virginia minerals output has increased, with a valuation for 1966 of an estimated $868.5 million, an increase of $9 million over the total for 1965. Coal accounted for about 85 percent of the 1966 total.

We of the Mountain State are proud of the sustained productivity of our State, and I wish to call attention to the report entitled "Mineral Output" which was carried in the January 26 issue of the Roane County Reporter, Spencer, W. Va.

I ask unanimous consent that this newspaper article be printed in the RECORD at this point.

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

[From the Roane County Reporter, Spencer, W. Va., Jan. 26, 1967, 40th Annual Oil and Gas Edition]

MINERAL OUTPUT

MORGANTOWN, January 10.—West Virginia minerals output for 1966 was valued at an estimated $868,511,000 by the U.S. Bureau of Mines and the West Virginia Geological Survey. This is the fifth straight year an increase was recorded over the previous year, and the value is the highest since 1957. The value of mineral production for 1966 was $9 million higher than that of 1965. Coal accounted for about 85 per cent of the total value.

Coal production increased to an estimated 149,400,000 tons, about 200 thousand tons higher than in 1965. Most of the increase was used for electric power generation. Coal prices increased somewhat during the year.

Increased production also was reported for natural gas, petroleum, and natural gasoline. Natural gas output was over 212 billion cubic feet and petroleum production exceeded 3½ million barrels.

Output of liquefied petroleum gas was somewhat less than in 1965.

Materials for the construction industry—cement, sand and gravel, and crushed stone—all reported small increases in production over 1965. Limestone was used in great quantities as crushed stone for building purposes and as flux by the steel industry. Lime production increased sharply.

Clay production increased slightly and its markets remained firm. Salt production decreased a small amount, but salt brine reversed its downward trend with output about double that of 1965.

CRIME VICTIMS

Mr. BYRD of West Virginia. Mr. President, newspaper headlines reporting on the rising crime rate in the United States occur so frequently that the general public perhaps no longer really thinks in terms of the dreadful effects of these crimes upon the lives of the victims and their families. Yet, these effects often continue long past the actual time of the criminal act.

Two years ago a major crime was committed in the metropolitan area of Washington, D.C., which involved a young girl from West Virginia who was living and working in a suburban area of our Nation's Capital City. On January 22 of this year, an article in the Evening Star, Washington, D.C., entitled "Brenda Sue Still Can't Talk," pointed out the tragic condition—2 years later—of this victim of an unknown assailant who brutally beat and robbed her in January 1965. The victim's continued helplessness is costing her family heavily in heartbreak and dollars.

So that the details of this terrible crime may be related to the report on the lingering effects, I have secured a copy of the Evening Star article which originally reported the crime on January 26, 1965.

I ask unanimous consent that these newspaper articles be printed in the RECORD at this point.

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

[From the Washington, (D.C.) Evening Star, Jan. 26, 1965]

POLICE SEEK CLUES IN BEATING OF GIRL

Brenda Sue Pennington, 19, found unconscious in her Arlington apartment yesterday from a severe beating, remained in critical condition today under police guard at Arlington Hospital.

She has not regained consciousness, hospital authorities said.

Police said they would continue questioning the girl's friends and acquaintances today.

Miss Pennington, unclothed from the waist down, was found by D. R. Davis, an owner of the apartment building in the 1600 block of North Oak Street, after her employer said she failed to report for work.

Her telephone—off the hook—lay beside her. "I feel sure she tried to use the phone," said Det. Sgt. Walter Kadel. "That she tried to call for help."

WINDOW UNLOCKED

Commonwealth's attorney William J. Hassan added that, this definitely was not accidental.

The door to the one-bedroom apartment was slightly ajar and one window was unlocked. Splotches of blood were on the bed and around the girl's neck.

Miss Pennington, a native of Quinwood, W. Va., moved to the Washington area about 11 months ago and worked at the Howard Research Corp. in Rosslyn as a keypunch operator, a trade she also taught evenings at the Temple Secretarial School.

She had been struck a number of times on the head on Sunday between 9 p.m. and midnight, police say.

Her parents, Mr. and Mrs. D. S. Pennington, arrived here last night and spent the night near her bedside.

Detectives said a girl friend of the victim is the last person who talked with her—at 7:30 and again at 7:45 Saturday night.

The victim was planning to have a small party that night, according to police, and invited the girl friend and four other young men and girls. But those invited were unable to arrange transportation and the party was called off.

The persons invited were among several whom police questioned yesterday.

A co-worker who lives in the same apartment building as Miss Pennington told police the girl's door was ajar at 6 p.m. Sunday and again yesterday morning, but that she did not investigate.

TOLD HER BOSS

The woman, Mrs. Edward Hampson, became concerned, however, when the Pennington girl failed to show up at work by 10 a.m., and mentioned the open door to her boss.

When he failed to reach the girl by phone, he went to the apartment building, found Davis, and entered the apartment with him.

A cousin of the victim, Melvin Pennington, 24, who also lives in the building, said she had a rule of never opening the door without finding out who was calling or securing the night latch.

Police have not been able to account for a television set missing from the apartment. An antenna attachment to the set was found in the front yard.

[From the Washington, (D.C.) Sunday Star, Jan. 22, 1967]

TWO YEARS AFTER BEATING: BRENDA SUE STILL CAN'T TALK

(By Brian Kelly)

During the night two years ago Tuesday, someone slipped into Brenda Sue Pennington's Arlington apartment. When that person left, a heavy glass decanter, her purse and a portable television set had disappeared.

And Brenda Sue, 19, pretty, blonde, typical in many ways of Washington's single working girls, was left apparently for dead on the bedroom floor next to a telephone with the receiver off the hook.

In a brutal beating, possibly with the missing decanter Brenda Sue suffered severe brain damage that has changed her life and that of her parents, Mr. and Mrs. Dennie S. Pennington of East Rainelle, W. Va.

GAIN AND THEN A LOSS

You call Mrs. Pennington and find out how it is.

"Well, she's doing fairly well," says the mother.

"She doesn't talk, she doesn't help herself in any way, she stays in bed mostly, sometimes she watches TV.

"You can hold something up, and she looks at it, but you don't know . . ."

A year ago, Brenda Sue had learned to say "Mama" again. But a common cold last summer set her back. "She lost all she had gained," says the mother, who stays home all day now to tend her only child.

Pennington still runs a small trucking business. His daughter of 21 years hasn't learned to call him "Daddy" again. The mother is the only one she can call, and that's sometimes with a sound rather than a word.

"I can be anywhere in the house and hear her."

How about Brenda Sue's friends? Does Mrs. Pennington hear from them?

"No, not really. Brenda Sue's friends have forgotten that she's a friend."

Once in a while the Arlington residents who established a bank fund to pay for Brenda Sue's medical costs write the family. A nurse at Arlington Hospital, where the girl was a closely guarded patient for weeks, keeps in touch.

Russell Runyon, the detective assigned to the case two years ago, offered a $500 reward of his own for information leading to the girl's assailant. Now retired, he is another correspondent who hasn't forgotten.

"It's worse than murder," said Runyon a year ago. "They took that life from her at 19."

WE'LL MAKE OUT

How about the bank fund? How much is left of the $10,000 for Brenda Sue?

"We had enough to cover the doctor's bills," Mrs. Pennington says. "I'm not sure how much is left. Almost all of it's gone, I just keep writing the checks . . .

"We're not much worried about the money. If that runs out, we'll make out somehow."

And you talk to the Arlington police and ask them if their investigation of the beating has progressed.

"We have nothing new on it. We haven't had anything new to go on.

"It's still an open case."

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

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

INVESTIGATION OF THE APOLLO TRAGEDY

Mr. ANDERSON. Mr. President, last Friday evening we had a tragic accident at Cape Kennedy in which three astronauts lost their lives. This is the first fatal accident involving Apollo hardware, although three astronauts had been killed previously in jet aircraft while assigned to the program.

The National Aeronautics and Space Administration has established a formal board of inquiry to review this accident in accordance with its established procedures. This investigation is now under way under the direction of Dr. Floyd Thompson, Director of the NASA Langley Research Center. Dr. Thompson is supported by technical experts from NASA headquarters and field installations as well as by experts from other Government agencies, the industrial community, and the President's Science Advisory Committee.

In view of the nature of this tragedy and its potential impact on the national space program, as chairman of the Committee on Aeronautical and Space Sciences, and with complete agreement with the ranking minority member, the senior Senator from Maine, we have decided it is essential that the committee undertake a full review of this accident.

Our purpose will be to examine the facts surrounding the accident. We will, of course, be especially interested in the recommendations and action taken to prevent a reoccurrence. The committee will review other related aspects of NASA's stewardship of the Apollo program as may be necessary to accomplish the above objectives. Mr. Webb, Administrator of the National Aeronautics and Space Administration, has been advised of the committee's intentions in this area.

I have directed the committee staff to undertake such background study as may be appropriate at this time and to keep currently informed on the progress of the NASA inquiry, with the full understanding that these actions will not in any way impede the NASA formal inquiry. It is our judgment at this time that committee hearings and other subsequent action by the committee on this matter will be dependent on the findings of the NASA Board of Inquiry and committee staff studies that I mentioned.

It is our purpose in undertaking this course of action that all aspects of this tragedy be assessed in an objective framework both with respect to its cause and to how it relates to the national space program and our effort to establish the preeminence of this Nation in space.

In taking these actions, the committee will fulfill its responsibilities to the U.S. Senate and to the American people.

ADJOURNMENT

Mr. BYRD of West Virginia. Mr. President, if there is no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until noon tomorrow.

The motion was agreed to; and (at 4 o'clock and 56 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, February 1, 1967, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate January 31, 1967:

DEPARTMENT OF TRANSPORTATION

Everett Hutchinson, of Texas, to be Under Secretary of the Department of Transportation.

John E. Robson, of Illinois, to be General Counsel of the Department of Transportation.

HOUSE OF REPRESENTATIVES

TUESDAY, JANUARY 31, 1967

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Trust in the Lord with all thine heart; and lean not unto thine own understanding.—Proverbs 3: 5.

Dear Lord and Father of mankind, our spirit's unseen friend, make Thy way known to us as we bow in Thy presence. May this moment of prayer be an open door to the reality of Thy spirit and as we look up to Thee may we find our strength renewed, our souls restored and be given courage and wisdom for the living of these days.

Endow us with one mind to do justly, to love mercy, and to walk humbly with Thee, and in so doing to promote the welfare of all our people. Give to us and to all our citizens a love for truth, a passion for doing our duty, and a dedication to Thee which will hold us steady amid difficult times. In the name of Christ, we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday 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.

MESSAGE FROM THE SENATE

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

S. Con. Res. 2. Concurrent resolution continuing the Joint Committee on the Organization of the Congress.

APPOINTMENT TO COMMITTEE TO INVESTIGATE NONESSENTIAL FEDERAL EXPENDITURES

The SPEAKER. Pursuant to the provisions of section 601, title 6, Public Law 250, 77th Congress, the Chair appoints as members of the Committee To Investigate Nonessential Federal Expenditures the following members of the Committee on Ways and Means: Mr. MILLS, of Arkansas; Mr. KING of California; Mr. BYRNES of Wisconsin; and the following members of the Committee on Appropriations: Mr. MAHON, of Texas; Mr. KIRWAN, of Ohio; Mr. BOW, of Ohio.

APPOINTMENT OF MEMBERS OF U.S. GROUP OF NORTH ATLANTIC TREATY PARLIAMENTARY CONFERENCE

The SPEAKER. Pursuant to the provisions of section 1, Public Law 689, 84th Congress, the Chair appoints as members of the U.S. group of the North Atlantic Treaty Parliamentary Conference the following members on the part of the House: Mr. HAYS, of Ohio, chairman; Mr. RODINO, of New Jersey; Mr. RIVERS, of South Carolina; Mr. CLARK, of Pennsylvania; Mr. BROOKS, of Texas; Mr. ARENDS, of Illinois; Mr. CHAMBERLAIN, of Michigan; Mr. BATES, of Massachusetts; Mr. FINDLEY, of Illinois.

APPOINTMENT OF MEMBERS OF FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Law 372, 84th Congress, as amended, the Chair appoints as members of the Franklin Delano Roosevelt Memorial Commission the following members on the part of the House: Mr. THOMPSON of New Jersey; Mr. MURPHY of New York; Mr. HALPERN, of New York; Mr. KUPFERMAN, of New York.

APPOINTMENT OF MEMBERS OF PUBLIC LAND LAW REVIEW COMMISSION

The SPEAKER. Pursuant to the provisions of section 3, Public Law 88-606, the Chair appoints as members of the Public Land Law Review Commission the following members on the part of the House: Mr. BARING, of Nevada; Mr. TAYLOR, of North Carolina; Mr. UDALL, of Arizona; Mr. SAYLOR, of Pennsylvania; Mr. BURTON of Utah; Mr. KYL, of Iowa.

APPOINTMENT OF MEMBERS EX OFFICIO OF BOARD OF TRUSTEES OF JOHN F. KENNEDY CENTER FOR THE PERFORMING ARTS

The SPEAKER. Pursuant to the provisions of section 2(a), Public Law 85-874, as amended, the Chair appoints as members ex officio of the Board of Trustees of the John F. Kennedy Center for the Performing Arts the following members on the part of the House: Mr. WRIGHT, of Texas; Mr. THOMPSON of New Jersey; Mr. FRELINGHUYSEN, of New Jersey.

APPOINTMENT OF MEMBERS OF U.S. TERRITORIAL EXPANSION MEMORIAL COMMISSION

The SPEAKER. Pursuant to the provisions of section 1, Public Resolution 32, 73d Congress, the Chair appoints as members of the U.S. Territorial Expansion Memorial Commission the following members on the part of the House: Mr. KARSTEN, of Missouri; Mr. HAYS, of Ohio; Mr. CUNNINGHAM, of Nebraska.

THE LATE HONORABLE JAMES J. HEFFERNAN

Mrs. KELLY. 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 gentlewoman from New York?

There was no objection.

Mrs. KELLY. Mr. Speaker, I regret to announce the death of a former Member of the House of Representatives, James J. Heffernan.

Mr. Speaker, to Mrs. Adrian Driggs—Patricia Heffernan—the daughter of a great gentleman, I extend my sympathy on the death of her dear father, James J. Heffernan.

James J. Heffernan served as a Member of Congress for 12 years. He was an able Member of this august body and one who was held in great respect and esteem by his colleagues. He was a reserved, quiet man, possessing great dignity. This dignity was carried into every phase of his life. It was a reflection of his rearing, of which there was none better. It reflected his loyalty to all men. It reflected his kindness, his love of his neighbors and friends.

James Heffernan, for many reasons, possessed keen insight into the needs of the people and was always sought for his views on problems, projects, and issues of the day. His judgment was sound and his actions just. This body and his constituents lost a noble Representative when he retired.

I was proud to know him. I was happy to have him for a friend—not only of mine but for a long time of the Kelly family.

One can truly say of Jim Heffernan, "You devoted your life to the good."

Mr. ROONEY of New York. Mr. Speaker, I was deeply saddened to learn of the passing of my longtime friend and colleague the Honorable James J. Heffernan. For 12 years Jim Heffernan represented the people of the old 11th Congressional District in Brooklyn and they were indeed well represented. He was a quiet, highly intelligent and gentle man who brought to this body a vast store of knowledge. Jim Heffernan was no newcomer to Brooklyn when he was elected to the House of Representatives. His family settled in Brooklyn before the War of 1812 and he himself had been a district leader in the Park Slope area of Brooklyn for 17 years before coming to Washington.

Mr. Speaker, 15 years ago on the sad occasion of his departure from the House of Representatives, I said of Jim Heffernan:

> Jim has always been a quiet, unassuming, kindly, capable gentleman, respected here in the House by all of his colleagues and in the Borough of Brooklyn by all its citizens.

This was true to the end of his days. To his daughter, Patricia, and her family, I extend my deepest sympathy and prayers.

GENERAL LEAVE TO EXTEND

Mrs. KELLY. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to extend their remarks on the life and public service of James J. Heffernan.

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

There was no objection.

THE PRESIDENT'S AIR POLLUTION MESSAGE

Mr. ADAMS. 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 Washington?

There was no objection.

Mr. ADAMS. Mr. Speaker, I wish to address myself to a subject which has become a plague on our land—the pollution of our atmosphere.

Air pollution is of major concern to all Americans. We in the great Northwest who cherish our fertile fields and forests are becoming more and more aware of the grime and filth of polluted air.

Air pollution is partially a natural phenomenon, but today its true danger is caused by man—by people driving automobiles—by factories and powerplants burning sulfur-bearing fuels—yes, even by our good neighbors burning their trash or leaves.

Part of the pollution in the atmosphere is contributed by industry. One of the industries at which the finger is often pointed is the pulp and paper business, and my State, Washington, is one of the many States which manufacture pulp and paper. Many of these industries are now spending substantial amounts of money to correct this situation. Much more needs to be done, and because of this I welcome and support the President's recommendations for methods of improving the quality of our air.

There has been considerable resistance by some segments of industry to the installation of air pollution control equipment. The resistance that I am talking about is based on reasonable economic grounds. Why, says the industrialist, should my State require that I install expensive air pollution control equipment when my competitor in the next State is not required to? The piecemeal institutions of such controls could not only sadly affect one company's business, it could tip the scales in a corporation's decision about which State it chooses to build a new plant in. Under the provisions of the Air Quality Act of 1967, minimum emission control levels would be established for the entire country, and the necessary burden of the expense of controlling air pollution would put no industrialist at an economic disadvantage with his competition.

I also welcome the financial support which the act gives to research in the field of air pollution. While it is true that we could control the pollution from, say, our pulp and paper mills, it is also true that our control techniques are in their infancy and that a great deal of research and development is needed before they reach the level of efficiency and economy we hope for.

In Washington we recently passed a Seattle-King County air pollution control resolution which was reported on November 10, 1966, and I applaud the enabling legislation which was passed in the last legislature authorizing this, but it must go further. It does not cover automobiles, yet we know and national studies confirm that of the approximately 133 million tons of material being dumped into the U.S. atmosphere each year, transportation—basically the auto—accounts for 85 million tons, manufacturing, 22 million tons; electric, coal, and power generation, 15 million tons; space heating, 8 million tons; and burning of refuse, 3 million tons.

Industrial air and water pollution must be controlled, but the basic megalopolis air and water polution must be also. As we found with controlling our pollution of Lake Washington, this takes areawide jurisdiction and execution. Seattle receives approximately 33 to 35 tons of dustfall per square mile per month. On 50 to 100 days per year, atmospheric stagnation occurs in the Puget Sound region. In our State we should have new legislation such as suggested by Professor Rossano to deal with the problems of the whole "airshed."

Nationally we have some areas such as New York where the problem is multi-State. In those areas we will have to have either State compacts or national legislation. Earlier this month several of us introduced legislation to accomplish this, and we support the President's position as outlined in his message.

Let no one imagine, however, that we can afford to wait until we know everything before we do anything. The menace is real, and it must be countered with our best effort now. We must see that the Air Quality Act of 1967 is made an effective tool, if we are to avoid disaster.

PERSONAL INCOME TAX EXEMPTION SHOULD BE INCREASED

Mr. RHODES of Pennsylvania. 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 gentleman from Pennsylvania?

There was no objection.

Mr. RHODES of Pennsylvania. Mr. Speaker, today I am introducing legislation which would increase the personal income tax exemption for each member of a family from the present $600 to $1,000. It has been 20 years since the $600 individual exemption was set by Congress. I believe it is time that we take steps to liberalize the exemption to keep pace with the cost-of-living increases which have occurred since 1947.

In my judgment, the $600 exemption should be increased before Congress considers the 6-percent surtax which the administration has proposed. I believe a $400 increase would provide equitable relief for middle- and low-income families. Following is a detailed analysis of this proposal in an editorial from The Machinist written by one of our Nation's most able union leaders Ray Siemiller, the President of the International Association of Machinists and Aerospace Workers:

IN ALL FAIRNESS

Washington, D.C. is buzzing about an increase in income taxes. The President called for a six percent surtax—meaning an increase of six percent of the tax you now pay. Business editors and conservative economists are talking about a five percent across-the-board increase in the tax rates.

They say a tax increase will kill two birds at once: it will drain off purchasing power and prevent prices from rising still higher; and, it will help to finance the war in Southeast Asia.

Trade union members know that every citizen should pay his fair share of the tax burden. We support the effort to stop Communist aggression in Southeast Asia. Also, we would rather pay taxes than suffer a depression or a runaway inflation.

But the tax law should be fair. For the past 30 years, the burden of taxation has been steadily shifted from the rich to the middle and lower income families.

Shifting of the tax burden has been accomplished by clever loopholes written into the law. Loopholes enable millionaires to cut their average tax payments to 24 percent of their gross income, instead of the 90 percent which they claim.

The shift of the tax burden has been accomplished by freezing the individual exemption at $600 per person. That exemption means practically nothing to wealthy families. As the cost of living climbs—and your wages rise to meet it—the frozen exemption means higher and higher taxes to wage earning families.

CAN YOU RAISE A CHILD ON $600 A YEAR?

Back in 1947, twenty years ago, Congress set the personal exemption at $600 for each member of the family. In theory, this was the minimum amount needed for a decent standard of living and should not be taxed.

In 1947, this $600 exemption gave a tax free income of $2,400 to the average family of four.

At that time, the trade union movement protested that the $600 exemption was too low. But, if it was right in 1947 it is outrageously outmoded today. The cost of living has risen nearly 50 percent in the past 20 years.

The IAM believes that in the field of taxation, the first order of business for Congress should be to increase personal income tax exemption from $600 to $1,000. This simple act would provide a tax-free base of $4,000 for a family of four.

In 1939, before World War II, the personal exemption for income tax purposes was $2,500 for a man and wife and $400 for each child. This gave the average wage-earning family $3,300 in tax free income—in 1939 dollars. To equal that level at today's cost of living the exemption would have to be raised to $2,000 per person or a total of $8,000 in 1967 dollars.

If the exemption were $1,000 now, a family of four making $8,000 per year would pay $500 instead of $866. You could pay a surtax and still give a break to a family with young children.

INCOME TAXES FOR THE WEALTHY HAVE BEEN REDUCED

The tax law is now riddled with loopholes through which the wealthy have reduced their tax burden, while yours was going up. For example:

1. Before World War II, the "community property" privilege which allowed income to be divided between husband and wife was restricted to a few states. Since 1947 it has been made universal. It saves a working man only a few dollars. But, it gives thousands of dollars in tax reduction to someone with a $100,000 income.

2. Many corporations give stock in their company to executives instead of cash bonuses. If the executive holds the stock for six months he can sell it and pay only a capital gains tax of 25 percent instead of his normal income tax rate of two or three times that.

3. Corporations also supplement the salaries of executives by providing many nontaxable fringes including expense accounts, company-paid cruises, free daily luncheons, use of company cars, etc.

4. Oil millionaires for years have been able to salt away 27½ percent of their income tax free, before they begin to calculate their tax liability. Other industries have secured "depletion allowances" since 1947.

5. Family trusts enable the very wealthy to evade legally the progressive features of the income tax law. They put stocks and bonds in their children's names enabling the children to get the dividends or interest and thus dividing the family income five or six ways so the income tax rate is only a fraction of what it should be.

When the wealthy do not pay their share, the working people are stuck with the bill. You can't hide wages. They take your taxes out of your pay before you see your money.

FIRST THINGS FIRST

In simple justice, the long frozen personal exemption should be brought up to date before wage earners are asked for additional taxes. We have been patient and patriotic for 20 long years. We have seen the wealthy win concession after concession while they shift the burden onto working people. A young man today with two or three children is already carrying more of the load than he should. We are asking Congress to raise that personal exemption to $1,000 for each person in the family before they add any surtax.

Let your Congressmen know that you want the personal exemption raised to $1,000 before any tax increase is levied.

NO STATEMENT

Mr. MURPHY of New York. 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 New York?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, critics outraged by civilian casualties caused by U.S. bombing in North Vietnam have little to say of similar events in South Vietnam.

The Baltimore News American wonders why. It quotes South Vietnamese Premier Ky:

"What," he asked, "of the 7,277 South Vietnamese civilians that have been murdered and the 35,218 persons who have been kidnaped by the Communist Vietcong there during the past 5 years?"

The Hearst newspaper asks when the war critics, in America and abroad, will protest these atrocities.

So do I.

I offer the entire editorial for the RECORD:

[From the News American, Jan. 23, 1967]

TELL-TALE SILENCE

During his trip to Australia, South Vietnam's Premier Nguyen Cao Ky indignantly replied to those who have been criticizing the U.S. Vietnam war effort because some civilians have been unavoidably killed in our bombing of North Vietnam military targets.

"What," he asked, "of the 7,277 South Vietnamese civilians that have been murdered and the 35,218 persons who have been kidnaped by the Communist Vietcong there during the past five years?

"Doctors, priests, monks, welfare workers and nurses are slaughtered in cold blood. Bus loads of small children going to school and housewives going to market are blown up. Village elders are mutilated, farmers knifed to death."

Premier Ky asked a good question. What about it indeed? We are still waiting for our vociferous war critics—both at home and abroad—to make some statement or protest on the unspeakable atrocities being committed daily by the Vietcong on their own people.

Our bet is we will have a long, long wait.

THE PRESIDENT'S PROPOSED AIR QUALITY ACT OF 1967

Mr. MURPHY of New York. 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 New York?

There was no objection.

Mr. MURPHY of New York. Mr. Speaker, it is indeed a pleasure to present this statement in support of the President's proposed Air Quality Act of 1967.

Not long ago I toured the New York area by helicopter, approaching the city from the east, from Suffolk County where the air is comparatively clean and clear. On the western horizon hangs a strip of dirty brown haze made up of industrial smoke, gases, chemicals, auto exhausts, dust and soot. That is what we are breathing and have been breathing for years.

Must we wait for another national disaster before action is taken? A short journey back in time recalls the poisonous and deadly stench that settled over Donora, Pa., in 1948.

As a Congressman from Staten Island and Brooklyn, which is affected by air pollution traveling on the prevailing winds from industrialized New Jersey, I have been in the forefront of the fight for clean air for 4 years. During this time I have introduced and supported the Clean Air Act of 1963 as well as the amendments of 1965 and 1966.

Because air pollution is free to cross State and other political boundaries, we must develop the machinery to control air pollution as it really exists today. Regional air quality commissions to regulate and control air quality must be established. These commissions would have the responsibility of establishing and enforcing regional air quality levels no less stringent than the minimum levels published by the Secretary of Health, Education, and Welfare. The development of such levels will enable industry to know to what extent they must control their sources of pollution. Experience has shown that it is not realistic to expect industry and the public to support strong State and local emission levels without assurance that similar action be enforced elsewhere.

Passage of President Johnson's air quality legislation will provide the necessary assurance. With it, we can get on with the job of clearing the air in every region of the country.

COMMENDING THE GOVERNMENT OF GREECE FOR ACTION AGAINST CAPTAINS AND OWNERS OF SHIPS TRADING WITH COMMUNIST CUBA

Mr. ROGERS of Florida. 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 Florida?

There was no objection.

Mr. ROGERS of Florida. Mr. Speaker, I would like to take this time to commend the Government of Greece for action against captains and owners of ships trading with Communist Cuba.

Last week the Greek Government initiated legal action against captains and owners of 12 Greek vessels who have continued to trade with Cuba despite the directives of their Government.

I am sure that the American people are gratified that we have such an ally as Greece. At the same time I would like to commend the Greek Government for their action in backing our request that no free world nation trade with North Vietnam. There has not been a single ship under Greek registry enter a North Vietnam port since June of 1966.

I only wish that England, who is supposedly our closest ally, would take similar action in barring her ships from the ports of Cuba and North Vietnam.

Greece is equally dependent upon trading as is England. But the Government of Greece has put the moral issue of communism versus democracy above the dollar.

It would appear that England listens to the talk of the dollar, rather than the call of the freedom-loving nations of the world.

Again, I commend the Government of Greece in cooperating with the United States and the Organization of American States in enforcing the policy of economic isolation against Communist Cuba.

BIRTHDAY OF ROBERT E. LEE QUIETLY PASSED IN THE CONGRESS OF THE UNITED STATES WITH NO RECOGNITION

Mr. MONTGOMERY. 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 Mississippi?

There was no objection.

Mr. MONTGOMERY. Mr. Speaker, I noticed in open session of the House on January 19, 1967, that the routine business was carried on but that no remarks were made from this Chamber on the birthday of a great American. Yes, the birthday of Robert E. Lee quietly passed in the Congress of the United States with no recognition. Some historians have written that Robert E. Lee was the greatest American that had ever lived. Dr. Frank Rose, president of the University of Alabama, stated there is no doubt Robert E. Lee had more feeling, more qualities than any other American.

One other outstanding Confederate general has a birthday in the month of January. I speak of Gen. Stonewall Jackson, whose birthday was on January 21. I mention these Confederate generals, Robert E. Lee and Stonewall Jackson, not to reopen the wounds of the War Between the States but to pay tribute to these men who had a cause and stood for their cause.

Mr. Speaker, under leave to extend my remarks, I include the following commemoration of the birthday of Robert E. Lee on January 19, 1967, with excerpts from Dr. Frank Rose, president of the University of Alabama, and Mr. Benjamin H. Hill:

ADDRESS OF DR. FRANK ROSE, KAPPA ALPHA-TRANSYLVANIA, PRESIDENT OF THE UNIVERSITY OF ALABAMA, AT THE KAPPA ALPHA CONVENTION IN MEMPHIS

Robert E. Lee was born the son of one of America's most distinguished Revolutionary heroes, "Light-Horse Harry" Lee, a gentleman of impeccable manners and flashing conversation, often mentioned as Washington's successor and as a member of the Continental Congress was the one who eulogized George Washington as "First in war, first in peace, and first in the hearts of his countrymen." His first wife had died early and he had married the lovely Ann Hill Carter, age twenty, and the daughter of one of the richest men in Virginia. This lovely lady was to become the mother of our spiritual founder, Robert E. Lee.

Henry Lee did not have the capacity to retire to the quiet and prosperous life, and soon after his marriage to Ann Hill Carter, he became involved in highly speculative land deals that lost all of the family resources and brought embarrassment to many of his old friends, among them Washington, Monroe and Jefferson. In the summer of 1813, he left his young wife and young son to take a chosen exile in the Barbados, never to see his family again.

Young Robert gave his every attention to his mother and the Episcopal Church and grew into a fine young man. By the end of 1823, he had completed the course at Alexander Academy and enrolled at West Point. He was an outstanding cadet, without demerits and with outstanding marks in all subjects taken. His service in peacetime was excellent and on September 1, 1852, he returned to West Point to become the ninth superintendent of the United States Military Academy. He rebuilt the Academy and inaugurated new courses and instituted new disciplines. In 1855, Lee was ordered to Texas, and it was six years later that he had to declare his faith to the Union or to Virginia. On April 18, 1861, Colonel Robert E. Lee was summoned to Washington and offered the Command of the Northern Army which he declined with a fervent appeal that all differences between North and South be settled without troops. General Scott asked for his immediate resignation, and a few days later, Lee reluctantly assumed command of the Northern Virginia troops.

The War took its heavy toll of Lee's men and his vitality, and following his surrender, he was offered many opportunities to reclaim fortune, but chose instead to become president of Washington College. He was so respected by both faculty and students that they would pause outside his home in the morning in the hope of speaking to him or to see him on his way to his office. Life was not to be kind in the aftermath, as extremists on both sides were to attack him until his death. He accepted his punishment with courage and won many strong friends and the praise of outstanding men on both sides. The New York Herald, in an editorial, submitted Robert E. Lee's name as the Democratic nominee for presidency of the United States on July 1, 1868.

What was it our founders saw in Robert E. Lee? One cannot read the volumes that have been written on his life without being greatly moved.

He was a man of great discipline. This is seen in his life even at an early age—in his care for the wishes of his parents, his attendance and attention to his Episcopal Church, his excellent mastery of subjects taken in school and at West Point, his devotion to duty as a soldier in the Mexican War and later as Superintendent of the Academy. He fought successfully for four years, outnumbered four to one, and with few of the instruments of war. He accepted defeat in honor, and refused great financial fortune to return to his native Virginia to begin rebuilding the lives of those who would become the leaders of tomorrow. His sorrows, he would not allow to become rancor; his defeat, not bitterness; his losses, not helplessness. For Robert E. Lee and his native South there were no Marshall Plans or Reconstruction Finance Corporation. There was no Point Four Program.

He returned home to teach his boys the manhood out of which reason prevails and intelligence conquers. With courage and wisdom and perseverance, he started rebuilding. The South was the frontier and he led the way. This is what our founders saw in Robert E. Lee and this is why they gave us our heritage.

He was a man of great character. Embarrassed by the conduct of his father in early life, poor in the midst of relatives that were rich, left with the care of a mother ill in health, and tempted by the frivolous ridicule of those his own age, he set his mind on higher goals and achieved most of them. He did not want to be a party to those who would destroy the Union, neither would he be made a party to those who would destroy the South. But he would defend his State of Virginia. He surrendered his slaves before the War. Grant did not free his until after

the War. Our founders saw justice, goodness and Godliness in Robert E. Lee, and this is our heritage.

Further comments were made by Benjamin H. Hill commemorating the birthday of Robert E. Lee:

"He was a foe without hate; a friend without treachery; a soldier without cruelty; and a victim without murmuring. He was a public officer without vices, a private citizen without wrong, a neighbor without reproach, a Christian without hypocrisy, and a man without guilt. He was a Caesar without his ambition, Frederick without his tyranny, Napoleon without his selfishness, and Washington without his reward."

WILSONS CREEK NATIONAL BATTLEFIELD

Mr. HALL. 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 Missouri?

There was no objection.

Mr. HALL. Mr. Speaker, today I am introducing a bill whereby the authorized funds for development of the Wilsons Creek National Battlefield Park, near Springfield, Mo., would be increased. Identical bills to increase this authorization to $3 million are being introduced in the Senate by my two Missouri colleagues, Senators SYMINGTON and LONG.

These funds would be "earmarked" for further development of the park. This development would help establish facilities to accommodate the increasing number of park visitors, and would supplement the land acquisition policies of the State of Missouri which has been its part of this joint Federal-State project.

The second section of this bill would change the name of the park from Wilsons Creek Battlefield National Park, to Wilsons Creek National Battlefield. The purpose of this change is to conform with uniform nomenclature for all national parks, and it is requested by the Department of Interior.

In conclusion, Mr. Speaker, as one of the major engagements west of the Mississippi during the so-called Civil War, Wilsons Creek merits the fullest development. However, I think we are all aware of the budget problems this year. It is important to recognize that this bill is an "authorization," and that the appropriation for any single year will of course depend on the capabilities of the National Park Service, and their master development plan. With this in mind, I sincerely hope we can have hearings in both the House and Senate at an early date.

AGRICULTURAL EMPLOYEES UNDER THE FAIR LABOR STANDARDS ACT

Mr. WILLIAMS of Mississippi. 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 Mississippi?

There was no objection.

Mr. WILLIAMS of Mississippi. Mr. Speaker, there is some confusion among farmers relative to the coverage of agricultural employees in the amendments to the Fair Labor Standards Act adopted by Congress last year. The effective date of the amendments is February 1, 1967.

Whether a farm will be covered is generally determined by the test of whether 500 man-days of agricultural labor was employed in any calendar quarter during the previous calendar year. There are certain employees exempted from the man-day count as noted in the explanation I will place in the RECORD at the conclusion of my remarks.

The definition of employee as applied to sharecroppers or tenants has created misunderstanding. Generally, sharecroppers and tenants are covered under the law if their activities are closely guided by the landowner; and they are not covered if the landowner in no way guides, directs, or aids in management of the farming operation. The latter are independent-contractor sharecroppers. However, there is no single rule or test for making such a determination.

Mr. Speaker, many of us were fearful that the inclusion of agriculture in minimum wage legislation would be unduly burdensome by subjecting farmers to unnecessary regulation. I, therefore, voted against the bill in the House. Nevertheless, the majority of the House and Senate favored the principle of covering farmworkers and such is now the law. Because this is a total new experience to farmers, I would hope the Department of Labor would be sympathetic and understanding in administering this provision.

I include at this point excerpts from House Report 1366, 89th Congress, which explains the intent of Congress in regard to agricultural employees in the Fair Labor Standards Amendments of 1966:

The bill amends section 13(a)(6) of the Act so as to extend minimum wage protection to 485,000 agricultural workers. They will remain exempt from the overtime provisions of the law. The minimum wage for covered agricultural workers will be $1 an hour beginning February 1, 1967; $1.15 an hour beginning February 1, 1968; and $1.30 an hour beginning February 1, 1969. Room, board, and other facilities customarily furnished employees by employers are "wages" according to their fair value or reasonable cost as provided for in section 3(m) of the Act.

The committee is fully cognizant of its action in entering the area of agricultural employment. Opponents of this coverage constantly assert that agriculture is an area to which the minimum wage cannot be applied. By limiting the wage increase to $1.30 an hour, the committee is affirming its intention to follow closely the effect of minimum wages in agriculture. It is not, however, subordinating its belief in a minimum wage as a wage below which no employee should be paid. Likewise it is in no way implying that the wage floor for agricultural employees should lag permanently behind that of other protected employees.

Of the agricultural workers to be covered, some 213,000 (44 percent), presently earn less than $1 an hour. Given the initial coverage of such workers at $1 an hour, the wage bill increase for agriculture will be $52 million.

The method of covering agricultural workers received considerable attention. A dollar-volume test, such as that applied to enterprises, is inapplicable in an industry so subject to seasonal variation. The committee decided an equitable and administerable formula would be a test considering the quantity of labor used by an individual farm. This accounting procedure would reflect the variations of farm activity.

Generally, only the employees of large farms will be covered. To be covered, an employee must be employed by an employer who used more than 500 man-days of agricultural labor in any calendar quarter of the preceding year. "Man-day" means any day during any portion of which an employee performs any agricultural labor. If the employer used more than 500 man-days of agricultural labor as specified, all of the employees on that farm are covered by the minimum wage. This is intended to provide protection to the employees of large agri-business enterprises. Five-hundred man-days is approximately the equivalent of seven employees full time in a calendar quarter. Therefore, it would generally require that a farm have seven or more full-time employees, a considerable enterprise in farming, before the employees receive minimum wage protection. The parent, spouse, child, or other member of an agricultural employer's immediate family are not covered.

The calculation of man-days is not a simple count of all workers on a farm. The bill provides that certain agricultural employees not be included in the general count; that is, the labor of certain employees will not be recognized as increasing the man-day count. The employees who will not be included in determining whether or not an individual farm exceeds the 500 man-day criteria are—

(1) the parent, spouse, child, or other member of an agricultural employer's immediate family; or

(2) an employee who (*a*) is employed as a hand harvest laborer and is paid on a piece-rate basis in an operation which has been, and is customarily and generally recognized as having been, paid on a piece-rate basis in the region of employment, (*b*) commutes daily from his permanent residence to the farm on which he is so employed, and (*c*) has been employed in agriculture less than 13 weeks during the preceding calendar year.

The latter category generally defines local, temporary employees, who work during a crop harvest. The committee did not intend to have the limited labor of these employees raise the man-day count above 500. The committee further believes that an individual employed in agriculture for fewer than 13 weeks should not be considered as an agricultural employee. The effect of including these employees in the man-day count would be to cover the employees of small farms which may utilize extensive local and temporary labor during a harvest season.

It is intended that the minimum wage provisions of the Act be extended to certain sharecroppers and tenant farmers. The test of coverage for these persons will be the same test that is applied to determine whether any other person is an employee or not. Employer, employee, and employ, are all defined terms in the Act. Coverage is intended in the case of certain so-called sharecroppers or tenants whose work activities are closely guided by the landowner or his agent. These individuals, called sharecroppers and tenants, are employees by another name. Their work is closely directed; discretion is nonexistent. True independent-contractor sharecroppers or tenant farmers will not be covered; they are not employees.

The Supreme Court (in *Rutherford Food Corp.* v. *McComb*, 331 U.S. 722 (1947) has made it clear that there is no single rule or test for determining whether an individual

is an employee or an independent contractor, but that the "total situation controls." In general an employee, as distinguished from a person who is engaged in a business of his own, is one who "follows the usual path of an employee" and is dependent on the business which he serves. As an aid in assessing the total situation, the Court mentioned some of the characteristics of the two classifications which should be considered. Among those are:

(1) The extent to which the services rendered are an integral part of the principal's business;

(2) The permanency of the relationship;

(3) The opportunities for profit or loss;

(4) The initiative, judgment, or foresight exercised by the one who performs the services;

(5) The amount of investments; and

(6) The degree of control which the principal has in the situation.

The committee fully subscribes to these criteria.

Testimony indicates that there are large numbers of so-called sharecroppers who are not allowed to make a single economic decision regarding the land upon which they live and work. For example, they do not decide what to plant, when to plant, when to harvest, where to purchase seed, or where to sell the product of their labor. For these people, the term "sharecropping" only denotes a means of compensation; it conveys no connotation of independence, individualism, or self-determination. On the other hand, there are true tenant farmers, who make basic economic decisions upon which rest the productivity of the farm and consequently the amount of their compensation. Generally these tenants operate farms owned by absentee landlords. They are unsupervised, make day-to-day decisions necessary to the running of the farm, and share in the profits related to the productivity, for which they are greatly responsible. Such persons are not intended to be covered by the Act.

Average hourly earnings in agriculture were 90 cents in 1964 in the United States. In some States the average falls below 60 cents an hour, and there are reports of wages of 30 cents an hour. Migrant agricultural workers had average annual earnings of only $868 in 1963, and this includes $211 earned during an average of 17 days of nonfarm work. In 1961, in households with three or more farm wage workers, the total year's farm and nonfarm earnings of these family members together averaged only $1,432. This is less than half of the $3,000 income level below which families are considered to be living in poverty.

The two top classes of farms (class I equals $40,000-plus and class II equals $20,000 to $39,999, total value of farm products sold commercially) include only 9 percent of all farms, but they produce 50 percent of all farm output. These two top classes of farms pay out more than 70 percent of the total annual farm wage bill. In fact, class I farms alone pay out more than half of the annual commercial farm wage bill. Very recent sample studies indicate that this concentration of agricultural production and hired labor on large farms has been increasing. Such cost increases, focused primarily upon the largest agri-business enterprises who tend to be the price leaders, would tend to create a more favorable competitive situation for family farm operators. The imputed wage for the family farm operator and his family would no longer be so drastically undermined by the tragic wages of workers on the largest farms. There were 2.6 million households in the United States that contained at least one person who did farmwork for wages in 1962. The total population of these households is 11.2 million persons. Forty percent of these households had an annual income of less than $2,000 and 56 percent of such households had annual income below $3,000.

Between 1950 and 1960 output per agricultural man-hour increased 69 percent compared with 23 percent in nonagricultural employment. From 1960 to 1964, the output per man-hour in agriculture increased 23 percent compared with 13 percent in nonagricultural industries. The labor of 1 farmworker supplied the farm products needs of 11 persons in 1940, 15 persons in 1950, 26 persons in 1960, and 33 persons in 1964. This has been accomplished through the use of improving farming techniques. Mechanical harvesting has made enormous strides and use of fertilizers and other chemical agents has grown rapidly. Despite this gain in productivity, wages of farmworkers have lagged far behind those of workers in nonagricultural industries. Not only have farm labor wages lagged behind those of other workers, but a widening of the gap between agricultural and nonagricultural wages has, in fact, occurred despite the fact that output per man-hour in agriculture was 2.7 times as great in 1964 as in 1947, while in nonagricultural industries it was 1.6 times as great.

The policy of the Fair Labor Standards Act is to provide a wage which will enable a worker to maintain a decent standard of living. If prices were to rise equally or faster than the rise in wages, the real earnings of workers would remain stable or decline. If the price of farm products were to rise more than wages as a result of the coverage of farmworkers, the intent of the legislation would be negated. Thus, the committee looked at the relation of the cost of field labor to the price of farm products to the consumer. The conclusion is clear. Field labor is a very small percentage of costs to the consumer. The cost of bringing seasonal agricultural wages up to the level of about $1.25 an hour is approximately equal to 1 cent per unit for most vegetables and fruits—per pound or per dozen or per head or whatever the ordinary unit may be. If retail prices go up more than that and if the increase is blamed on rising labor costs in the field, the American housewife should demand a complete and immediate congressional inquiry.

CONGRESSMAN ANNUNZIO OPPOSES RELIGIOUS PERSECUTION IN THE SOVIET UNION

Mr. ANNUNZIO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, I am reintroducing in the new Congress the resolution which I proposed last year to express the intent of Congress in support of freedom of religion for all people and particularly calling upon the Soviet Union to fully permit the free exercise of religion by Jews and all others within its borders.

The compelling need for introduction and enactment of this resolution is obvious. We need only to review the many harassments of the Jewish people which have occurred, the impediments that have been placed in the way of their religious observances, the opposition to the religious education of their children, and the restrictions which have been placed on the training of candidates for the rabbinate, to become aware of the oppressive religious persecution which exists in the Soviet Union.

The closing of places of worship, the prevention of religious education of children, and the severe restrictions on activities of rabbis and clergymen, together constitute a serious impairment of religious freedom which has always been regarded as a natural and inalienable right of man. Denial of freedom to worship, wherever and whenever it occurs, is a crime against our common humanity and a violation of the noblest aspirations of the spirit of man.

Last year the House of Representatives passed legislation similar to my own bill and referred it to the other body. Unfortunately, the Congress adjourned before further action could be taken. It is my hope that this year prompt consideration can be given to my resolution in order that its early enactment may be insured.

Mr. Speaker, I urge my colleagues to join together in their support of this resolution in order that we may reaffirm to the Soviets and to all nations our belief that mankind the world over has the inherent and inalienable right to be free from oppression and religious persecution.

PRESIDENT'S MESSAGE ON OUR ENVIRONMENT

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. MILLER] may address the House for 1 minute and revise and extend his remarks.

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

There was no objection.

Mr. MILLER of California. Mr. Speaker, in today's special message on our environment, the President spoke of new steps to explore the oceans and develop their resources. I commend the President for his emphasis on the oceans, and I look forward to receiving his further recommendations for new directions in our marine sciences activities. For 7 years, the Congress wrestled with the problems of intensifying our oceanographic activities in harmony with our national goals and of mobilizing the efforts of some 11 Federal agencies with different but related missions in the seas.

Last year the Congress and the President agreed on a new statutory base of policy and purpose, on ways and means to develop a comprehensive and cohesive program of marine sciences. Of special importance was the establishment of a Cabinet-level Council to advise and assist the President in translating the many recommendations of the past for strengthening our ocean activities into action programs. Having introduced the original bill in 1960 to establish such a body, I am particularly pleased with the initiatives of the President and Vice President in imparting momentum and unity to our programs.

Our efforts in the oceans have unusual promise for international cooperation—cooperation that contributes to world order, to economic growth here and abroad, and to social benefit. We are well on our way to exploring space and the stars, and we have established an international framework for promoting the peaceful and cooperative exploration

of space. Now as we unravel the secrets of the ocean depths, I am pleased to see that the President is taking the lead in similarly developing an international framework for promoting cooperation in the seas.

SUPREME COURT NULLIFIES LOYALTY OATH

Mr. WATSON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and to include a newspaper article.

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

There was no objection.

Mr. WATSON. Mr. Speaker, the Supreme Court, like the Communist Party, is increasingly involving itself in the use of subtleties to prepare the unsuspecting citizen for the coup de grace. It would appear that on some occasions the High Court and the Communist Party are running a parallel course toward the eventual death of this Nation by a slow and deliberate process. Only Monday of last week a decisive boost along this fatal path was made possible by the Court in a 5-to-4 decision nullifying State laws designed to curtail subversives in the teaching profession.

The irony of the Court's decision is that it failed to go all the way in voiding individual State loyalty oaths and procedures. This is comparable to the avowed current American Communist Party line; that is, to make a foothold through gradual infiltration. Neither the Court's decision regarding loyalty oaths nor the Communist Party's infiltration is overt, but this bathos is more dangerous to our security than a full-scale revolution, because it goes on without a great deal of fanfare.

As incredible as it may seem the Court based its decision this week on the great misnomer, "academic freedom."

Mr. Speaker, I would ask just whose academic freedom the Court is speaking of? The Communist Party recognizes no such theoretical concept as "academic freedom." Communist dogma, by its very nature, is opposed to academic freedom. Such a term in Communist states has been relegated to oblivion, along with such concepts as freedom of belief and freedom of the press. Of course, the Court has to write a majority opinion, but it does seem that some reason other than "academic freedom" should have been used. The Court, in striking down these loyalty oaths on the basis of academic freedom, is sowing the seeds for the eventual destruction of all freedom, including that of academic freedom.

I do not profess to be a clairvoyant, but I do feel that unless the Warren Court is restricted in its legislative activity by judicial interpretation, this Nation will lose its ability to protect itself from internal subversion. After all, it was best expressed by a member of the Court himself, Justice Clark, who said in the minority opinion that:

> The majority has by its broadside, swept away one of our most precious rights; namely, the right of self-preservation.

Mr. Speaker, only this past week the largest newspaper in South Carolina had a very excellent editorial regarding the Supreme Court's decision. At this point I would like to include this editorial as a part of my remarks.

[From The State, Columbia, S.C., Jan. 25, 1967]

ACADEMIC LICENSE

The U.S. Supreme Court has ruled (another 5-4 decision!) that New York state may not fire or refuse to hire public school teachers—or any other civil servants—solely because they are members of the Communist Party.

Thus, New York's entire teacher-loyalty program and the state's 1939 civil service law provision which made membership in the Communist Party sufficient grounds to fire or not to hire public employes goes out the window.

"Our nation is deeply committed to safeguarding academic freedom," said Justice William J. Brennan, Jr., for the majority. "That freedom is therefore a special concern of the First Amendment, which does not tolerate laws that cast a pall of orthodoxy over the classroom."

Evidently, Justice Brennan hasn't had much chance, lately, to read up on Communism, academic freedom, or the First Amendment to the U.S. Constitution.

Well-meaning liberals long have argued that Communists have an abstract right to teach, on the theory that patriotic American boys and girls will rise to refute untruths uttered in the classroom.

But Communist teachers rarely are professors of political science (as one might expect); more often, they are English instructors, teachers of physics, mathematics, and so on. They seldom shout or preach, but row with muffled oars. The eddies they stir are beneath the surface.

Because Communist professors work to destroy academic freedom for everyone else, they are not entitled to academic freedom's prerogatives. We are not morally obliged to tolerate those who would not tolerate us, if they had power. And if academic freedom becomes academic license, it cannot long endure.

Truly, we seem headed into an era of what William L. Roper has called judicial oligarchy. When one justice can cast a decisive vote that will change the law of the land, it is time to devise some tougher checks.

Now, more than ever, the suggestion made last year by Samuel L. Devine (R–Ohio) to the effect that whenever the court is called upon to rule on Constitutional questions, "it should be required that at least two-thirds, or six of the nine justices must agree," appears both reasonable and necessary.

We urge that the proposal be given serious and immediate consideration.

LIBERALIZED TAX TREATMENT FOR WATER AND AIR POLLUTION ABATEMENT

Mr. BROWN of Ohio. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. BROWN of Ohio. Mr. Speaker, I am pleased to reintroduce today a bill to amend the Internal Revenue Code of 1954 to liberalize the tax treatment accorded facilities for water and air pollution abatement.

While there was not sufficient time for consideration of this legislation in the House Ways and Means Committee before adjournment last year, it did get rather significant bipartisan support from 56 Senators and Representatives who introduced the same or similar bills.

Other bills similar in approach but slightly different in specific details were also introduced by other Members of the House and Senate during the 89th Congress.

Twenty Members of the House join me today in introducing this measure. They are ROGER H. ZION, of Indiana; J. IRVING WHALLEY, of Pennsylvania; RICHARD S. SCHWEIKER, of Pennsylvania; SEYMOUR HALPERN, of New York; HERMAN SCHNEEBELI, of Pennsylvania; MARK ANDREWS, of North Dakota; WILLIAM A. STEIGER, of Wisconsin; ELFORD A. CEDERBERG, of Michigan; THEODORE R. KUPFERMAN, of New York; HASTINGS KEITH, of Massachusetts; DURWARD G. HALL, of Missouri; CLARK MACGREGOR, of Minnesota; CHESTER L. MIZE, of Kansas; THOMAS J. MESKILL, of Connecticut, HENRY SMITH, of New York; CHARLES TEAGUE, of California; JACK MCDONALD, of Michigan; JOHN BUCHANAN, of Alabama; EDWARD BIESTER, of Pennsylvania; ROBERT TAFT, JR., of Ohio.

In addition, several other Members of the House have indicated to me their intention of introducing similar legislation, and a few have already thrown the same bill or similar bills in the hopper. I also understand the same bill is being introduced in the Senate.

My measure provides an incentive tax credit for the taxpayer who undertakes a construction program for air and water pollution treatment facilities in cooperating with the Federal and State Governments on pollution control programs.

The 20-percent incentive tax credit is applied to all costs of the facility—buildings, improvements, machinery, equipment, and includes total costs of land. Under this legislation the 7-percent investment tax credit, which was not suspended last year in the case of pollution control facilities, would not be allowed in respect to these facilities.

In addition, the taxpayer is permitted at his election to amortize these expenditures during the tax year or over the next 4 years after the year in which the expenditures were made.

For the taxpayer to qualify for the benefits of the incentive tax credit and the rapid tax amortization provisions of this proposal, he must obtain approval from the appropriate State agency that the facility is to be constructed in accordance with the State's program for abatement of air or water pollution.

The provisions of the legislation are relatively simple, but they are essential to accelerate pollution control construction on the part of business. Industry must have these incentives to undertake programs of the scope necessary to solve the Nation's pollution problems today.

The money expended by private enterprise for the construction of these costly facilities is an investment in nonproductive facilities, primarily in the public interest, requiring high, nonproductive operating costs which will be continuing charges against future earnings. The most efficient way to encourage this kind of investment is by means of tax credit, rather than Federal grant.

The necessary legislation to require pollution abatement facilities to meet

local, State, and Federal standards is already on the books, and many industries have indicated their eagerness to tackle this problem. A tax credit arrangement would enable them to do so promptly without having to wait for the availability of funds from Government grants. Such an arrangement would also eliminate costly administrative redtape, implicit in any Federal grant program.

Pollution of our air and water resources is continuing at an alarming rate. Through cooperation of Federal, State, and local government bodies with private business and industrial enterprises, air and water pollution control facilities can be constructed to prevent further pollution of these resources.

The President sent us a sobering message on this subject yesterday. In it, he proposed the tightening of punitive restrictions against those in private industry who offend the public by polluting the environment.

But we have had restrictive and punitive legislation on the books for some time, and progress has remained painfully slow. This is due to the fact that Government itself has been reluctant to put an industry out of business or force it into costly revisions of plant facilities which might raise prices of consumer goods even higher.

My bill provides the "carrot" to go with the "stick" already available to Government—the stick which the President hopes to make stronger.

My bill does not speak to municipal pollution and is not intended to; but it will encourage action to control industrial pollution. It provides for a partnership between Government and industry to resolve a problem which both Government and industry have let get out of hand in the past.

It is designed to encourage action in the field of pollution control, rather than more laws and more talk; for action is what the problem of air and water pollution in this country needs.

The Congress has already accepted the basic principle embodied in this bill. It did so during the last session when it allowed the 7-percent investment tax credit to continue for air and water pollution control facilities when the 7-percent tax credit was being suspended for all other kinds of manufacturing investments.

It is my hope that hearings can be held on this bill in the near future, and I urge my fellow colleagues to examine this bill carefully.

BILL BAGGS—PART VIII AND IX

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 like to call the attention of my colleagues to the final articles in the exclusive series written in North Vietnam by Bill Baggs, editor, Miami News. I have had the pleasure of inserting each of the preceding articles in the CONGRESSIONAL RECORD.

In today's articles Mr. Baggs discusses first the relationship between the North Vietnam Government of Ho Chi Minh and the "portable" government of the Vietcong, in the south. Is there a formal relationship between these two organizations, or is it merely a variable factor of influence? The critical factor is—as Mr. Baggs defines it—would an agreement between the Ho government and the United States to initiate talks be equally binding on the Vietcong?

And finally, Mr. Baggs analyzes the false morale of the North Vietnam population, based on assumptions that the balance of world opinion rests with North Vietnam's position, and that the dissension in the United States is substantially greater than, in reality, it is.

In the following articles, as in each of the previous, Mr. Baggs exhibits his ability to extract salient factors concerning the war, and formerly unemphasized:

[From the Miami News, Jan. 25, 1967]

TWO FOES IN VIET—THE NORTH, THE CONG

(By Bill Baggs)

HANOI.—There are two Vietnam "governments" shooting and shooting back at the Americans.

One is the Democratic Republic of Vietnam, the country here in the North, whose leader is Ho Chi Minh.

The other, of course, is the National Liberation Front, whose soldiers, known as the Viet Cong, are in the steady and violent engagements in the fighting down South.

The Viet Cong is not a government recognized by the United States.

What very few persons know, for a certainty, is whether the Democratic Republic of Vietnam, the government here in the North country, actually rules the rather portable government down South.

A visiting reporter is inclined to doubt that Hanoi governs the National Liberation Front, or the Viet Cong.

Surely, Ho Chi Minh, because of his immense prestige, and other leaders of the North have long influences with the National Liberation Front down South. Indeed, Gen. Vo Nguyen Giap, respected in American military circles as a most accomplished commander probably has as much to do with strategy of the troops in the South as anyone, and he is formerly of the government here in the North.

American charges that the Democratic Republic of Vietnam, or the Ho government, are shipping men and supplies south to the Viet Cong, are dismissed here by the Asian equivalent of shrugging the shoulders.

The persons you converse with here are strong in expressing sympathy and admiration for the Vietnamese who are fighting the Americans and the Ky troops down South.

One minister of the government here told this reporter that the National Liberation Front, or Viet Cong, consulted the Ho government on important decisions. Otherwise, the sentiments you hear are that North Viet Nam cannot make decisions for the South.

The difference could be critical. If, for instance, the United States and the Ho government decide to initiate peace talks one day, what about the Viet Cong . . . if it is independent? Indeed, if it is independent, the only solution might be the personal influence of Ho Chi Minh to urge the Viet Cong to end fighting.

Often, there is a peek visible to an American newspaperman suggesting a growing mood of independence in the National Liberation Front, or Viet Cong. Not long ago, the National Liberation Front suggested, in a paper here, that in time, after the war, the National Liberation Front will establish a government in the South, and it will begin talks with the Ho government on reunification of the entire country. The National Liberation Front statement emphasized that reunification would take a long, long time.

Of course, the National Liberation Front statement is made on the presumption the National Liberation Front is going to win the war down South, and victory for either side down South, the Ky government or the Viet Cong, is not in the sight of this reporter based on the conversations and reports from both sides.

[From the Miami News, Jan. 26, 1967]

HOW THE NORTH VIETS VIEW UNITED STATES AND THE WAR

(By Bill Baggs)

HANOI.—From Ho Chi Minh, in the worn elegance of the old governor's palace, to a shy farmer, standing on the edge of a rice field, a visiting American is told time and again that the world is on the side of North Vietnam in this war.

The opinion, obviously, nourishes the determination of these people.

Just as obviously, their hopes are raised by the belief that millions of Americans disagree with the presence of American troops in Vietnam, and that the ranks of the protesters grow all the while.

The belief is understandable. The few Americans who have visited Hanoi have been, almost without exception, persons in harsh disagreement with American policy in southeast Asia. And you gather, from conversations, that these Americans have indicated a mushrooming sentiment against the war back in the United States.

The people here are courteous but unconvinced when you suggest that such a sentiment has been exaggerated, and that while many Americans do protest the war, they are most frequently persons with not much influence to change American policy.

You do not find anywhere a lack of respect for America's economy and military competence. However, persons of rank in the Hanoi government, and military people, point out that America's great technology cannot be used with much efficiency in such a war as this.

The point is fairly clear. North Vietnam is not a country of cities. It is a country of more than 400 villages, and hamlets which "belong" to the villages. Most of the people do not live in the cities. In the air war over Europe during World War II, the German factories were rather easy to locate and bomb. Not so here. And a reporter acquires the conviction you could bomb out all the cities, and force a surrender, because these people do not depend very much on their cities.

Of the American bombing, there is no question that it has hurt North Viet Nam, and you can easily believe the flow of materials to the south, to the Viet Cong, has been slowed. The roads have taken a beating, you can observe that, although the North Vietnamese are quick on repairs.

However, the bombings at the present level, damaging as they are, do not appear sufficient to encourage the leaders of the government to suggest peace talks. A great escalation of the bombings would be necessary to even raise such a prospect, and, as other observers have said, such a greater bombing program might bomb the U.S. into a war with China.

One of the questions which accompanies an American reporter to Hanoi is why haven't the North Viets accepted volunteers from other countries. The answer you get is prompt. They do not need volunteers yet. In conversation with a visitor from France, printed in a government paper here a couple of months ago, Ho Chi Minh said:

"Hundreds of thousands of volunteers from the socialist countries and other countries

have declared their readiness to fight the U.S. imperialists by our side. . . . When necessary we shall ask them."

Almost completely absent here is any sense of Chinese presence. The leaders do not mention China, or the Soviet Union, in talking . . . they mention "socialist countries" instead. In the art museum and in the historical museum, the exhibits and the lectures you hear are strongly laced with nationalism, and even a steady but gentle insistence that the culture of Vietnam is distinct and different from the culture of China, and has been for centuries. It seems fair to say that nationalism is the strongest political sentiment you find in North Viet Nam.

Indeed, for a country squatting in the enormous shadow of China, you are most surprised by such sights as you find in a bookstore. The pictures of Lenin are large, and so are the pictures of Ho Chi Minh. But the face of Mao Tse-tung is quite small. And the writings of Mao are not at all prominent in the bookstore.

FEDERAL LEGISLATION AGAINST CIVIL DISORDER

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, I am today introducing legislation to establish Federal penalties for traveling interstate or for using any facilities in interstate commerce with intent to incite people to riot, or with intent to commit any kind of violence or to damage property by arson or bombing in furtherance of violent civil disorder.

I introduced this legislation in the second session of the 89th Congress, on September 22, 1966. I spoke on the floor in justification of the bill at that time, and again before Subcommittee No. 5 of the Judiciary Committee on October 6.

Mr. Speaker, the need for Federal antiriot legislation is urgent. At no time in our history have the rights of person and property—the most essential of all civil rights—been so endangered by civil disorder as they are today. At no time in our history has civil violence reached such a degree as it has today.

The States and their subdivisions have primary responsibility for guarding persons and property by suppressing civil disorder. And in this connection I should like to point out that section 3 of the bill I am introducing provides that nothing in the act shall be interpreted by the courts as preempting the field of legislation to the exclusion of State laws against rioting and mob violence.

But several factors compel us to recognize the need for Federal antiriot legislation.

First, rioting mobs have comprised such great numbers of people, and have exercised such destructive force, that in city after city the police alone could not restore order, and the National Guard had to be called in.

Second, rioting has swept the entire country, from coast to coast. Let me cite some of our major cities that have been rocked by incredible violence—Los Angeles, San Francisco, Chicago, Cleveland, Dayton, New York, Philadelphia, Omaha, St. Louis, Atlanta.

Third, the weapons and tactics utilized by rioters in different cities have been markedly similar and suggest similarity in guerrilla training. Rioters have thrown the same kind of bombs—bottles filled with gasoline and fitted with a wick—in Los Angeles and Chicago and Atlanta, to name three cities far distant from each other. And snipers in different, riot-torn cities have hidden in buildings and shot at firemen trying to put out fires ignited by gasoline bombs.

These three factors—the proportions of violence, the nationwide extent of violence, and the similarity of weapons and tactics—give us reason to believe that there are leaders and agitators whose operations extend from State to State.

We know that there are leaders calling for racial unity as the basis for exercising racial power, and for the exercise of racial power as an alternative to seeking equality of opportunity in American society and as an alternative to preparing for new opportunities in our productive system.

And we should be well aware of the strong appeal to great numbers of people in our urban ghettos of racial unity for mass action to make government and society responsive to themselves.

This appeal is intensified when the individual feels that he can alienate moral responsibility to the mob for violent, mass action, and when he is relieved of fear of legal penalties by becoming part of the mob.

And the drawing power of the appeal to racial unity and violent, mass action must encourage agitators and demagogs who seek their own glory instead of the advancement of their race.

The antiriot legislation which I am introducing today will give the Federal Government authority to apprehend and prosecute those who move from State to State in order to foment civil violence. Effective guarantee of the rights of person and property requires nothing less today than the intervention of the United States.

AUTHORIZING COMMITTEE ON WAYS AND MEANS TO SIT DURING SESSIONS OF THE HOUSE

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means be authorized to sit during the sessions of the House in the 90th Congress.

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

Mr. GROSS. Mr. Speaker, reserving the right to object, may we have an explanation of this request?

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

Mr. GROSS. I yield to the gentleman.

Mr. ALBERT. This is the usual request that we get from the Committee on Ways and Means at the beginning of all sessions of the Congress.

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

Mr. GROSS. I yield to the gentleman.

Mr. CURTIS. Let me reemphasize what the majority leader has said. Indeed, this is so and perhaps this ought to be made a part of the permanent rules because it is done every year. And there is a reason for it. I might say that many times I have said that we ought not to sit while we have an important bill being considered and we have never had any problem in our committee and we do not sit at the request of Members who have to be on the floor. So I am in accord with this and would simply say that this is routine and it is a request from the Committee on Ways and Means as a full committee.

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

There was no objection.

CONTINUING JOINT COMMITTEE ON THE ORGANIZATION OF THE CONGRESS

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Con. Res. 51, Rept. No. 3) which was referred to the House Calendar and ordered to be printed:

H. CON. RES. 51

Resolved by the House of Representatives (the Senate concurring), That the Joint Committee on the Organization of the Congress, established by S. Con. Res. 2, Eighty-ninth Congress, agreed to March 11, 1965, is hereby continued through June 30, 1967.

SEC. 2. The joint committee is hereby authorized to make expenditures from February 1, 1967, through June 30, 1967, not to exceed $60,000, to be paid from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

TO CONDUCT A STUDY AND INVESTIGATION OF THE PROBLEMS OF SMALL BUSINESS

Mr. MADDEN, from the Committee on Rules, reported the following privileged resolution (H. Res. 53, Rept. No. 2) which was referred to the House Calendar and ordered to be printed:

H. RES. 53

Resolved, That, effective January 3, 1967, there is hereby created a select committee to be composed of fifteen Members of the House of Representatives to be appointed by the Speaker, one of whom he shall designate as chairman. Any vacancy occurring in the membership of the committee shall be filled in the manner in which the original appointment was made.

SEC. 2. It shall be the duty of such committee to conduct studies and investigations of the problems of all types of small business, existing, arising, or that may arise, with particular reference to (1) the factors which have impeded or may impede the normal operations, growth, and development of small business; (2) the administration of Federal laws relating specifically to small business to determine whether such laws and their administration adequately serve the needs of small business; (3) whether Government agencies adequately serve and give due consideration to the problems of small business; and (4) to study and investigate problems of small business enterprises generally, and to obtain all facts possible in relation thereto which would not only be of public interest but which would aid the Congress in enacting remedial legislation: *Provided*, That the

committee shall not invade any subject matter under active investigation by any standing committee of the House.

SEC. 3. The committee may from time to time submit to the House such reports as it deems advisable and prior to the close of the present Congress shall submit to the House its final report on the results of its study and investigation, together with such recommendations as it deems advisable. Any report submitted when the House is not in session may be filed with the Clerk of the House.

SEC. 4. For the purposes of this resolution the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and places within the United States, whether or not the House has recessed or adjourned, to hold such hearings, to require the attendance of such witnesses and the production of such books, papers, and documents, and to take such testimony, as the committee deems necessary. Subpenas may be issued under the signature of the chairman of the committee, or by any member designated by such chairman, and may be served by any person designated by such chairman or member. The chairman of the committee or any member thereof may administer oaths to witnesses.

SEC. 5. The majority of the members of the committee shall constitute a quorum for the transaction of business, except two or more shall constitute a quorum for the purpose of taking of evidence including sworn testimony.

Funds authorized are for expenses incurred in the committee's activities within the United States; and, notwithstanding section 1754(b) of title 22, United States Code, or any other provisionn of law, local currencies owned by the United States in foreign countries shall not be made available to the committee for expenses of its members or other Members or employees traveling abroad.

CALL OF THE HOUSE

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

The SPEAKER. Evidently a quorum is not present.

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

A call of the House was ordered.

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

[Roll No. 9]

Abbitt	Fuqua	Pike
Ashbrook	Gallagher	Quie
Ashmore	Gibbons	Railsback
Ayres	Gurney	Resnick
Baring	Halleck	Rivers
Battin	Hansen, Wash.	Ronan
Bow	Harvey	Rostenkowski
Brademas	Hawkins	Rumsfeld
Bray	Henderson	Scheuer
Brinkley	Holland	Schneebeli
Burton, Utah	Horton	Sisk
Cabell	Jacobs	Smith, Calif.
Cederberg	Jarman	Springer
Celler	Jones, N.C.	Steiger, Ariz.
Clancy	Kornegay	Talcott
Clark	Landrum	Taylor
Conyers	Lennon	Thompson, Ga.
Corman	Mailliard	Thompson, N.J.
Derwinski	Martin	Tunney
Diggs	Mathias, Md.	Udall
Dingell	Miller, Calif.	Vigorito
Donohue	Nix	Watkins
Eckhardt	O'Hara, Mich.	Whalen
Edwards, Calif.	O'Konski	Whalley
Esch	Ottinger	Whitener
Flood	Pepper	Willis
Fraser	Philbin	Wilson, Bob

The SPEAKER. On this rollcall 351 Members have answered to their names, a quorum.

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

WHAT THE "NEW LEFT" DID TO ME

Mr. WAGGONNER. 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 Louisiana?

There was no objection.

Mr. WAGGONNER. Mr. Speaker, I include in the RECORD an article from the current issue of the Reader's Digest entitled "What the 'New Left' Did to Me." The author of this article is Phillip Abbott Luce, a former leader of the most left of all the so-called "new left" organizations now operating in this country—the Progressive Labor Party, an ultraradical and revolutionary Communist organization which alines itself with Peking.

The article carries an important message for all Americans, young and old. It is a warning and eye opener to the youth of our country, telling them bluntly, realistically, and dramatically what communism really stands for, its role in the "new left" and how involvement with it leads to "wasted years" in their lives.

It also makes it clear to us of the older generation that by no means all of those in the "new left" are Communists. Many are merely what Luce was when he started out—youth in rebellion against authority. We will not effectively handle the problem they create by erroneously branding them all as "Reds," but only by taking steps to cure the evil which, Luce believes, goes to the root of their problem—their ignorance of communism. He himself finds it incredible that he was able to acquire a graduate degree in political science without ever having been encouraged to read any of the outstanding books on communism that have been published in the last few decades.

Many Members will recall that 3 years ago this young man was a hostile witness before the Committee on Un-American Activities. They will also recall that last summer he again appeared before the committee in a completely different role to give the Congress and the American people the benefit of the knowledge about the aims of revolutionary Communist groups in the United States which he had obtained from firsthand experience.

The committee has since placed this young man under contract to write a study of ultrarevolutionary Communist organizations. Questions have been raised about its doing so simply because Luce has been a witness before the committee. Based on the excellence of his Reader's Digest article and the general quality of the studies released by the committee over the years, I want to take this opportunity to express the view that the committee made a wise move in employing Luce for the project and that his study, when it is released, will be of great benefit to Congress and the country.

The Reader's Digest article follows:

WHAT THE "NEW LEFT" DID TO ME

(An angry young man discloses the full cycle of his thinking—from rebellion against all authority, to communist "activism," to disillusionment with communist demands, to defection. And he sees a way to avoid such "wasted years".)

(By Phillip Abbott Luce)

A Communist must be prepared to act upon command. Once he begins to develop scruples, he's on his way out. How and when the break comes depends on the man and the circumstances.

I began dabbling in "revolution" in 1958, when I was 20. I became a free-wheeling "activist" of the New Left in 1960 and a secret member of the Chinese-oriented Progressive Labor Party in 1963. By the winter of 1964 I was trusted enough to be selected to join a special group to go underground.

The plan was discussed for weeks in quiet restaurants and coffee-houses in New York City. We would be trained in the techniques of disguise, forgery, wiretapping, karate, evasion of surveillance. Later, this education would be rounded out abroad, in Cuba or China. Then we would change our names and trades, drop all open contacts with communists and blend into the submerged world of secret operatives.

As a start, I was instructed to give up my friends, my relatives, my girl, my job, my apartment. Since I was at the time awaiting trial under federal indictments for my connection with trips to Cuba, I would become a fugitive from justice. There would be no turning back.

I chose *not* to go underground. A few months later, I decided to break away. It was not a sudden thing. The underground project was only the climax. For months I had been worried by scruples, but I was kept too busy with meetings, picketings, sit-ins and editorial writing to think things through. Now I was forced to reappraise communism and my own relationship to it—not the abstract ideas, but the grim facts.

I defected because, when the chips were down, I couldn't accept total obedience. Sucked into the movement by hunger for absolute freedom and rebellion against all authority, I finally recognized that there were no margins for personal freedom among hard-core communist revolutionary organizations.

I defected because I saw young people being deceived and possibly destroyed by lies which we, as leaders, were telling them; by actions in which they were just expendable pawns. Some were my friends, drawn into the movement in part by my example.

I defected not because I was reconciled to the injustices of American society as I saw them, but because I realized that communism would bring more and infinitely worse injustice.

The Inner Frustrations. My story is not unique. Thousands of young people through nearly half a century have believed that revolutionary radicalism held the answers to their own grievances and the world's problems. Few joined the movement for bad reasons. Mostly we were naive, romantic, misinformed—above all, angry and impatient.

I was born in Ohio of middle-class, Republican parents. I graduated from Mississippi State University in 1958, then earned a master's degree in political science from Ohio State University in 1960. By the time I got to Ohio State, I had begun to flirt with communism. My inner frustrations led me to the illogical conclusion that only the overthrow of the whole political and economic structure of the country could cure its ills.

These inner frustrations are difficult to explain, being more emotional than reasoned. I was in rebellion against parents, school, society—any authority. I wanted things changed and changed *now*. The normal

democratic tempos seemed to me too slow, the "establishment" too entrenched to yield to anything but violent pressures.

My rebellion was fed by the reading of communist hate propaganda and sustained by the itch to "do something." The civil-rights struggle seemed made-to-order for my mood—not only a thrilling cause in itself, but an outlet for protest generally. I was expelled from the staff of the Mississippi State newspaper for my attacks on the state legislature and the White Citizens Councils. I found the experience of "struggle" with "reaction" intensely intoxicating. As a graduate student, I joined picket groups, sit-ins, boycotts. I was becoming an "activist," quite sure what I was *against*, but pretty hazy about what I was *for*.

Upon finishing at Ohio State, I went to New York. I wrote for the communist *Worker* under several pseudonyms, and I fellow-traveled with a variety of communist organizations, coming to know the whole spectrum of ultra-left groupings, some of them communist creations, some infiltrated, some independently radical. I was searching for a "home" in the frenzied world of revolution. It was not until the summer of 1963, however, that I became fully involved.

Action, Color, Power. By then the so-called New Left was in loud and violent eruption, an outgrowth of the stage of romantic anarchy called the Beat Generation. The movement was "new"—or so we told ourselves—because it rejected the conventional Marxist jargon and working-class mystique. We had only contempt for the Old Left, with its patience and restraints. We relished stirring up trouble for trouble's sake. We were for police baiting, riots, undergrounds. *Ours was an attitude rather than an ideology.*

Ironically, today only a few New Left groups remain financially and ideologically out of communist clutches. Some of these, such as the Students for a Democratic Society and Student Non-Violent Coordinating Committee (SNCC), are being rapidly penetrated.

Consider the noise it makes, the New Left is surprisingly small—perhaps 5000, with another 5000 at the fringes. Most are social anarchists, with no more than 2000 communists of all stripe in their midst. These self-willed utopians and most other Americans find it virtually impossible to believe that a tiny handful of communist professionals, using glittering slogans like "peace," "freedom now," "equal rights," or "academic freedom," can manipulate thousands of innocent young rebels into violent street demonstrations and explosive confrontations with police. On the surface, it *is* incredible. But having studied the arts of mass manipulation and hate propaganda, and having practiced them myself, I know the power of a few expert hidden persuaders.

In the late spring of 1963, I was approached by a leader of the Maoist Progressive Labor Party to join an expedition to Cuba. No one can overstate the influence of Red Cuba upon immature, alienated minds. Fidel Castro and Che Guevara were to us what Lenin and Trotsky had been to others in their time. Here was action, color, our own kind in power—and all of it only 90 miles from the mighty Yankees. Here was David defying Goliath. I jumped at the chance to go. The fact that it might be in violation of federal law added spice to the adventure.

When I returned, I plunged into Progressive Labor activities. I helped organize, in 1964, a second trip to Cuba. I was arrested while trying to kindle a riot in Times Square—forcing a "confrontation with the cops," we called it grandly. I helped secrete guns in New York City for future "self-defense." I drafted the original declaration calling on young men to refuse to fight in Vietnam, took part in a violent fracas before the House Committee on Un-American Activities, marched and sat and shouted slogans as directed.

"True Truth." It was a frenetic life I led, as thoroughly "involved" as any of the communist string-pullers could wish. The change in me was evidenced in a new willingness to lie and deceive others in pursuit of our goals. Looking back, I recognize how utterly self-righteous and intolerant we were, not only of the "enemy"—meaning everyone from conservatives to "bourgeois radicals"—but of all other elements in the New Left. *It was the totalitarian mentality in action.* We were toddling totalitarians, and uncarded communists demanding instant idealism and "Millennium Now!" We alone had the "true truth" from which dissent was heresy.

By August 1964 I had begun editing the magazine *Progressive Labor*, but without being "identified." This deception was based on the hope that a secret party member would be more successful in recruiting. Not until December, only three months before I defected, was my name listed as editor.

Meanwhile, the riots broke out in New York's Harlem. We were not the immediate spark, but we did everything possible to provoke them and to harvest the credit. For weeks we had been preparing the requisite explosive climate, calling for a "long, hot summer" in Harlem.

One hour before the rioting actually began, Bill Epton, a vice-chairman of Progressive Labor, told a street rally: "In the process of smashing this state, we're going to have to kill a lot of cops, a lot of these judges, and we'll have to go up against their army. We'll organize our own militia and our own army." (Epton was in due time arrested and convicted of criminal anarchy.)

The 25-year-old editor of our party's newspaper, *Challenge*, proclaimed: "I advocate precisely that the people disturb the peace. There is no lawful government in this country today. Only a revolution will establish one." We prepared the infamous posters, "Wanted for Murder—Gilligan the Cop," which helped to spark the mobs.

By dint of sheer activity I was becoming more and more entrapped within the narrow communist world. If you are a good communist, your time—including evenings and weekends—is not your own. You sell party literature, do volunteer mailings and office work, paint signs, picket, demonstrate, attend endless meetings.

Yet some part of my mind was uneasy, questioning. The caches of arms left a bitter taste. It bothered me to see our individual members time and again become patsies in plans and plots outside their knowledge or consent, so that they often were jailed or injured for reasons beyond their control.

The Break. Finally, all my doubts and grievances seemed to crystalize when the scheme for going underground was sprung on us. Making the conscious decision to join the communists had taken a certain kind of guts. Now, defection proved even more difficult. The temptation is to slink away in silence; if you decide to break away publicly and try to save others from the morass, you have to be prepared for slander, harassment, even physical attack.

I chose the latter alternative. Then I walked into the FBI office in New York to clinch it. At this, the wrath of my former "comrades" knew no bounds. They accused me of every crime in the book, contended that I was always a "police agent." I was in the outside world but not yet part of it. It took some time before I discovered not only that I was indeed free but that others had gone through the same ordeal of disenchantment and that, like them, I could ultimately readjust myself to a rational society.

The Wasted Years. I've thought a lot about my involvement, and its meaning. It is not enough to condemn impatient, rebellious youth as communists or dupes. The public must distinguish between young communists and young rebels. Youth has always been rebellious. The problem is to understand and channel their zeal for a more just world, and to keep them out of the clutches of communists and other messianic extremists.

I think often that I might have been spared the wasted years if my schooling had included the study of communism—not as a beguiling doctrine through its sacred texts, but as living history on view in Soviet Russia and Red China and in the story of its many mass deceptions and manipulations in the Free World. It seems incredible that I could have acquired a graduate degree in political science without having been encouraged to read *Witness* by Whittaker Chambers, *The God That Failed* by Arthur Koestler and others, *Child of the Revolution* by Wolfgang Leonhard, *The Red Decade* by Eugene Lyons. There is a rich literature on communism. Surely our colleges have an obligation to use it effectively.

Most of the young rebels in and around the New Left are not, in their hearts, communists. In most cases, their actions are more dangerous to themselves than to the country. But we must win them over to the side of democracy before they get themselves and others into serious trouble.

FOR VALIANT AND NEEDED SERVICE

Mr. SIKES. 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. SIKES. Mr. Speaker, it is proposed by the Secretary of Defense that six Air National Guard units and eight Air Force Reserve units be deactivated by the end of fiscal year 1967. All of these units are actively engaged in the support of the Vietnamese war. Needless to say, that war is not over, nor is there any indication that it will be over at the end of fiscal year 1967. This is not the time to reduce our air lift capability and to dismiss highly trained pilots and crews. America has farflung involvements which require their support.

It is significant that the eight Air Force Reserve units each have 16 C–119 aircraft. The Air National Guard groups each have eight C–121 or C–97 aircraft. Approximately 100 officers and 600 enlisted personnel are assigned to each group. The Air Force Reserve groups to be affected comprise 20 percent of the Air Force Reserve airlift forces. The Air National Guard groups which are included in the deactivation list have almost 25 percent of the current Air National Guard force. These are major forces indeed.

A recent statement by the distinguished chairman of the House Committee on Armed Services, the Honorable L. MENDEL RIVERS, says:

I am greatly concerned about the planned phase-out of an extremely valuable military capability at a time when we are engaged in a war in Southeast Asia. The report of the Special Subcommittee on Military Airlift took note of the significant contribution to our Defense Posture which has been and is still being made by the airlift

units of the Guard and Reserve through their augmentation of the Military Airlift Command. It states, "In view of present world tension, the military and political crisis in Southeast Asia, and increasing requirements for airlift, plans to deactivate Air National Guard and Air Force Reserve units should be deferred until the Southeast Asia conflict is successfully resolved and until a thorough study of tactical airlift requirements for limited war is completed and approved by the Air Force and the Department of Defense." To my knowledge, such a study has not been completed within the Air Force or within the Department of Defense. In view of the lack of a detailed study to support the deactivation, I am at a loss to understand the reasoning of the Secretary of Defense in the action he proposes.

I think it highly important that we carefully consider the actual workload carried by these units which the Department of Defense now wishes to deactivate.

The six Air National Guard units scheduled for inactivation accomplished during calendar year 1966, 616 productive overseas missions for the Military Airlift Command. Included were 202 missions flown in direct support of southeast Asia. Flying hours generated totaled over 28,000 hours in providing this support. The payload accomplishments reflected over 5,800 tons of cargo moved and more than 6,600 passengers transported. Ton-miles flown was an impressive 25 million.

The eight Air Force Reserve units scheduled for inactivation performed, during calendar year 1966, over 4,900 productive missions, generating some 17,900 flying hours. The payload accomplishments totaled over 4,100 tons of cargo hauled and more than 23,800 passengers transported. Miles flown amounted to over 3,300,000. In addition, these units airdropped over 87 tons of equipment and 53,183 airborne troops in support of field exercises.

It is most important to remember that we have in these units over 9,800 highly skilled and motivated personnel whose collective experience represents a national asset that would take years to replace and cost millions of dollars. This is a personnel asset which when properly equipped will equal any productivity standards in the Air Force under wartime conditions.

It would be most unfortunate if these units were deactivated; yet let me remind my colleagues that if they are to be retained in service, immediate steps are required. It should be noted that they are scheduled for inactivation by the end of fiscal year 1967, which is June 30. Simply to provide for the continuation of these units in fiscal year 1968, would be to lock the barn after the horse has been stolen. Action must be taken now to express the will of the Congress that these units be continued in full force throughout the remainder of fiscal year 1967 and continued in fiscal year 1968. Last year the proposal was made that three Air National Guard units be dropped. The Congress interceded to assure that existing resources were maintained through fiscal year 1967 by retention of these three organizations. This has proven to be a wise step.

I submit that the determination of the national defense posture is the prerogative of Congress and that our Reserve Forces are considered in our total requirements. Further, that this determination is not based upon any element of productivity of our Reserve Forces during peacetime although this is an important byproduct. Our investment in training and equipment must preclude any reduction in our total force requirements. The Congress should not willingly permit any action to depreciate our national defense posture. In view of our ever-expanding worldwide commitments I strongly urge that Congress act immediately to insure the longevity of our Reserve Forces posture.

Units affected and their home stations are:

Air National Guard units: 195th Airlift Group, Van Nuys, Calif.; 171st Airlift Group, Pittsburgh, Pa.; 105th Airlift Group, White Plains, N.Y.; 16th Airlift Group, Olmstead, Pa.; 109th Airlift Group, Schenectady, N.Y.; 167th Airlift Group, Martinsburg, W. Va.

Air Force Reserve units: 403d Wing, Selfridge Air Force Base, Mich.; 927th Group, Selfridge Air Force Base, Mich.; 434th Wing, Bakalar Air Force Base, Ind.; 930th Group, Bakalar Air Force Base, Ind.; 931st Group, Bakalar Air Force Base, Ind.; 446th Wing, Ellington Air Force Base, Tex.; 924th Group, Ellington Air Force Base, Tex.; 910th Group, Youngstown MAP, Ohio; 906th Group, Clinton City Air Force Base, Ohio; 944th Group, March Air Force Base, Calif.

EDGAR G. CROSSMAN

Mr. RYAN. 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 New York?

There was no objection.

Mr. RYAN. Mr. Speaker, last Saturday New York City lost a prominent attorney, Edgar G. Crossman, who was a senior partner in Davis, Polk, Wardwell, Sunderland & Kiendl, one of our city's leading law firms.

A veteran of both World War I and World War II, Edgar G. Crossman had also served as legal adviser to Henry L. Stimson when he was Governor General of the Philippines. During World War II he served as a colonel on the staff of General of the Army Douglas MacArthur. He received the Legion of Merit and the Philippine Distinguished Service Star.

In 1947, President Truman appointed him as Minister to the Philippines and U.S. Chairman of the Joint American-Philippines Finance Commission.

Mr. Crossman was active in civic affairs in New York City and had served as a member of the executive committee of the Association of the Bar of the City of New York.

Mr. Speaker, I regret the passing of this distinguished citizen and extend my deepest sympathy to his family. It has been my privilege to be a neighbor of his son, Patrick, who is a distinguished attorney and community leader in his own right.

Mr. Speaker, I include at this point in the RECORD the obituary which appeared in the New York Times on January 30:

EDGAR CROSSMAN, A LAWYER, WAS 71—DAVIS POLK PARTNER DIES—SERVED U.S. IN PHILIPPINES

Edgar Crossman, a senior partner in Davis Polk Wardwell Sunderland & Kiendl, lawyers at 1 Chase Manhattan Plaza, died Saturday in St. Luke's Hospital. He was 71 years old and lived at 1088 Park Avenue.

Mr. Crossman, a veteran of both World Wars, also served the Government twice as a civilian in the Philippines.

He was born in Lisbon, N.H., attended the Phillips Academy in Andover, Mass., and was graduated from Yale College in 1917 and from the Harvard Law School in 1922.

He joined the law firm in 1925 and became a partner in 1934, specializing in corporate financing and reorganization and railroad law.

After the outbreak of World War I, he entered the Army and became a lieutenant and later a captain and battery commander in the Fourth Field Artillery.

In World War II, he was commissioned a lieutenant colonel in 1944 and later served as a colonel on the staff of General of the Army Douglas MacArthur.

During the war, he held military government assignments in Australia, New Guinea and the Philippines. He was at the landing at Leyte and did civil-affairs work in the liberation of the Philippines. He received the Legion of Merit and the Philippine Distinguished Service Star.

REPRESENTED TRUMAN

Mr. Crossman's first experience in the Philippines was in 1928–29, when he served as legal adviser to Henry L. Stimson, Governor General of the Philippines, in whose office Mr. Crossman had his first law training.

In 1947, he went back to Manila as personal representative for President Harry S. Truman, with the rank of minister and as American chairman of the Joint American-Philippine Finance Commission.

Mr. Crossman had represented the Guaranty Trust Company of New York and bondholders committees of the Paramount Public Corporation and the United Cigar Stores Company of America.

He had served as chairman of the membership committee and as a member of the executive committee of the Association of the Bar of the City of New York. He had also been president of the board of trustees of St. Bernard's School.

His clubs included the Century, Knickerbocker, Yale and Anglers in New York.

Surviving are his widow, the former Helen Farrell; three sons, Edgar, Patrick and John, and nine grandchildren.

A funeral service will be held Wednesday at 10 A.M. in the Madison Avenue Presbyterian Church, at 73d Street. Burial will be in Arlington Cemetery.

SOME SOUND COMMENTS ON EDUCATIONAL POLICY BY THE NEW CHANCELLOR OF EISENHOWER COLLEGE, DR. EARL J. McGRATH

Mr. STRATTON. 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 New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I know we are all concerned with education, and with the desirability of making

a good education available to all of our children capable of absorbing it—higher education as well as elementary and secondary education.

In that connection I believe Members may be interested in reading a thoughtful book review which appeared in the Saturday Review for December 17, 1966. It is a review of a new book by a recognized educational expert, Dr. Earl J. McGrath, former U.S. Commissioner of Education and now chancellor of the new Eisenhower College which is emerging in my district of upstate New York at Seneca Falls.

Dr. McGrath's book deals primarily with a subject which I am sure has been of concern to all of us; namely, the tendency for college education to be limited to a comparatively few young men and women and denied, for academic no less than financial reasons, to thousands of others who could well profit from it. He is disturbed about what he feels may be a trend toward an "elitocracy" in America, and his views along these lines have had an important bearing on the operating philosophy of Eisenhower College.

Under leave to extend my remarks, I enclose the article from the Saturday Review:

THE EDITOR'S BOOKSHELF

(By Paul Woodring)

"The Liberal Arts College and the Emergent Caste System," by Earl J. McGrath (Institute for Higher Education, Teachers College Press, Columbia University), is a reprint of three speeches delivered at Hendrix College. Mr. McGrath, who is chancellor of the new Eisenhower College, expresses alarm over a trend in higher education that should be of deep concern to all Americans and especially to the governing boards of colleges—the effort to strengthen a few prestigious institutions at the expense of all the others. McGrath observes that until recently, although our colleges educated many of the leaders of our society, they did not produce a dominant social class because educational quality was not highly concentrated. The nation's leaders emerged from a wide variety of institutions. Today, however, a few prestigious colleges and universities, aided and abetted by the federal government, are making a vigorous effort to monopolize the research grants and the funds for buildings and laboratory equipment and are then using these facilities to attract the best faculties and the most academically talented students.

And they are succeeding. The top ten institutions of higher learning (one-half of 1 per cent of the total number) are said to get nearly 40 per cent of the federal research and development funds while the top 100 get about 90 per cent of the available money. "The vast majority of institutions," says McGrath, "including even the old and reputable independent liberal arts colleges, receive only a trifling share of these grants. Yet this aid to institutions, and the fellowships and scholarships provided to students through government funds, come from taxes resting broadly on the people, and, if the general public knew the facts, they would doubtless consider it a matter of utmost national significance that many respectable colleges outside the gigantic centers of learning become more equitable beneficiaries of the grants-in-aid of the United States Government."

The concentration of both facilities and research talent in a few institutions is producing what McGrath calls "The Rising Academic Elitocracy"—a social club made up of those who make high grades in school and college and who score high on college entrance examinations. "Some of our élitists do not seem to realize," says McGrath, "that high grades at one level of education guarantee little other than high grades at succeeding levels. The fact is . . . that those who have made the most careful and objective investigations of the relationship between academic success and any other aspect of personal, professional, or social achievement find that test scores and grades at present bear little relation to any measures of adult accomplishment. Consequently, some informed and thoughtful observers are questioning whether a broader 'mix' of students in terms of ability, attitudes, values, and life goals might not be better than a more homogeneous academic community."

The big state universities and some of the stronger state colleges are answering the challenge by competing for federal research funds—with the result that they are sacrificing undergraduate liberal education to research in their expanding graduate schools. The real victims of the current trend are the 800 private or church-related liberal arts colleges which now enroll only about 800,000 of the 6,000,000 students now in college. These colleges cannot hope to flourish if all their best student and faculty talent is drained away into a few prestigious larger institutions. And status-seeking students seem unable to discriminate between the two kinds of institutional prestige. Many freshmen select an institution famous for the research scholars on its graduate faculty and then complain about the faculty's indifference to undergraduate teaching.

McGrath believes that the best chance for survival of the smaller independent and church-related colleges lies in doing what they can do best: providing a common core of intellectual experiences. "But, if they attempt to substitute advanced specialized instruction for genuine liberal learning, they will not only fail in the consequent competition with the universities, but they will fail in their performance of an indispensable public service. With proper planning they can offer liberal education at high levels of quality and at a cost their students can afford to pay." But he warns, "The bloated college curriculum is, I believe, the major impediment to increased effectiveness of most American colleges. One need not deprecate the hundreds of specialized courses of professional or graduate schools to point out that the liberal arts college ought not to offer such instruction. Able undergraduates who have had sound teaching in a selected but limited number of courses in their major fields rarely encounter academic difficulties in their advanced education, and if they do not have the ability and the desire to learn, no amount of premature and specialized forced feeding will give them any lasting advantage over their classmates who seize the opportunity to get a broader liberal education."

Although he fears a decline in quality in the independent colleges, McGrath does not predict that such institutions will disappear from the academic scene. "Contrary to the prophets of doom," he says, "most independent colleges are not about to sink into oblivion or disesteem . . ., the liberal arts colleges are neither dead nor dying." It seems clear, however, that if small private colleges are to compete with other institutions for faculty members—as they must because all professors come from the same graduate schools—it will be necessary for them to raise faculty salaries substantially.

Where the money will come from is not at all clear. Perhaps if all congressmen will read McGrath's book, the federal government will decide that good undergraduate instruction in the liberal arts college is no less important than research in the graduate school and is, indeed, an essential prelude to it. But if the decline of the small independent colleges is to be stopped the decision must be made soon.

JOHN E. FOGARTY

Mr. STRATTON. 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 New York?

There was no objection.

Mr. STRATTON. Mr. Speaker, I rise to voice my shock and sorrow at the sudden and untimely passing of our colleague and friend John E. Fogarty, of Rhode Island.

John Fogarty was one of the giants of this House, yet he was always a modest, friendly, kindly, and unassuming man. In his quiet but very effective way he helped to build a pattern of legislation in the field of health that cannot be matched in any other period of our history.

His friends and his family can be proud of the fantastic legislative achievements which he brought about. Children not yet born will owe John Fogarty more than they will ever realize. No man could have done more in his term of service in this House.

We salute him as a legislative leader. We shall long mourn him as a friend and companion.

CONTINUING THE JOINT COMMITTEE ON THE ORGANIZATION OF THE CONGRESS

Mr. MADDEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk Senate Concurrent Resolution 2, and concur in the resolution.

S. CON. RES. 2

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Organization of the Congress, established by Senate Concurrent Resolution 2, Eighty-ninth Congress, agreed to March 11, 1965, is hereby continued through June 30, 1967.

SEC. 2. The joint committee is hereby authorized to make expenditures from February 1, 1967, through June 30, 1967, not to exceed $60,000, to be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the joint committee.

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

Mr. GROSS. Mr. Speaker, further reserving the right to object.

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

Mr. GROSS. I yield to the gentleman.

Mr. CURTIS. Mr. Speaker, I was going to reserve the right to object, and I shall not object, for that very purpose. I was going to reserve the right to object, I might say to the gentleman from Iowa, to propound some questions mainly for the purpose of making legislative history. Permit me to do that if I may, and then to ask some questions.

Mr. Speaker, to lay a foundation for the questions I wish to propound to the gentleman from Indiana, I insert at this point in the RECORD the chronological history of House consideration of S. 2177

in the 79th Congress, the bill which eventually became the Legislative Reorganization Act of 1946:

CHRONOLOGICAL HISTORY OF HOUSE CONSIDERATION OF S. 2177 IN THE 79TH CONGRESS

June 10, 1946: Senate passes S. 2177, with amendments.

June 11, 1946: House receives S. 2177, held on Speaker's table.

July 19, 1946: Committee print on agreed changes in Legislative Reorganization Act of 1946, page 9496, Congressional Record.

July 20, 1946: House Rules Committee reports H. Res. 717 for consideration of S. 2177 (Report No. 2614).

July 22, 1946: Committee Print, Legislative Reorganization Act of 1946 Statement and Explanation of the House Substitute for S. 2177 (45 pp.).

July 25, 1946: House considers and passes S. 2177, with amendments.

July 26, 1946: Senate accepts House amendments.

August 2, 1946: President Truman signs S. 2177 into law (P. L. 601, 79th 2nd Legislative Reorganization Act of 1946).

Mr. Speaker, I have furnished a copy of this chronological summary to the gentleman from Indiana and desire to call his attention to the fact that the bill was messaged over to the House after passing the Senate on June 10, 1946; that upon its receipt by the House of Representatives, it was held on the Speaker's table and not referred to any standing committee of the House of Representatives. It is my further understanding that informal discussions were held between the House members of the Joint Committee on the Organization of Congress and the leadership, as a result of which certain changes in the Senate bill were agreed upon. These changes were incorporated in a committee print, and this draft was inserted in the CONGRESSIONAL RECORD of July 19, 1946, on page 9496.

July 20, 1946, the Rules Committee of the House of Representatives reported House Resolution 717—Report No. 2614—which provided for taking S. 2177 from the Speaker's table, referring it to the Committee of the Whole, and making in order the offering of the so-called committee print, printed on page 9496 of the CONGRESSIONAL RECORD of the previous day, as a substitute, subject to debate and amendment as an original bill. The rule also provided 2 hours of general debate, with the time divided equally between the vice chairman of the Joint Committee on the Organization of the Congress, Mr. MONRONEY, of Oklahoma, and the ranking Republican House member of the joint committee, Mr. Michener, of Michigan. July 22, 1946, the committee print of the legislative reorganization bill and a statement of explanation of the House substitute for S. 2177 were available to Members and July 25, 1946, the House debated and amended S. 2177 in the Committee of the Whole and passed S. 2177 as amended. July 26, 1946, the Senate accepted the House amendments and August 2, 1946, President Truman signed S. 2177 which became Public Law 601 of the 79th Congress, the Legislative Reorganization Act of 1946.

Fully realizing that the procedure for considering the Senate-passed Legislative Reorganization Act of 1967 cannot be determined with finality at this time and, of course, that such procedure is within the discretion of the Speaker, I would like to ask the gentleman from Indiana whether he has any knowledge of the probable procedure for considering any Senate-passed bill on legislative reorganization when it reaches the House of Representatives in this Congress.

Mr. MADDEN. Mr. Speaker, I will state that the gentleman has correctly outlined the procedure of the Joint Committee on the Organization of the Congress of 20 years ago.

It is my desire and my intention with the consent of the Members of the Congress to ask that the same procedure be followed as was followed 20 years ago when the bill was passed by the Senate, to be referred by the Speaker to the Committee on Rules and that the Committee on Rules act upon it and then it will be considered on the floor of the House as an open rule and open to any amendment that the House may see fit to adopt.

Mr. CURTIS. I thank the gentleman. I want to assure the gentleman of my support and urge that the procedures as outlined here be followed.

Mr. Speaker, I withdraw any reservations that I might have had.

Mr. GROSS. I understand there were only 2 hours of general debate 20 years ago when the reorganization bill was considered, and I would hope that the rule when it is submitted to the House would provide for considerably more than 2 hours because of the scope of this omnibus bill.

Mr. MADDEN. In answer to the gentleman's request, as far as the gentleman now speaking is concerned, he will recommend to the Rules Committee that the time for debate be extended.

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

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

Mr. CURTIS. I would concur in that. I certainly feel that this is so. I would emphasize that the committee has been trying to make its recommendations available to Members of both the House and the Senate as it has gone along, and most of the material that will be up for debate should be within the knowledge of the membership at this time. But I certainly concur that possibly longer than 2 hours would be desirable, and that certainly if any Members felt that way, I would urge that we do provide more time to meet their requests.

Mr. MADDEN. I agree, in accordance with the request of the gentleman from Iowa, that the time should be extended.

Mr. GROSS. The gentleman is saying that the rule would be a completely open rule, and all provisions of the proposed legislation would be open to amendment.

Mr. MADDEN. That is my intention.

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

Mr. GROSS. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I thank the gentleman for yielding. So that we can better understand with what we shall be faced, I should like to ask a question of the gentleman from Indiana. Am I to understand that our concurrence in the resolution would embody an agreement which would allow or require the House of Representatives to consider the reorganization bill which is finally passed by the Senate, and that when that bill does come from the Senate to the House, it will go to the Rules Committee; that it will come from the Rules Committee under a completely open rule, and the gentleman will make every effort to see that an extended period of time over and above the 2 hours granted during the 1946 Reorganization Act debate will be provided under the rule for considering this legislation?

Mr. MADDEN. The gentleman is correct.

Mr. WAGGONNER. I thank the gentleman.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

The resolution was concurred in.

A motion to reconsider was laid on the table.

A similar House concurrent resolution (H. Con. Res. 51) was laid on the table.

VIETNAM CONFLICT SERVICEMEN AND VETERANS ACT OF 1967—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 48)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Veterans' Affairs and ordered to be printed:

To the Congress of the United States:

On July 28, 1943, in a fireside chat on the progress of the war and plans for peace, President Franklin D. Roosevelt told the Nation:

> The members of the armed forces have been compelled to make greater sacrifices than the rest of us . . . they are entitled to definite action to take care of their special problems.

America has taken that "definite action." It has responded to the needs of the men and women who have carried the banner of liberty in time of danger.

We have not forgotten the veterans of past wars. At Belleau Wood and Chateau Thierry, at Normandy and Midway and at Heartbreak Ridge, these brave men earned an honored place in history. Their sacrifices have brought greater justice and decency to the world.

Today, the members of our Armed Forces are again fighting and giving their lives in the defense of freedom. It is essential that we convey to them—and to all Americans—our full recognition and gratitude for their services in Vietnam and in other troubled areas of the world.

Never have we had more cause to be proud of our Armed Forces. When I visited Camranh Bay last October, I

could see that the morale of our men was high for they are determined to succeed. Gen. William Westmoreland, their commander, told me that our troops were the finest the United States had ever placed in the field. We must take "definite action" for them.

Many civilian employees of the Federal Government are also working in the villages of South Vietnam, providing the help that a young nation must have to grow and become strong. These employees are exposed to the hazards and dangers of a war which has no frontline. We must also extend special benefits to them.

I. SERVICEMEN AND VETERANS

In the past 2 years, you in the Congress have enacted and I have signed a series of measures to help honor our commitment to Americans now serving or recently separated from the Armed Forces:

Two military pay raises since August 1965, an average increase of 13.6 percent.

A new cold war "GI bill" to speed the readjustment of returning servicemen through new education, training, medical and home loan benefits.

An increase in hostile fire pay.

A comprehensive "military medicare" program.

A $10,000 servicemen's group life insurance program.

A 10-percent average increase in disability compensation and enlarged benefits for surviving children and dependent parents of those who died as a result of a service-connected injury.

We must now take additional steps to fulfill our obligations to those who have borne the cost of conflict in the cause of liberty.

I propose the Vietnam Conflict Servicemen and Veterans Act of 1967. This important legislation has six major objectives:

First, to remove the inequities in the treatment of veterans of the present conflict in Vietnam.

Second, to enlarge the opportunities for educationally disadvantaged veterans.

Third, to expand educational allowances under the GI bill.

Fourth, to increase the amount of servicemen's group life insurance.

Fifth, to increase the pensions now received by 1.4 million disabled veterans, widows and dependents.

Sixth, to make certain that no veteran's pension will be reduced as a result of increases in Federal retirement benefits, such as social security.

EQUAL BENEFITS FOR VIETNAM VETERANS

Veterans of the Vietnam conflict should receive benefits comparable to those granted to their comrades of World War I, II, and Korea. Prior legislation has equalized many of the benefits. But, because of certain gaps in the law, today's veteran, his family and his children are ineligible for a number of benefits other war veterans receive.

It is only right that these loopholes be closed. It is a matter of simple fairness that the veteran of the Mekong Delta and Chu Lai be placed on a par with the veteran of Pork Chop Hill and Iwo Jima. The Senate passed—and my administration supported—such a measure last year.

I recommend that the following benefits be extended to veterans who have served on or after August 5, 1964:

Disability compensation at full wartime rates for all veterans.

Disability pensions for veterans and death pensions for widows and children.

Special medical care benefits, including medicines and drugs for severely disabled veterans on the pension rolls.

One thousand six hundred dollars toward the purchase of an automobile by veterans with special disabilities.

EDUCATIONAL OPPORTUNITIES FOR THE VETERAN

Since last June, when the new GI bill went into effect, more than 500,000 veterans have applied for education and training benefits. Thousands more are signing up each week. Today, over one-quarter of a million returning service men and women are preparing for the future and learning new skills in universities, colleges, and technical and vocational schools across the Nation. By the end of fiscal 1968, this number will increase to more than 500,000.

While the new GI bill is less than a year old—and an outstanding success—we can still work to extend and improve it.

Even today, some 20 percent of those separated from the Armed Forces each year—about 100,000 young men—have not completed high school. Many of these young veterans have the ability and desire to better themselves. All too often, they lack the financial means to complete their high school education and enter college.

As a nation, we cannot afford to neglect this valuable manpower resource.

The present GI bill makes no special provision for a returning serviceman who needs to finish high school or take a "refresher course" before he can enter college. In fact, it works in just the opposite way. For each month the veteran pursues a high school education under the GI bill, he loses a month of eligibility for college benefits under the law.

This situation must be changed. I recommend legislation to provide full GI bill payments to educationally disadvantaged veterans so that they can complete high school without losing their eligibility for follow-on college benefits.

We are taking a further step. In recent months, thousands of men who would have been rejected for military service because of insufficient educational achievement are being accepted. Forty thousand men will enter the service in the first year of this new program, and 100,000 each year thereafter. Its purpose is to provide the intensive training needed to make these young men good soldiers. Upon the completion of their military service, they will be better educated and equipped to play productive and useful roles as citizens.

I am directing the Secretary of Defense to find new ways to improve this program.

The time has also come to increase the educational assistance allowance under the GI bill. A single veteran pursuing a full-time course receives $100 a month to help him finance his education. This amount is less than the $130 a month paid to the child of a deceased or disabled veteran who may be taking the same courses at the same school.

The veteran going to school is usually older and many bear heavier responsibilities. I recommend an increase in the monthly educational assistance allowance under the GI bill from $100 monthly to $130 for a veteran.

In accord with the present scale of benefits, a married veteran with children receives $150 monthly under the GI bill, regardless of the number of children he has. To help veterans with families who wish to continue a full-time educational program, I recommend that the monthly payment be increased by $10 a month for the second child and $10 a month for each additional child.

These increases in the educational assistance allowance will benefit the more than 250,000 veterans now enrolled in schools under the GI bill.

LIFE INSURANCE

There can never be adequate compensation for those who suffer the loss of a loved one on the field of battle. We can, however, help ease their financial burden in time of sorrow. Through a combination of social security, dependency and indemnity compensation, and other benefits they are being relieved of much of the economic hardship.

In addition, the 89th Congress enacted a group life insurance program for servicemen. Under this law, a member of the Armed Forces may purchase up to $10,000 in life insurance. The Government pays a large part of the cost.

With the outstanding cooperation of the Nation's insurance firms, this program has worked smoothly and effectively.

We should now raise the limits of coverage. This will provide a further career incentive for the men and women of the Armed Forces as well as added protection for their loved ones.

I recommend an increase in the amount of available serviceman's group life insurance, from a maximum of $10,000 to a minimum of $12,000—with higher amounts scaled to the pay of the serviceman—up to a maximum of $30,000.

This proposal would carry out a recommendation of the Cabinet Committee on Federal Retirement Systems. It is in line with the general principle that the amount of group life insurance should be geared to the amount of salary earned. It will provide a substantial amount of insurance for all members of the Armed Forces. And it will permit servicemen returning to civilian life to continue the insurance at prevailing commercial rates, without regard to their physical condition.

VETERANS OF PAST WARS

The legislation I have proposed above primarily reflects the public concern for the welfare of veterans of the Vietnam conflict. But this administration has not

forgotten the veterans, dependents, and survivors of earlier wars.

Today, there are about 94 million Americans who fall into this category—almost one out of every two persons in the Nation.

The last several years have witnessed dramatic improvements in the range and quality of services and benefits available to our veterans and their families.

I have asked for and Congress has approved veterans' appropriation increases of $300 million each year for the past 3 years. Except for the 2 years immediately after World War II, my veterans budget for fiscal 1968 of $6.7 billion is the highest in history.

Those programs for veterans and their families which have been expanded include a 10-percent increase in pensions; a 30-percent increase in subsistence allowance for veterans receiving vocational rehabilitation training.

We are also providing the best medical care a grateful and compassionate nation can offer.

Last year more than 740,000 sick and disabled veterans were patients at VA hospitals. Four new hospitals have been opened in the past 2 years. Five more are scheduled to be completed within the next 8 months. With the modernization of six additional hospitals, over 15,000 new beds will be added for disabled veterans during the coming year.

Special medical research is also being pursued in pioneering areas such as organ transplant, chronic lung disease and dramatically new methods of fitting artificial limbs. This year I have asked for over $46 million to support this vital work.

Nor have we forgotten the veteran who because of disability and age may be in needy circumstances.

We are helping to meet their needs through wide-ranging improvements in the social security, senior citizens, education, health, and children's programs. I have already submitted a number of those recommendations to the 90th Congress. I will submit others shortly.

Although many of these new proposals will have an important relationship to programs for veterans and their survivors it is important that we do more.

To help meet today's cost of living, we should raise the standard of living for disabled veterans, and the widows and other dependents of deceased veterans receiving pensions.

I propose, effective July 1, 1967, a 5.4-percent increase in the pensions of 1.4 million veterans, widows and dependents.

Last week I proposed to Congress a 20-percent overall increase in social security payments—representing the greatest increase in benefits since the act was passed in 1935. Although these increases will benefit millions of older Americans, we must make certain they do not adversely affect the pensions paid to those veterans and dependents who are eligible for both benefits.

Accordingly, I propose that the Congress enact the necessary safeguards to assure that no veteran will have his pension reduced as a result of increases in Federal retirement benefits such as social security.

A COMPREHENSIVE STUDY OF COMPENSATION, PENSION, AND OTHER VETERANS' BENEFITS

The proposals I have outlined will, I believe, strengthen our veterans' programs. But we must assure the continuing soundness of these programs.

I am directing the Administrator of Veterans' Affairs, in consultation with leading veterans' groups, to conduct a comprehensive study of the pension, compensation and benefits system for veterans, their families and their survivors. I have asked them to recommend to me by January 1968 proposals to assure that our tax dollars are being utilized most wisely and that our Government is meeting fully its responsibilities to all those to whom we owe so much.

II. CIVILIANS SERVING IN VIETNAM

Among those engaged in the effort to preserve freedom in southeast Asia are civilian employees of agencies such as the Department of Defense, Department of State, Agency for International Development, and U.S. Information Agency.

There are no front lines in Vietnam. These employees are frequently exposed to hazardous conditions. They have suffered terrorist attacks in hamlets, villages, and even in the larger cities. Despite their status as civilians, many have been killed, seriously wounded, or reported missing.

The laws now governing Federal civilian employment in overseas areas have not kept pace with the times. Civilians who risk their lives in the service of their country are entitled to special benefits.

I recommend that the Congress enact legislation to—

Increase the salary differential for service at hazardous duty posts.

Allow medical benefits to continue beyond the date of his separation for an employee who has been injured, or became ill while serving in a hostile area.

Extend similar medical benefits to the employee's family after his separation or death.

Allow special travel expenses for employees after long service in hazardous areas, so they can be reunited with their families.

Authorize up to 1 year's absence without charge to leave as a result of injury or illness due to hostile action.

I have outlined a program shaped to meet the needs of America's servicemen and veterans.

No act of Government, and no legislative proposal can ever repay the Nation's debt to these brave men.

They are away from their families and loved ones, serving the cause of liberty. They serve us all silently and well. And this grateful Nation is in their hands. Whether in a patrol along the wall in Berlin, or walking the 38th parallel, or in the air on a SAC alert, or in a nuclear submarine beneath the seas, or on a sweep through a rice paddy in South Vietnam their mission is freedom and their cause is just.

The measures I propose in some small way serve notice to these Americans—in and out of uniform—that we will never let them down. The Congress, the executive branch, and the American people have accepted that obligation of honor to those who have fought and continue to fight in the defense of freedom.

The Congress, I believe, will want to consider and promptly enact this legislation.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1967.*

AMERICA'S SPACE AND AERONAUTICS PROGRAMS — MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 49)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with accompanying papers, referred to the Committee on Science and Astronautics and ordered to be printed with illustrations.

To the Congress of the United States:

America's space and aeronautics programs made brilliant progress in 1966. We developed our equipment and refined our knowledge to bring travel and exploration beyond earth's atmosphere measurably closer. And we played a major part in preparing for the peaceful use of outer space.

In December the United Nations, following this country's lead, reached agreement on the Outer Space Treaty. At that time I said it had "historical significance for the new age of space exploration." It bars weapons of mass destruction from space. It restricts military activities on celestial bodies. It guarantees access to all areas by all nations.

Gemini manned missions were completed with a final record of constructive and dramatic achievement. Our astronauts spent more than 1,900 pilot hours in orbit. They performed pioneering rendezvous and docking experiments. They "walked" in space outside their vehicles for about 12 hours.

We orbited a total of 95 spacecraft around the earth and sent five others on escape flights, a record number of successful launches for the period. We launched weather satellites, communications satellites, and orbiting observatories. We performed solar experiments and took hundreds of pictures of the moon from lunar orbiters. Surveyor I landed gently on the moon and then returned over 11,000 pictures of its surroundings for scientific examination.

Major progress was made during the year on the Apollo-Saturn moon program and the manned orbiting laboratory.

These accomplishments—and the promise of more to come—are the fruits of the greatest concerted effort ever undertaken by any nation to advance human knowledge and activity. Space, so recently a mystery, now affects and benefits the lives of all Americans.

Our national investment in space has stimulated the invention and manufacture of a flood of new products. Our new knowledge has made us more secure as a nation and more effective as leaders in the search for peace. This knowledge is hastening the ultimate solution of social

and economic problems that combined to obstruct peace.

It is with pride and pleasure that I transmit this record of achievement to you the Members of Congress. Without your support, no achievement would be possible.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *January 31, 1967.*

PRESIDENT'S MESSAGE ON VETERANS' BENEFITS

Mr. TEAGUE of Texas. 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 Texas?

There was no objection.

GENERAL LEAVE TO EXTEND

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the President's message concerning veterans' benefits.

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

There was no objection.

Mr. TEAGUE of Texas. Mr. Speaker, I met yesterday with President Johnson to discuss the President's proposals to Congress on veterans' matters. I have just concluded a meeting of the House Veterans' Affairs Committee, and on the basis of the response of its Members, I predict quick congressional approval of the President's proposals.

At the meeting Monday, the President expressed his strong feelings that those who are bearing the burden of battle in Vietnam, and those who have served this country in uniform, should receive fullest consideration of their Government. I could not agree with him more.

I take this time to commend the President. This is a very fine program. It is a program that I feel everybody on both sides of the floor can support. I believe this program will be referred to subcommittees soon. We expect to bring this legislation back to the floor quickly.

I believe this is the first time in the 20 years that I have been in Congress, and I believe the first time in history, that the President has sent a special message to Congress proposing extensive legislation on veterans' matters. The President's message embraces recommendations covering needed legislation in many areas. I commend him for this.

I think this emphasis by the President on this legislation reflects his great concern and compassion for the men carrying our burden in Vietnam. He has said in the past that we should do all possible to smooth the path of return to civilian life for our men serving there. He has already approved extensive veterans legislation in his administration—a GI bill, raises in compensation for disabled veterans, expansion of benefits for widows and orphans, and broad health benefits.

The President has proposed, in his comprehensive Vietnam Servicemen and Veterans Act of 1967, the following:

First. Removing the inequities in treatment of veterans of the present conflict in Vietnam, extending full wartime benefits to them.

Second. Enlarging the opportunities for educationally disadvantaged veterans of this conflict, and expanding educational allowances under the GI bill by increasing payments to veterans in school.

Third. A cost-of-living increase for aged veterans and their survivors who are receiving pensions, plus safeguards in the pension law to assure that no pensioner will receive less in combined Federal payments as a result of the social security increases.

Fourth. A study group to include leaders in the field of veterans activities, to conduct a comprehensive survey of the broad spectrum of veterans matters to make sure that those who most deserve them are beneficiaries of veterans programs, and to make sure our tax dollars spent in this field are utilized most effectively.

I want to say that I am in full agreement with these matters I have listed and which are being proposed by the President. I have scheduled immediate hearings on this legislation, and I think we are going to see all the major proposals in the President's recommendations approved by this committee and passed by this Congress.

I want to add that I am pleased, very pleased, with the President's position. I consider this action very timely, and very fair, and the benefits very deserved. We all know the continuing contributions to our society by veterans who are healthier, better educated, and who are better citizens as the result of earlier laws. The Veterans' Administration continues to provide deserving veterans the finest medical care in the world, and not so incidentally has been responsible for some of this country's most significant medical advances beneficial to all our citizens.

With the expansion of various benefits to Americans—social security, antipoverty, education, and other programs—the veteran of this country who has served so faithfully should share in these benefits. I am particularly impressed by the President's evident compassion for the elderly veterans and widows, and his special concern to specifically propose the cost-of-living increase to those who need it so badly.

The veterans of this country can take great comfort in knowing that they have a real friend, a friend who understands their problems and needs, in President Johnson. I have been in this Congress for more than 20 years and never has there been as much sincere understanding, and as much concern for the veteran, as that shown in President Johnson's special message.

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

Mr. TEAGUE of Texas. I yield to the gentleman from Indiana.

Mr. ADAIR. Mr. Speaker, I agree with the gentleman from Texas that there are certainly a great many worthwhile proposals here.

I must remark, however, that this certainly does represent a change in attitude on the part of the White House. Members will recall that most of the proposals contained in this message have been sought by Members of the Congress and of the Committee on Veterans' Affairs in past years. A number of those proposals which we thought were necessary and not too costly, were looked upon with disfavor by the Bureau of the Budget.

For example, just last year the Committee on Veterans' Affairs reported and the House of Representatives passed H.R. 17488, a veterans pension bill designed to provide sorely needed increases in monthly payments for the Nation's aging veteran pensioner. The administration opposed this measure and the Senate failed to act upon it prior to adjournment. I am sure that had the administration supported this proposal last year, instead of waiting until the present time, needy veterans would now be enjoying this modest increase in monthly income.

Also, had the administration been willing to support a GI bill in the last Congress that truly reflected today's cost of living and the higher cost of tuition, the President's request today for an increase in the educational allowances authorized by the GI bill would have been unnecessary.

I believe a message of this sort is long past due as indicating a recognition on the part of the Executive that there are some changes necessary in veterans' laws. I certainly hope, Mr. Speaker, that the White House will look with favor upon the proposals which we will bring out pursuant to this message today.

There is one matter which bothers me a little, and I should like to ask the gentleman from Texas if any estimate of the costs involved in the proposals here have been transmitted to us?

Mr. TEAGUE of Texas. Yes, there is an estimate of the major costs.

Probably the cost of the cost-of-living increase for pensions would be about $100 million. The increase in the educational benefits under the GI bill would cost about $75 million. And the equalization of benefits for men in Vietnam and our other wars would cost $20 million to $30 million.

Mr. ADAIR. So we are talking here of proposals in the range of $200 million?

Mr. TEAGUE of Texas. That is correct.

Mr. ADAIR. I should like to ask the gentleman further, how much of that $200 million was budgeted in the budget message which came up only a few days ago?

Mr. TEAGUE of Texas. Unless I am mistaken the pension increase was not in the budget message.

Mr. ADAIR. So, as matters now stand, there is before us a group of proposals which may add as much as $200 million to the budget which just came up.

Mr. TEAGUE of Texas. I would assume that the President will ask for a supplemental appropriation for the pension program.

In further answer to the gentleman from Indiana, all of us on the Veterans' Affairs Committee have for years felt that the Bureau of the Budget had too much influence on our veterans' programs. I met with the President yesterday, and I can say to the gentleman from Indiana that this, in my opinion, certainly shows a very commendable position, in the work and personal attention the President himself has given to this situation.

Mr. ALBERT. 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 Oklahoma?

There was no objection.

Mr. ALBERT. Mr. Speaker, this Hall has rung with the eloquence of hundreds of speeches proclaiming the patriotism and devotion of the men and women of this Nation who have put aside their civilian responsibilities to answer the call of their country to bear arms. There is no sacrifice that the members of our Armed Forces have not made in order that America could obtain its position as the greatest nation on earth. These men and women have asked nothing more in return than that their country be secure and that they be allowed to return to their homes, their families, and their jobs.

But a grateful nation has done more than to grant only this small request. For the people of this Nation have also asked that they be allowed to show their gratitude to their sons and daughters, husbands and wives who have protected and preserved freedom.

We of this 90th Congress have the opportunity again to express this Nation's gratitude by continuing to provide the benefits that a free and grateful people owe to its fighting men.

President Johnson has today proposed an encompassing piece of legislation—the Vietnam Servicemen and Veterans Act of 1967. It is but a continuation of the firm belief of our country that to serve is deserving of recognition.

We have made some progress already in providing benefits to those men who are today protecting the free men of Vietnam from aggressors from the north—aggressors who would deprive an independent nation of its identity and enslave and murder the populace.

We have called upon the young men of America to bear arms—to lay down their lives if necessary, to thwart this enemy. For this is not the enemy of the South Vietnamese alone—it is the enemy of all free men. It is, indeed, our enemy—an encircling foe whose designs do not stop with Vietnam but view the whole world for conquest.

We remember the battles of World War I—and then the worldwide quest that ensued in World War II when Americans again bore the brunt of battle. The Korean conflict again called upon Americans to stand forth as champions of freedom—as champions of a cause that defeated aggression once more.

When these men returned to their homeland they found a grateful people, extending open arms, ready to proclaim them not only victors but extending the bounty of this Nation.

We have only partially extended this same reception to our fighting men of today. Yet today, our fighting men have answered the same call to duty—they have risked their lives—and some have died, and still others will bear the scars of battle forever. We have an unfinished job—we must provide the means to a happy and fruitful life when they return from battle, just as we have in the past. We must provide for the widows and orphans of those men who are killed in battle—a battle which is no less yours and mine than any battle in which American fighting men have engaged.

The President has asked that we amend and extend our present laws in order that these men will be recognized as men sharing the same place in the hearts of their countrymen as all other veterans.

His recommendations in this legislation are fair, are just, are truly deserved, and certainly needed by those who will benefit therefrom. I do not believe we can hesitate to enact this legislation with haste. I urge speedy approval of this legislation.

PRESIDENTIAL MESSAGE ON SERVICEMEN AND VETERANS

Mr. DORN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. DORN. Mr. Speaker, I should like to say to my colleagues that I commend not only the President for this message but also our distinguished, able, and beloved chairman of our committee, who so persistently over the years not only has championed the cause of the veterans but also has advocated at the White House and on this floor some of the very measures the President has recommended to the Congress today.

I commend my distinguished chairman for his persistence and tenacity over the years in championing the cause of the veteran. I believe at this session of Congress a lot of his recommendations, which really have been embodied in the President's message today, will be enacted.

I commend my chairman and the committee and my distinguished and beloved friend, the gentleman from Indiana [Mr. ADAIR]. Our committee is a great, nonpartisan committee. We have advocated this on both sides of the aisle in the committee for many years.

I might say, Mr. Speaker, several of the things which General Westmoreland and his staff and our men in Vietnam have recommended to our chairman and to some of the others of us who visited Vietnam last year—such as increased pay for men serving overseas, the GI bill, and so on—are measures which improve and help the morale of our fighting men all over the world. This Congress can stand up and be proud of what we are doing and what we have done for our servicemen deployed throughout the world.

I believe Congress will pass this pension bill so that it will become effective in July and provide for a 5.4-percent increase for 1.4 million veterans, widows, and dependents.

I believe that Congress will enact legislation which will prevent any veterans receiving a pension from having his pension reduced because of an increase in social security.

I believe the Veterans' Affairs Committee will soon act and Congress will pass legislation which will increase from $100 to $130 a month educational benefits for single veterans and also a similar increase for married veterans studying under the new GI bill of rights. This would benefit more than 250,000 veterans now enrolled under the GI educational program.

The Presidential message today urging the passage of this and other veterans' legislation will pave the way for final enactment this year.

Mr. Speaker, I am glad to see the President advocate legislation long proposed by our Veterans' Affairs Committee. This legislation, like the GI bill last year, will boost the morale of our fighting men in Vietnam and those standing guard on the ramparts of freedom throughout the world.

Mr. HELSTOSKI. Mr. Speaker, I wish to add my support to the recommendation made by the President that the Congress enact the Vietnam Servicemen and Veterans Act of 1967.

I would like to explain why I think such legislation is needed and urge quick passage of this most meritorious legislation.

It recognizes the achievements of our men fighting in the jungles of Vietnam.

It takes into account the need for remedial attention for veterans, dependents, and survivors of earlier wars.

It provides far-reaching benefits, programs, and services for veterans, even though budgets for veterans affairs have been the largest since the immediate post-World War II years of 1947 and 1948.

It expands the schooling opportunities for educationally disadvantaged veterans.

It fills the gaps in present measures for the Vietnam veterans.

The educational benefits provided in this Presidential recommendation will give strength to our democratic way of life. For an educated populace always makes for a stronger democracy than one which is uneducated.

Benefits that we may provide for our new veterans are really an investment in America. Expenditures for GI bill benefits should not be considered merely as an expenditure of Federal funds; instead, they should be seen in their true light—as an investment in human beings, our veterans—an investment that already has paid handsome dividends to all America.

Mr. EDMONDSON. Mr. Speaker, I am highly pleased by the President's message recognizing the need for action on veterans pensions.

This action is certainly overdue, and there should be no further delay in legislation to correct the matter.

Our veterans and their widows and orphans should be the first to have adjustments in payments to recognize increases in the cost of living, and not among the last.

I congratulate the gentleman from Texas, the Honorable OLIN TEAGUE, for his success in the fight to secure administration recognition of the need for action.

I congratulate the President on the message we have received to speed the day of action in the Congress.

Let us move quickly and generously to end the inequity now present.

Mr. HALEY. Mr. Speaker, the call to duty has always been accepted by the highest quality of men this Nation could produce. Today, our finest young men have answered this call and are giving their full energy to winning a dirty and bloody war in Vietnam. These men are carrying on in the traditions set by our approximately 25 million other men who now carry the proud title of veteran. They are the finest—they are the best fighting men ever to bear arms in defense of freedom.

Therefore, it gives me great pleasure to add my name to the others of this body who endorse—without reservation—the proposals of President Johnson for the Vietnam Servicemen and Veterans Act of 1967.

It is also with pride that I notice that the provisions, those largely concerned with making the benefits available to the Vietnam veteran, have not forgotten the other veterans who have served this Nation in similar wars before.

We have made great strides in providing some of the benefits during the last session to these gallant young men; however, there is no question that there are still loopholes—and loopholes that will be filled by this new proposed legislation. The increase in educational benefits, the enlargement of opportunities for educationally disadvantaged veterans, plus putting our present servicemen in line for full compensation and pensions—definitely meet with my approval.

I urge the speedy passage of this group of legislation.

Mr. ZABLOCKI. Mr. Speaker, I am pleased to join my colleagues in commending the President for his message on behalf of America's servicemen and veterans.

It is my understanding that it is the first time—at least in recent history—that a Presidential message to Congress has concerned welfare legislation for servicemen and veterans.

The President, indeed, deserves praise for giving the interests of these groups such emphasis.

The proposals which he has recommended to the Congress deserve speedy consideration.

Among the proposals are many which deserve specific comment. Of those I shall single out only two:

First, the increase in the educational allowance is badly needed. A single veteran pursuing a full-time course of studies now receives $100 per month to help him finance his education.

The President has requested that the amount be increased to $130—a more realistic figure in these days of rising living costs.

Second, the President has suggested that legislation be enacted to provide full GI bill payments to educationally disadvantaged veterans so that they can complete high school without losing their eligibility for follow-on college benefits.

This, too, is a wise and practical improvement of the GI program. It will give a helping hand to those veterans with the maturity and energy to want to help themselves by getting an education.

In the process they will be helping our country by reducing the numbers of the potential unemployed and by contributing their skills to 20th century America.

Despite the many worthy recommendations in the President's message, Mr. Speaker, it contained one shortcoming.

No mention was made of correcting the serious inequity which exists with respect to training those young veterans who wish to engage in apprenticeship or on-the-job vocational training.

Although provisions were made for such training in the World War II and Korean war GI bills, they were omitted from the cold war GI bill passed in the 89th Congress.

As I said in a recent press statement, a Vietnam veteran who wants to be a welder or a sheet metal worker has just as much right to Federal training benefits as one who wants to be an accountant or an engineer.

Although the President's message makes no mention of restoring this form of training to the GI program, it is my hope that the very competent House Veterans' Affairs Committee, under the able leadership of our esteemed colleague, the gentleman from Texas, Chairman TEAGUE, will give full and favorable consideration to providing veterans' education benefits for apprenticeship training.

Pending before that committee at the present time, Mr. Speaker, is H.R. 2383, a bill which I introduced in order to give fair treatment to veterans who seek apprenticeship and on-the-job vocational training.

In order to acquaint my colleagues further with this proposal, I include at this point my recent press release on the bill, a fact sheet, and the text of the legislation:

ZABLOCKI SEEKS TO AID VIETNAM VETS WHO WISH VOCATIONAL TRAINING BY AMENDING "COLD WAR" GI BILL OF RIGHTS

A Vietnam veteran who wants to be a welder has just as much right to federal training aid as one who wants to be an accountant, Rep. Clement J. Zablocki (Dem., Wis.) firmly believes.

For that reason, Zablocki will introduce into the 90th Congress this week a bill providing benefits to returned veterans who participate in on-the-job or apprenticeship training programs.

His bill, the Veterans Apprenticeship Assistance Act, would amend the "Cold War" G.I. Bill of educational and other veterans' assistance passed early in the second session of the 89th Congress.

Unlike the World War II and Korean Conflict G.I. Bills, Zablocki pointed out, the "Cold War" G.I. Bill does not provide benefits to returned members of the armed forces who wish vocational rather than academic training. The deletion was caused by past abuses of that aspect of the program, he added.

"I am convinced that abuses can be kept to a minimum through legislative safeguards," Zablocki said. "More than that, I am convinced that our Nation must provide equitable treatment to those who seek vocational training outside a college or university.

"In the world of tomorrow, we will have great need for these men and their skills."

The congressman noted that in his home state of Wisconsin more than 43,000 veterans had obtained apprenticeship training under the two initial G.I. Bills. "Those men today are an essential part of our trained work force," he asserted.

"According to the Wisconsin State Apprenticeship Council, about 20 young state men a month are entering the armed forces, either through enlistment or the draft, from their registered apprenticeship programs. If, when they return, they choose to take up vocational training once again, not one nickel of veterans' educational assistance will be available to them as things now stand," Zablocki said.

The congressman's bill, first introduced last year, would provide the trainee a monthly federal allowance up to a maximum of $105 for a man with more than one dependent. In addition, the veteran could take wages from the firm to which he was apprenticed as long as the total did not exceed $410 monthly.

Zablocki said he was hopeful that the House Veterans Affairs Committee would schedule hearings early in the 90th Congress on his proposal. He said that business, labor and educational groups throughout the nation are supporting remedial legislation.

FACT SHEET ON H.R. 2383, VETERANS' APPRENTICESHIP ASSISTANCE ACT

HISTORY OF THE BILL

As a co-sponsor of the "Cold War" G.I. Bill of educational and other benefits, Rep. Zablocki believed that similar aid should be given to Vietnam veterans as had been extended to World War II and Korean Conflict vets. The bill which was finally enacted by the 89th Congress, however, excluded those veterans who wished to obtain on-the-job or vocational training. The reason given by the House Veterans Affairs Committee was that abuses had occurred in those programs in the past.

Believing that a boy who wants to be a welder deserves federal help as much as one who aspires to be an accountant, Congressman Zablocki introduced remedial legislation in July, 1966. He then distributed the bill to vocational specialists throughout the United States, asking for comments. As the result of several suggestions, he has introduced a slightly revised version in the 90th Congress.

WHAT THE BILL PROVIDES

The bill would allow returned veterans to undertake on-the-job or apprenticeship training in a craft or skill while receiving a modest federal allowance, in addition to any salary which might be paid him by the firm training him, up to a maximum of $410 per month. The measure spells out safeguards against abuses, including these: The training content of the course must be adequate to qualify the eligible veteran for appointment to the job for which he is to be trained, there must be a reasonable certainty that a job will be available to the veteran in the skill field, the training establishment must be adequately equipped, and it must keep detailed records on the progress in training.

THE EFFECT OF THE BILL

The bill would remedy a deficiency in the present Cold War G.I. Bill which, if left unchanged, might result in a tragic shortage of trained workers at some future time. Under the World War II G.I. Bill and Korean Conflict G.I. Bill more than 43,000 veterans were trained in the State of Wisconsin alone. Those veterans now make up the backbone of the State's skilled work force.

The bill would also make clear that boys who seek vocational training have just as

much right to aid as boys who wish to attend college. Their skills will be just as needed in the world of tomorrow as those of the academically trained.

RELATED MATTERS

According to the Wisconsin State Apprenticeship Council about 300 young men in the state left their apprenticeship programs to enter military service in 1966 either by enlistment or through the draft. Believing that these young men deserve some help if they choose to return to their apprenticeships, labor, business and educational leaders in Wisconsin have contacted Rep. Zablocki, supporting his proposal.

For further information see Rep. Clement J. Zablocki, "The Veterans' Apprenticeship Assistance Act of 1966" CONGRESSIONAL RECORD, volume 112, part 12, pages 16310–16313.

H.R. 2383

A bill to authorize on-the-job training and apprenticeship programs under the veterans' educational assistance program embodied in title 38 of the United States Code

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 "Veterans' Apprenticeship Assistance Act".

SEC. 2. Section 1673 of title 38, United States Code, is amended by striking out in subsection (c) "any course of apprenticeship or other training on the job."

SEC. 3. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsections:

"(d) Any eligible veteran may receive the benefits of this chapter while pursuing a full-time program of apprenticeship or other training on the job approved under the provisions of section 1777 of this title. The training assistance allowance of an eligible veteran pursuing such an approved program shall be computed at the rate of (1) $70 per month, if he has no dependent, or (2) $85 per month, if he has one dependent, or (3) $105 per month, if he has more than one dependent; except that his training assistance allowance shall be reduced at the end of each four-month period as his program progresses by an amount which bears the same ratio to the basic training assistance allowance as four months bears to the total duration of his apprentice or other training on the job; but in no case shall the Administrator pay a training assistance allowance under this subsection in an amount which, when added to the compensation to be paid to the veteran, in accordance with his approved training program, for productive labor performed as a part of his course, would exceed the rate of $410 per month. For the purpose of computing allowances under this subsection, the duration of the training of an eligible veteran shall be the period specified in the approved application as the period during which he may receive a training assistance allowance for such training, plus such additional period, if any, as is necessary to make the number of months of such training a multiple of four. The terms 'program of apprenticeship' and 'training assistance allowance' used in this subsection and section 1777 shall, for the purposes of the other provisions of this chapter and chapter 36, have the same meaning as 'program of education' and 'educational assistance allowance', respectively."

SEC. 4. (a) Subchapter I of chapter 36 is amended by redesignating sections 1777 and 1778 as sections 1778 and 1779, respectively, and by inserting immediately after section 1776 thereof the following new section:

"§ 1777. APPRENTICESHIP OR OTHER TRAINING ON THE JOB

"(a) Any recognized state apprenticeship agency, or where such state agency does not exist, the Secretary of Labor may approve a course of apprenticeship or other training on the job if the training establishment offering such training is found upon investigation to have met the following criteria:

"(1) The training content of the course is adequate to qualify the eligible veteran for appointment to the job for which he is to be trained.

"(2) There is reasonable certainty that the job for which the eligible veteran is to be trained will be available to him at the end of the training period.

"(3) The job is one in which progression and appointment to the next higher classification are based upon skills learned through organized training on the job and not on such factors as length of service and normal turnover.

"(4) The wages to be paid the eligible veteran for each successive period of training are not less than those customarily paid in the training establishment and in the community to a learner in the same job who is not a veteran.

"(5) The job customarily requires a period of training of not less than three months and not more than two years of full-time training, except that this provision shall not apply to apprentice training.

"(6) The length of the training period is no longer than that customarily requested by the training establishment and other training establishments in the community to provide an eligible veteran with the required skills, arrange for the acquiring of job knowledge, technical information, and other facts which the eligible veteran will need to learn in order to become competent on the job for which he is being trained.

"(7) Provision is made for related instruction for the individual eligible veteran who may need it.

"(8) There is in the training establishment adequate space, equipment, instructional material, and instructor personnel to provide satisfactory training on the job.

"(9) Adequate records are kept to show the progress made by each eligible veteran toward his job objective.

"(10) Appropriate credit is given the eligible veteran for previous training and job experience, whether in the military service or elsewhere, his beginning wage adjusted to the level to which such credit advances him, and his training period shortened accordingly, and provision is made for certification by the training establishment that such credit has been granted and the beginning wage adjusted accordingly. No course of training will be considered bona fide if given to an eligible veteran who is already qualified by training and experience for the job objective.

"(11) A signed copy of the training agreement for each eligible veteran, including the training program and wage scale as approved by the State approving agency, is provided to the veteran and to the Administrator and the State approving agency by the employer.

"(12) Upon completion of the course of training furnished by the training establishment the eligible veteran is given a certificate by the employer indicating the length and type of training provided and that the eligible veteran has completed the course of training on the job satisfactorily.

"(13) That the course meets such other criteria as may be established by the State approving agency.

"(b) For the purposes of this section, the term 'training establishment' means any business or other establishment providing apprentice or other training on the job, including those under the supervision of a college or university or any State department of education, or any State apprenticeship agency, or any State board of vocational education, or any joint apprentice committee, or the Bureau of Apprenticeship established in accordance with chapter 4C of title 29, or any agency of the Federal Government authorized to supervise such training."

(b) The analysis of subchapter I of chapter 36 is amended by striking out "1777" and all that follows down through "courses." and inserting in lieu thereof the following:

"1777. Apprenticeship or other training on the job.
"1778. Notice of approval of courses.
"1779. Disapproval of courses."

SEC. 5. Subsection (c) of section 1662 of title 38, United States Code, is amended by adding at the end thereof the following new sentence: "In the case of any eligible veteran who was discharged or released from active duty before the date of enactment of the Veterans' Educational Assistance Program Amendments of 1966 and who pursues a course of apprentice or other training on the job, within the provisions of section 1682(f) of this chapter, the eight-year delimiting period shall run from the date of enactment of such amendments, if it is later than the date which would otherwise be applicable."

Mr. BROWN of California. Mr. Speaker, I feel that the President's endorsement today of the benefits we sought to give last year to the veterans of the Vietnam conflict, as well as to veterans of past wars and their dependents, will insure that we are providing those men who have risked their lives in strange lands with an opportunity to carve a better place for themselves in civilian life.

The President went even further in proposing an increase in the amount of servicemen's group life insurance and recommending that no veteran have his pension reduced as a result of increases in social security benefits.

I was particularly pleased by the concern which the President showed for the need for expanded educational benefits. I have already introduced a bill that is designed to provide many of the same benefits. This is a proposal to place Vietnam era veterans on an equal footing with other veterans and to increase allowances under the GI education bill.

The President's recommendations, and my own bill, would give these veterans of the Vietnam conflict the right to disability compensation at full wartime rates, disability pensions and death pensions for widows and children, special medical care benefits, and a $1,600 allowance toward the purchase of an automobile for veterans with special disabilities such as paraplegics.

It would also raise the monthly stipend for veterans attending school under the GI bill from $100 to $130 a month. Students with dependents would receive correspondingly larger amounts.

A new proposal, which I wholeheartedly approve of, is one that would allow a veteran who needs to complete high school to do so, and to receive full benefits during this period without losing any of his eligibility for college benefits afterward.

Equally important, of course, was the President's endorsement of the increase of 5.4 percent for disabled veterans' pensions, as well as increased benefits for widows and dependents of deceased veterans. We passed a similar proposal near the end of the 89th Congress in the House of Representatives that was not acted on by the Senate because of the rush of legislation during the closing days. I was gratified, as well, by his re-

assurance on a position I have been taking in my contact with veterans for some time—that no veteran should have his pension reduced as a result of increases in social security benefits.

ANNOUNCEMENT CONCERNING PROGRAM FOR TOMORROW

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

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

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I take this time to advise the House of action taken by the Committee on Rules. House Resolution 53 was ordered reported. It is a resolution to create a Select Committee on Small Business. It will be programed for tomorrow.

H.R. 4082—TAX-SHARING PROPOSAL

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. BROOMFIELD] 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. BROOMFIELD. Mr. Speaker, despite massive Federal programs over the years, our State and local governments remain pockets of fiscal poverty.

The Federal Government has given them urban renewal programs that too often are wasteful, cause needless human suffering, and succeed sometimes in hiding rather than eliminating urban blight.

It has given them cash to erect Government buildings, then required local and State governments to build more and spend more than was needed.

It has established programs to curb water and air pollution. But while local government waits for us to provide the funds to implement those programs, their rivers get dirtier, their air more difficult to breathe.

And we are spending billions for the war on poverty—more, according to the President, than we are spending on the other war in Vietnam—to duplicate many of the programs the States and local communities already offer.

All of these examples, and there are more, illustrate the need for a new approach.

That new approach must be aimed at strengthening local government's ability to work out solutions to local problems and to pay for those solutions without compromising principle.

To do this, the Federal Government must offer something other than competition for the taxpayer's dollar.

Most State and local governments already are using traditional revenue-producing taxes, such as property, income, and sales taxes, to the maximum and are searching desperately for new sources of revenue.

Many city governments and school districts are asking voter approval to increase the limits on those traditional taxes or to authorize new taxes in addition to those imposed by the States.

Local governments must compete with each other for the taxpayer's dollar and with the prospect of a Federal income tax increase.

While voters have no direct control over Federal taxes, they can in most cases display their general dissatisfaction by voting down local tax increases.

They are doing so all over the country.

So, the Federal Government often does very little directly to assist the fiscal problems of State and local government and indirectly compounds those problems with its own free-spending policies.

Federal spending policy can hurt local government in another way.

Large-scale Federal spending tends to encourage inflation and inflation means the taxpayer pays more Federal income tax because Federal taxes, tied to a sliding income scale, rise in proportion with the inflationary spiral.

But the taxpayer, faced with a dollar that is worth less and a higher Federal income tax bill over which he has no direct control, will be less inclined to vote for new local taxes.

Local government is caught in the pinch. On the one hand, its income is proportionately less as inflation soars; on the other, its chances of getting voter approval for additional funds diminishes.

I believe the Federal Government must indicate it recognizes these problems and then do something to help.

That is why I am joining with several other Republicans in introducing H.R. 4082 to return 3 percent of the Federal personal income tax collection to the States beginning in 1968.

Half of the money would be for use by the States as they see fit. The remainder would be redistributed by the States to local units of government without Federal controls.

This proposal, I believe, will be a first step toward returning perspective to State and Federal Government relationships.

FIRST LIEUTENANT FRANK S. REASONER, U.S. MARINE CORPS

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Idaho [Mr. MCCLURE] 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. MCCLURE. Mr. Speaker, I am constantly reminded of the sacrifices being made by citizens of my State in the Vietnam war. Two weeks ago, one of my constituents, Maj. Bernard F. Fisher, U.S. Air Force, was awarded the Congressional Medal of Honor.

This morning I was a guest at the Pentagon to watch the presentation of the Congressional Medal of Honor to another resident of the First District of Idaho. Regrettably, this time the award was made posthumously.

First Lieutenant Frank S. Reasoner, U.S. Marine Corps was born in Spokane, Wash. The family moved to Kellogg, Idaho, when Reasoner was 11. After graduating from Kellogg High School, he enlisted in the Marine Corps. Three years later our late, revered Senator Henry C. Dworshak appointed young Reasoner to West Point. Following his graduation from the Academy, he returned to the Marine Corps as a second lieutenant and embarked on a 3-year tour of duty in the Pacific area from which he was not to return. During his entire time overseas, he served as a reconnaissance platoon leader with the 3d Reconnaissance Battalion.

On the day he died, Lieutenant Reasoner was leading an advance patrol of his company deep in Vietcong territory. Spotting an enemy rifleman, he signaled for his men to open fire. Vietcong snipers and an enemy machinegun then pinned down the patrol. In the ensuing battle Lieutenant Reasoner killed two of the enemy.

Seeing that his radioman was wounded and unable to move, the lieutenant raced toward the wounded man to effect a rescue. As he ran, Reasoner was hit with a fatal burst of machinegun fire.

A Marine Corps installation in Vietnam was subsequently named "Camp Reasoner" and dedicated to his memory. They tell me that a hand-scrawled sign near the gates of the camp reads:

> First Lieutenant Reasoner sacrificed his life to save one of his wounded Marines. "Greater Love Hath No Man."

Gallantry such as Lieutenant Reasoner's is irreplaceable, for in this one act of natural courage, he has joined the ranks of 3,181 other Congressional Medal of Honor holders—men whose devotion to their fellow man and whose love of country was greater than life itself.

I would not want to sound partisan on an occasion such as this, but Lieutenant Reasoner's story reminds me again of the sacrifices young Idaho men are making in a strange, far-off land. Sometime soon we must have the assurance that their valor has not been in vain, that victory is in sight, and that when the struggle in Vietnam is over, we will find ourselves in a world at peace.

The citizens of Idaho join me in extending to Lieutenant Reasoner's family—his wife, Sally, and his son, Michael Lawrence, of Kingston, Idaho; and his parents, Mr. and Mrs. James C. Curry, of Kellogg, Idaho—our deep gratitude for his service and our sorrow at his death. We also share their pride knowing that the Nation has paid him its highest tribute.

In order that generations to come will remember the full story of 1st Lt. Frank Reasoner, I include as part of my remarks the text of the official citation:

> For conspicuous gallantry and intrepidity at the risk of his life above and beyond the call of duty while serving as Commanding Officer, Company A, 3d Reconnaissance Battalion, 3d Marine Division in action against hostile Viet Cong forces near Danang, Vietnam on 12 July 1965. The reconnaissance patrol led by Lieutenant Reasoner had deeply penetrated heavily controlled enemy territory when it came under extremely heavy fire from an estimated 50 to 100 Viet Cong insurgents. Accompanying the advance party and the point that consisted of five men, he immediately deployed his men for an assault

after the Viet Cong had opened fire from numerous concealed positions. Boldly shouting encouragement, and virtually isolated from the main body, he organized a base of fire for an assault on the enemy positions. The slashing fury of the Viet Cong machine gun and automatic weapons fire made it impossible for the main body to move forward. Repeatedly exposing himself to the devastating attack he skillfully provided covering fire, killing at least two Viet Cong and effectively silencing an automatic weapons position in a valiant attempt to effect evacuation of a wounded man. As casualties began to mount his radio operator was wounded and Lieutenant Reasoner immediately moved to his side and tended his wounds. When the radio operator was hit a second time while attempting to reach a covered position, Lieutenant Reasoner courageously running to his aid through the grazing machine gun fire fell mortally wounded. His indomitable fighting spirit, valiant leadership and unflinching devotion to duty provided the inspiration that was to enable the patrol to complete its mission without further casualties. In the face of almost certain death he gallantly gave his life in the service of his country. His actions upheld the highest traditions of the Marine Corps and the United States Naval Service.

FOR HUMANE TREATMENT OF LABORATORY ANIMALS

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, I have reintroduced legislation today to provide for humane treatment of laboratory animals.

This bill, which as H.R. 5647 in the 89th Congress had extended public hearings before the Interstate and Foreign Commerce Subcommittee on Health, sets standards of humane care for animals used in federally supported scientific research.

As I told my colleagues on March 2, 1965, prior to my introduction of this bill, I studied many proposals and am convinced my bill will provide standards of humane treatment without impairing legitimate research.

It follows closely the guidelines established in England in 1876. That law is still in force today and has the approval of the overwhelming majority of responsible British scientists.

The bill creates standards for the handling of animals and bars all Federal grants for research to institutions or persons not having a certificate from the Secretary of Health, Education, and Welfare showing that they meet these standards.

Fair treatment of animals should be the mark of every civilized society. My bill will provide for decent care of experimental animals which can be provided without impairing the progress of scientific research. It would eliminate much duplication of painful experiments which are run in areas where the answers sought have already been discovered.

I was heartened by the passage in the 89th Congress of one piece of legislation to provide for humane treatment of animals, H.R. 13881, which I supported.

But that new law, Public Law 89-554, while a step in the right direction, does not go far enough. It deals only with animal dealers and the handling of animals being procured for laboratory use. But it stops short of the laboratory door.

My bill would take the next step and provide proper care for animals in the laboratory itself. Every year, since this measure has been before the public, support for it has grown.

I hope this is the year in which it will finally be enacted into law.

SECOND- AND THIRD-CLASS MAIL FOR FIRE COMPANIES

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from New Hampshire [Mr. CLEVELAND] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CLEVELAND. Mr. Speaker, I have introduced a bill which would extend to volunteer fire companies the rates of postage on second- and third-class bulk mailings which are now applicable to certain nonprofit associations and organizations.

In much of rural and suburban America, our volunteer fire companies are not only the only protective agency in the town, but they form the backbone of much of the charitable and organizational work performed.

The history of volunteer fire departments and companies is long and illustrious.

Our Nation's first President, George Washington, was a volunteer. As a matter of fact, in 1764, he purchased a fire engine in Philadelphia for 80 pounds, 10 shillings—about $400—and gave it to the Alexandria, Va., Volunteer Fire Company.

The first "mutual fire society" was started in 1718. Its main job was to save furniture and personal property while the paid fire department was fighting the fire. Similar societies began to flourish. Then a gentleman we have all heard of, suggested that the companies do more—that they do both salvage work and firefighting. His name was Benjamin Franklin and the volunteer company he organized in Philadelphia set the pattern for the Nation. From that time on, the development of a volunteer fire company was often the first real community action taken, as the rest of our continent was settled and the boundaries pushed westward.

Today, many of these volunteer fire companies still exist and perform their vital duties in an age of rapidly advancing technology. Very often they must reach their membership for drills concerning improvement in modern firefighting technique; to call them together for meetings; or, in areas where they also serve charitable needs, for meetings for those purposes.

Figures for recent years show that nearly 12,000 men, women, and children lose their lives annually as a result of the Nation's fires. Property damage alone comes to more than $1½ billion a year. In much of the Second Congressional District of New Hampshire and other rural areas, the only force standing between these ravages of fire and the people are the volunteer fire companies and departments.

If these volunteer companies, which have done such a remarkable job in New Hampshire, are to be able to continue their fine work, the least we can do is allow them the same postal privileges we now allow other similarly oriented charitable and nonprofit organizations and associations.

LET'S CLEAN UP OUR AIR AND WATERS

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. SCHWEIKER] 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. SCHWEIKER. Mr. Speaker, I am pleased to join many of my colleagues today in introducing legislation which would provide a tax credit against the cost of constructing air and water pollution control facilities.

This 20-percent credit would apply to the taxpayer's cost for necessary land, buildings, and equipment provided for pollution treatment facilities in cooperating with Federal and State Governments on their pollution programs.

Recent articles appearing in national magazines have vividly documented, through alarming color photographs, the unbelievable poisoning of two of our most important natural resources—our air and water. The people who live in our crowded urban areas know all too well that their air is unfit to breathe. They know all too well that nearby waterways are clogged with waste of all kinds.

Even what may, by comparison, be thought of as rural areas have not escaped the effects of such pollution. Air currents move discharged gases and solids many miles from the cities before depositing them in open areas. Streams and rivers flow many miles before purifying themselves.

The pollution of our air and water has continued at an alarming rate, and it is essential that Federal, State, and local governments work in close cooperation with private business to prevent the further poisoning of these resources.

The legislation necessary to require pollution control facilities to meet local, State, and Federal standards has already been enacted. What is needed now is a means of enabling them to proceed as rapidly as possible, without having to wait for the availability of Government grants.

The longer we delay in attacking and solving these problems, the more danger there is to our health and that of future

generations. The problems cannot be solved by one company, or one county, or one State, or even by the Federal Government alone.

It will require the greatest coordination and cooperation at all business and governmental levels if the citizens of this country are to enjoy the benefits of clean air and fresh water. This legislation would provide one of the steps to insure those benefits.

Mr. Speaker, I join with the distinguished gentleman from Ohio [Mr. BROWN] and my other colleagues in urging this legislation's prompt consideration by the committee and early passage by this body.

CRIME ON CAPITOL HILL

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. MINSHALL] 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. MINSHALL. Mr. Speaker, the crime wave on Capitol Hill is beginning to look like a page from a police blotter.

According to FBI figures, nationwide crime rose by 10 percent during the first 9 months of 1966 compared to the same period in 1965.

Crime in the District of Columbia increased by approximately 9 percent during that time.

But the U.S. Capitol set the record.

Crime on Capitol Hill—and that includes only the Capitol Building, the five office buildings, and the grounds—hit 51 percent last year over 1965.

Half again as many crimes were committed on Capitol premises in 1966 as in the year previous.

We view with alarm the national crime crisis and enact such legislation as we can to combat it, but we scarcely can point with pride at the sloppy and dangerous lack of security we permit on the Hill.

Early in January 1965 I took this floor to warn the House that the security situation here is serious and demands immediate attention. The House had just had the shattering experience of an invasion by a member of the American Nazi Party, in blackface and minstrel costume, during a session. That same day, just before the President delivered his state of the Union message, a known crackpot gained admission to the floor and was removed by police only when pointed out by a colleague of ours.

This prompted me to introduce a resolution calling for a special House committee to investigate the Capitol's security measures. My resolution languished and died in the 89th Congress. I reintroduced it on the opening day of the session, House Resolution 74, now before the Committee on Rules.

Since I first introduced this legislation more than 2 years ago, we have had a total of 131 serious crimes of all types, 52 of them occurring during 1965 and 79 of them last year.

Several of these were so outrageous as to encourage my hope that the House would surely adopt my resolution and correct a situation which not only jeopardizes the safety of every one of the 7,000 employees who work on Capitol Hill but the millions of constituents who visit us yearly.

Let me call to mind the brutal attack on our colleague, the gentleman from New Hampshire [Mr. CLEVELAND], in the spring of 1965, while he was working one evening in his office in the Longworth Building. He might well have been killed by his knife-wielding assailant.

Many of us shared the concern of another colleague, the gentlewoman from Washington [Mrs. MAY], when her automobile was stolen from its parking space in the Cannon Building garage shortly before Congress adjourned last fall.

The House beauty shop was robbed in broad daylight on December 19, 1966, the holdup man taking hundreds of dollars in cash, despite the fact that the police guardhouse is only a few doors away. I am told that employees in the shop have had to rearrange their working schedules so that they can leave before dark.

Inestimable damage was done late last fall to the paintings which hang in the House side of the Capitol.

And, just before Christmas, while working alone in the office of our colleague, the gentleman from New Mexico [Mr. WALKER] a young secretary tried by herself to capture a thief who had calmly walked in and stolen her wallet. Ironically, the young lady's husband is a Capitol policeman stationed on the Senate side.

These are only a very few of the cases which come to mind.

I think, if we are not to improve our security enforcement, we would do well to warn our visiting constituents to be prepared for any contingency when they wander through the historic corridors of their Capitol and through the labyrinths of the subways and office buildings. They are not now safe from assault or robbery.

I am reliably informed that the Chief of the Capitol Police, James M. Powell, testified last year in closed hearings before the House Administration Committee that he was fearful that we might have a murder in the Rayburn Building and the body not be found for days under the present security system.

Let me pause to express my unreserved admiration for Chief Powell, who comes to us from the District of Columbia Metropolitan Police with an outstanding record, and to our great Sergeant at Arms, Zeake Johnson. They are doing a splendid job under terrific handicaps and with a minimum of cooperation from Members of Congress. If tragedy should strike, if the crime wave on Capitol Hill continues to rise, it will not be the fault of these two dedicated gentlemen. It will be the fault of those of us who have consistently ignored the urgent need for a modern, well-trained, well-equipped, professional police force. I understand that the present problem is not a numerical lack of policemen, but, rather, a deficiency of trained men with solid police backgrounds. It calls for a long, hard look at our present system of making police appointments and our methods of training the men to do their jobs.

It is no secret that the Capitol lies under a constant threat of violence. With the crime situation what it is throughout the District of Columbia, it is not always possible to summon hundreds of metropolitan police to Capitol Hill in a moment's notice in time of emergency. And when we hear tales of Capitol Police rookies leaving their posts because they want to "go get a soft drink," we are given pause for thought.

Chief Powell has provided me with a breakdown of crime on Capitol premises for the years 1965 and 1966 which I shall include at the conclusion of my remarks. Not listed, of course, are the many incidents which never reached the police desk but of which we all have heard: the cases of peeping toms, the traceless vandalism which has marked the walls of the new elevators in the Rayburn Building, the escapades of teenage youngsters who roam the halls and ride the escalators hours on end.

It has been suggested that after a certain hour each evening, those entering and leaving the buildings be required to sign a register and identify themselves. The Rayburn Building alone poses a massive security problem with its many entrances and virtually unguarded access to the Capitol Building and other office buildings.

I urge the Rules Committee to give its earliest consideration to my resolution and the House to act promptly thereafter. We have a situation here which cannot be ignored and which augurs real tragedy if not corrected.

The breakdown referred to follows:

Crime breakdown for the U.S. Capitol for the period from Jan. 1, 1965, through Dec. 31, 1965

	Cases
Robbery (includes attempts)	2
Stolen autos	3
Miscellaneous larcenies	32
Larceny from autos	9
Indecent exposure	1
Vandalism	3
Assaults	2
Grand total (all types)	52

Crime breakdown for the U.S. Capitol for the period from Jan. 1, 1966, through Dec. 31, 1966

	Cases
Robbery (includes attempts)	4
Stolen autos	11
Miscellaneous larcenies	41
Larceny from autos	11
Indecent exposure	1
Vandalism	5
Assaults	6
Grand total (all types)	79

TAX SHARING TO STATES FOR HEALTH, EDUCATION, AND WELFARE

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. MORSE] 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. MORSE of Massachusetts. Mr. Speaker, I am today introducing legislation that would return a fixed portion of Federal tax revenues to the States to health, education, and welfare purposes. This particular bill has the support of the distinguished Senator JAVITS, from New York, and of my esteemed colleague, the gentleman from New York [Mr. REID].

While there are a number of so-called tax-sharing proposals now under consideration, I am convinced that the legislation I introduce today strikes the best balance between needed flexibility at the State and local level and essential Federal accounting for the moneys returned to the States.

Under the bill 1 percent of the aggregate taxable income reported would be returned in the first year, 1½ percent in the second year, and 2 percent each year thereafter. Eighty-five percent of the fund, estimated at $3 billion in the first year, would go to the States on the basis of population and tax effort; the remaining 15 percent would be distributed among the States with the lowest per capita figures for the country as a whole.

The trust fund, composed of this fixed percentage of revenue income, would be administered by the Treasury Department. No State could receive more than 12 percent of the fund in any one year.

Wide flexibility would be accorded to the States. The areas of health, education, and welfare are purposely broad and the restrictions are few. States could not use the fund for administrative expenses, highway programs, State payments in lieu of property taxes, debt service or disaster relief.

To insure that the States are using the funds wisely within these broad guidelines, each Governor would be required to develop a distribution plan for sharing the returned revenues with local communities. Frequent reports to the Secretary of the Treasury, the Comptroller General, and the appropriate committees of the Congress would provide a further estimate of the degree to which the operation of the program was in accord with the congressional intent.

Mr. Speaker, I am convinced that legislation to improve the financial situation in our States is critical. We are all familiar with the problem faced by so many of our States which necessarily are restricted to a property or sales tax base. Exceptionally high property taxes only weaken a State's competitive position in attracting new industry and new residents; while high sales taxes have a regressive impact on those elements in the economy least able to afford them. Certainly the burden on State and local programs in my own State of Massachusetts would be much eased by the return of $63.5 million as contemplated in my bill.

Tax sharing would also help us break our present dependence to the grant-in-aid approach. There are serious questions as to whether this method is efficient, and to what extent Federal restrictions impose unnecessary limitations on the decisionmaking process at the State and local level.

The tax-sharing concept has gained such wide support and interest that I think it deserves our careful consideration during this Congress.

LEGISLATION TO ENCOURAGE EXPENDITURES FOR MUNICIPAL BONDS, PURE RESEARCH, CHARITIES, IN SEARCH OF INVESTMENT, AND FOR POLLUTION CONTROL FACILITIES

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, I am introducing today several bills designed to remove the tax deterrents to the expenditure of funds held by individuals and organizations in our society for purposes we have long agreed to be beneficial. Indeed, we have held these purposes to be so beneficial and important that great sums have been expended directly by our Federal Government in pursuance of these same goals. My objective today is to encourage private initiative by removing barriers imposed by our tax laws and bring them into conformity with our social and economic objectives.

The basic theory behind these proposals is that of the "tax neutralists" who hold that the economic impact of taxation should be as minimal as possible, thus, correspondingly, tax policy should be in accord, not in discord, with governmental expenditure policies. Put another way, we should not tax expenditures by the private sector, which, if not made by the private sector, would have to be made by the public sector.

One of the bills which I am introducing today clears away some of the remaining tax barriers to investment in local and municipal bonds used to finance schools, sewers, and hundreds of other local needs. Another removes the tax barriers to contributions in foreign charities, attempting to do much the same job as our massive foreign aid program. A third bill is designed to stimulate investment in new business ventures to keep us at the forefront of technological advances. A fourth bill encourages basic research by allowing a tax credit for contributions and other expenditures for basic research in science. A fifth bill, which I am cosponsoring today, was originally introduced in the last Congress by my very able colleague, the gentleman from Ohio [Mr. BROWN], and is being reintroduced today by him and several other Members on both sides of the aisle. I am very pleased to join them in introducing this measure, which provides a tax credit to encourage expenditures for a construction program for air and water pollution treatment facilities in accord with the Federal and State Government's pollution control programs.

A discussion of each bill follows:

A BILL TO IMPROVE THE BOND MARKET FOR MUNICIPALS

Mr. Speaker, as a recognition of the importance of bond financing for State and local governmental bodies, our present Internal Revenue Code provides that interest on these obligations shall be free from Federal income taxation. This exemption from taxation is effective in making State and local government obligations attractive to investors and permits their sale at lower interest than would be possible otherwise.

The role of bond financing is not difficult to trace. School bond issues, sewer bond issues, and hundreds of others are commonplace in financial circles. The need for adequate debt financing capital to our State and local governmental bodies cannot be overemphasized, and the availability of this capital at advantageous interest rates, made possible by the tax-exempt nature of their interest, depends upon a ready market for these bonds.

I have today reintroduced a bill which would help expand and improve the market for municipals. While individual bondholders may receive the interest from municipals tax free, when this interest is channeled to them through a corporate investing mechanism the investors fail to get the full benefit of tax exemption. The interest comes to the investment corporation tax free, just as it does to individuals, but there is no carry-through provision. Thus, the entire income of the corporation, from tax-free and taxable sources, is merged and divided and the entire amount received by each shareholder in the investment corporation is fully taxed. What my bill suggests is that there be allowed exclusion on the part of the individual taxpayer of his pro rata share of the tax-exempt interest received by the corporation, thereby giving the taxpayer the direct benefit of the tax-exempt status of these securities.

By making municipal bonds more attractive to investment corporations, which control a very large amount of capital, a better market will be created for these securities and the problem of financing State and local government will be eased.

A BILL TO AMEND THE INTERNAL REVENUE CODE TO PROVIDE THAT CONTRIBUTIONS TO FOREIGN CHARITIES BE DEDUCTIBLE FROM GROSS INCOME

Mr. Speaker, I am introducing today a bill to amend section 170(c)(2) of the Internal Revenue Code of 1954 to permit a charitable contribution made to a foreign charity by a U.S. taxpayer to be deductible for income tax purposes.

The nondeductibility of such contributions was brought to my attention by a constituent and his wife who during the past several years have made contributions to Protestant religious groups in Japan. The constituent's father established a mission in Japan in 1895 and this mission today is known as the "Church of Christ in Japan." A college classmate of his wife built a settlement house in Japan and both of these worthwhile organizations have received financial and moral support over the years from these two Americans. These

Americans are quite interested in the progress and work of these Japanese organizations and have generated a great deal of good will and friendship for our people. Deductions of gifts to these two religious charities and similar organizations have been disallowed by the Internal Revenue Service for the reason that under the present law they do not qualify for such treatment.

Section 170(c) of the 1954 code provides in part that for the purposes of this section, the term "charitable contributions" means a contribution or gift to or for the use of:

2. A corporation, trust, or community chest, fund, or foundation—

(A) created or organized in the United States or in any possession thereof, or under the law of the United States, any State or territory, the District of Columbia, or any possession of the United States.

After I looked into this matter I wrote Mortimer M. Caplin, then Commissioner of Internal Revenue, and he replied stating that the legislative background of section 170(c)(2) of the 1954 code indicates the intent of Congress that only contributions made to "domestic" charities be deductible. He said this restriction which was first enacted into the law as section 23(c) of the Revenue Act of 1938 limits the deduction for contributions to those made to or for the use of a domestic charity. In his letter he quoted from the report of the House Ways and Means Committee on section 23(o) of the Revenue Act of 1938, H.R. 1860, 75th Congress, third session—1938—pages 19 and 20, as follows, to wit:

Under the 1936 act, the deductions of charitable contributions by corporations is limited to contributions made to domestic institutions (sec. 23(q)). The bill provides that the deduction allowed to taxpayers other than corporations be also restricted to contributions made to domestic institutions. The exemption from taxation of money or property devoted to charitable and other purposes is based upon the theory that the Government is compensated for the loss of revenue by its relief from financial burden which would otherwise have to be met by appropriations from public funds, and by the benefits resulting from the promotion of the general welfare. The United States derives no such benefit from gifts to foreign institutions and the proposed limitation is consistent with the above theory. If the recipient, however, is a domestic organization, the fact that some portion of its funds is used in other countries for charitable and other purposes (such as missionary and educational purposes) will not affect the deductibility of the gift.

The policy reasons cited for limiting the deduction to domestic organizations might have had some validity in 1938, but it sounds almost strange in 1963, particularly when we think in terms of our mutual security programs, the purposes of point 4, Peace Corps, student exchanges, and so forth. It seems to me that the time has come for the Ways and Means Committee to again consider these basic policy reasons established back in 1938 to determine whether or not they are still valid or whether or not some changes should be made to more accurately reflect our present policies and attitudes.

When I introduced this bill during the last session, I received a report from Mr. Stanley S. Surrey, Assistant Secretary of the Treasury, giving me the Treasury's views on this bill. I include that report in the RECORD at this point:

TREASURY DEPARTMENT,
Washington, D.C., December 23, 1963.

Hon. WILBUR D. MILLS,
Chairman, Committee on Ways and Means, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in reply to your request for the views and recommendations of this Department on H.R. 8367 (88th Cong., 1st sess.), entitled "A bill to amend the Internal Revenue Code of 1954 to provide that contributions and gifts to foreign charities shall be deductible from gross income."

The bill, if enacted, would make two changes in the present provisions dealing with income tax deductions for gifts to foreign charities. The first change would be to eliminate the present requirement contained in the last sentence of section 170(c)(2) of the Code which requires that contributions made by corporations to a "trust, chest, fund, or foundation" shall be deductible only if "the contribution is to be used within the United States or any of its possessions;" the so-called domestic use requirement. The second change would eliminate the present language contained in section 170(c)(2)(A) which requires that all deductible contributions must be made to a charitable organization "created or organized in the United States or in any possession thereof, or under the law of the United States, any State or Territory, the District of Columbia, or any possession of the United States;" the so-called domestic organization requirement.

ELIMINATION OF THE DOMESTIC USE REQUIREMENT

As noted above, a corporation, under present law, may only deduct a contribution to unincorporated donees if the gift is to be used exclusively within the United States or any of its possessions. However, since the code does not specifically require gifts by a corporation to a charitable corporation to be used exclusively within the United States or any of its possessions, the Service has taken the position that a gift by a corporation to a domestically organized charitable corporation is not subject to the domestic use requirement. Because of the presence of a domestic organization through which the Internal Revenue Service can monitor the activities of the donee organization so as to determine whether such activities are in accord with the congressional grant of an income tax deduction to the donor, the absence of a domestic use requirement with respect to gifts made by noncorporate donors has not led to any serious abuses or administrative problems. Therefore, we would have no objection to treating charitable contributions made by corporate donors in a manner similar to that presently accorded in the case of contributions by noncorporate donors. Accordingly, this Department would have no objection to the removal of the last sentence of section 170(c)(2) (the domestic use requirement).

ELIMINATION OF THE DOMESTIC ORGANIZATION REQUIREMENT

The second change which would be made by the bill would be to broaden the provisions allowing deductions for charitable contributions so as to permit the deduction of gifts made by both corporate and noncorporate donors without regard to whether the donee institution is a domestic or a foreign charity. Such was the scope of the law with respect to charitable contributions made by noncorporate donors prior to the enactment of the Revenue Act of 1938. The expressed intent of the present restriction upon income tax deductions for charitable contributions to domestic charities, which was enacted in that year with respect to gifts made by noncorporate donors, was to insure that the United States would obtain an offsetting benefit for the revenue loss resulting from the deductibility of such contributions. At that time the Ways and Means Committee took the position that the United States derives no benefit from gifts to foreign institutions and that, therefore, only contributions to domestic organizations should be deductible under the income tax law. Thus, the report of the Ways and Means Committee states that: "Under the 1936 act the deduction of charitable contributions by corporations is limited to contributions made to domestic institutions. The bill provides that the deduction allowed to taxpayers other than corporations be also restricted to contributions made to domestic institutions. The exemption from taxation of money or property devoted to charitable and other purposes is based upon the theory that the Government is compensated for the loss of revenue by its relief from financial burdens which would otherwise have to be met by appropriations from public funds, and by the benefits resulting from the promotion of the general welfare. The United States derived no such benefit from gifts from foreign institutions, and the proposed limitation is consistent with the above theory. If the recipient, however, is a domestic organization the fact that some portion of its funds is used in other countries for charitable and other purposes (such as missionaries and educational purposes) will not affect the deductibility of the gift."

Irrespective of the validity at the present time of the reasoning which led Congress to limit the deduction to contributions made to domestic organizations in 1936 and 1938, the Treasury Department believes that the limitation should now be maintained for strong administrative reasons. We feel that the elimination of the domestic organization requirement, which would allow tax deductible gifts to be made directly to foreign charitable organizations without providing a domestic entity through which the Internal Revenue Service could insure that the provision of the income tax law allowing deductions for charitable organizations are followed, would prevent the effective supervision over charitable funds expended abroad. Such lack of an effective policing power to insure that the funds were in fact expended for religious, charitable, etc., purposes, that no part of the net earnings of the foreign entity inure to the benefit of any individual and that no substantial part of the recipient organization activities consisted of carrying on propaganda or otherwise attempting to influence legislation would lead to widespread abuses in this area. Such action might, in effect, place foreign philanthropic activities, which could not be adequately policed, in a preferred position as compared with domestic activities.

In addition, the ability to make contributions directly to foreign organizations might permit payments with respect to which an income tax deduction has been granted to be used by Communist organizations and thus would circumvent the purpose of section 11 of the Internal Security Act of 1950 (64 Stat. 996; 50 U.S.C. 790) which denies an income tax deduction for contributions to domestic Communist-action or Communist-infiltrated organizations.

For the above reasons, this Department is opposed to the provisions of lines 6 through 9, inclusive, of H.R. 8367 which would, in effect, remove the domestic organization requirement.

The Bureau of the Budget has advised the Treasury Department that there is no objection from the standpoint of the administration's program to the presentation of this report.

Sincerely yours,

STANLEY S. SURREY,
Assistant Secretary.

Mr. Speaker, in reading through this report it appears that Secretary Surrey's

primary objection for permitting deductions for charitable contributions to foreign charities is the difficulty of administering the program. I think Mr. Surrey is correct and I think he has put his finger on what appears to be the most difficult problem. It seems to me that we can put the burden of qualification upon the foreign country. It would certainly be in that country's best interest to see that its domestic charities qualify for private foreign aid. Why not by regulation determine what criteria must be satisfied before foreign charity can qualify and then have the foreign government process the applications of their domestic charities. This data could be submitted to the local embassy for checking in the doubtful cases and the foreign charity would be obliged to recertify its qualifications each year or from time to time as the Commissioner feels appropriate.

It is certainly possible that some of these contributions will be diverted to other than charitable purposes, but this probably happens in our own country; and if it does, then the recipient should be disqualified. If we err, it should be on the side of the open door as opposed to the closed door. If our original premise is valid then we should be thinking in terms of ways to implement it rather than limit it.

Another collateral aspect of this problem involves the tax exemption status of foreign charities. The Commissioner has outlined the procedures for establishing this tax-exempt status of foreign charities by various separate tax treaties. In fact, all organizations which enjoy a tax-exempt status must qualify under the Internal Revenue regulations and such organizations have been listed by the U.S. Treasury Department in IRS Publication No. 78. It does not seem to me to be an insuperable task to establish guidelines consistent with the policy behind the deduction.

There are a good many of us in Congress who believe that the people-to-people approach is extremely important if we are to achieve better understanding and closer friendships between our people and the peoples abroad. It is my feeling that such relationships should be encouraged rather than discouraged. We have written a great many tax incentives into our Internal Revenue Code to encourage the development of certain policies. This could well be an area where the Congress should take a long look to determine whether or not this impediment to contributions to foreign charities should be changed or eliminated. It may be time to replace the impediment by a policy of equality with other charitable gifts. I hope that my colleagues will give some thought to this suggestion and give the members of the Ways and Means Committee the benefit of their thinking on this matter.

A BILL TO STIMULATE INVESTMENT INTO NEW ENTERPRISE

Mr. Speaker, at the present time, under section 212 of the Internal Revenue Code a loss is deductible for amounts spent in searching out and investigating a potential business or investment only where the taxpayer has entered into the transaction under contemplation and the loss has resulted from the abandonment of the project. This interpretation of the section came into prominence in 1957 in the Internal Revenue Service's Revenue Ruling 57–418.

Prior to 1957, the expenditures for preliminary investigations of business or investment opportunities were allowed as deductions even though the taxpayer did not, eventually, enter the transaction. I have today offered a bill which would in effect overrule Revenue Ruling 57–418 and reinstate the earlier rule as set out above.

The basis of this amendment is to encourage taxpayers to investigate new ventures and investments. Requiring that a taxpayer materially commit himself to the development of a particular undertaking before the expenses of investigating it in order to weigh its possibilities are allowed as a tax deduction limits the scope of ventures into which careful and responsible taxpayers will look for possible development and this, in turn, limits the development potential of our economy.

Living as we do in a period of rapid technological change and innovation, I feel it is wiser for us to stimulate the activities of those who would move us into new fields by exploring their economic possibilities than to hobble their efforts to help America move forward.

A BILL TO ENCOURAGE BASIC RESEARCH

Progress in the modern world is intimately linked to the efforts of basic research and to maintain America's scientific and industrial preeminence we must encourage basic scientific research in this country.

To this end, I have today reintroduced legislation which would permit tax credits to individuals and corporations for their contributions to basic research. For individuals, contributions to universities or nonprofit organizations for basic research would be treated as a credit against taxes. By the provisions of the bill, the individual taxpayer could claim 90 percent of his contribution as a credit against his tax liability, up to a total of 5 percent of that liability. For business which undertakes basic research, there would be a credit of 75 percent of the contribution made up to a total of 3 percent of the tax liability.

The control of the incidence of the tax burden has proven to be an effective way to encourage certain activities and discourage others. What it does, in effect, is tell the individual or corporate taxpayer, "We will not order you to make certain expenditures and not others, for this is the legitimate area of personal choice; the disposition of your funds is in your hands alone. We will, however, recognize expenditures which contribute to the general welfare, we will encourage better exercise of your right to do with your funds as you see fit, and we will do this by making the amounts so spent or some part of them free from taxation." The legitimate right of choice remains with the taxpayer, both in the question of how to spend his money and its exact distribution among the competing areas of basic research.

Such a system would be, in my estimation, far preferable to a program by which the Federal Government would underwrite these costs. Guarantees of the good faith of the research expenditures would be left in the hands of the universities and nonprofit organizations where they are involved and in the hands of a certifying board of scientists where corporations are concerned. This bill would foster our national progress in the context of individual freedom which has been so important to our growth in the past.

A BILL TO PROVIDE A TAX CREDIT FOR EXPENSES FOR CONSTRUCTION OF POLLUTION CONTROL FACILITIES

Mr. Speaker, in my judgment a tax credit is an excellent method to encourage business and industry to tackle the air and water pollution problem which is becoming more serious every day. It must be remembered that facilities for pollution control are nonproductive essentially, and that the appropriate facility must be constructed specifically for the needs of the particular industry. Thus, a tax credit allowing for great flexibility, is most appropriate.

This bill provides for a 20-percent credit for all costs of the facility—buildings, land, improvements, machinery, and equipment. If the taxpayer chooses to apply for the 20-percent credit, he would, of course, not be additionally eligible for the 7-percent tax credit which Republicans salvaged from the administration's efforts to suspend the investment tax credit on machinery during the last Congress.

The taxpayer may elect to amortize these expenditures during the tax year or over the next 4 years after the year in which the expenditures were made. In order for the taxpayer to qualify for the benefits of the tax credit and the rapid tax amortization provisions the taxpayer must have the appropriate State agency approve the facility to be sure that it is in accordance with the State's program for air and water pollution abatement.

THE GUARANTEED OPPORTUNITY TO EARN AN ANNUAL INCOME

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, President Johnson in his 1967 Economic Report stated his intention to establish a Commission to examine the merits and disadvantages of the many proposals for guaranteeing minimum incomes. In December, I participated in a symposium on guaranteed annual income held by the U.S. Chamber of Commerce and presented my approach to aiding the poor and alleviating poverty. My proposal is to guarantee each of our citizens not an annual income, but the opportunity to earn an annual income. This program would strike at the deep cultural, emotional, and political roots of poverty without weakening individual dignity or discouraging individual incentive. I would like at this point to insert in the RECORD the speech which I gave to the

symposium with the hope that the approach it makes will receive serious consideration from the Commission the President intends to establish:

THE GUARANTEED OPPORTUNITY TO EARN AN ANNUAL INCOME

The guaranteed annual income, like a guarantee of happiness, has a direct and simple appeal. The proponents imply that poverty can be wiped out in a single stroke by giving a subsidy to the poor. If poverty is a lack of income, then the solution is obvious; provide the income necessary to raise the poor family or individual above the poverty level. The beguiling simplicity of the idea is its most attractive—and dangerous—feature. The writers of the United States Constitution resisted this simplicity and spoke of government providing for the pursuit of happiness, not happiness itself. So I think we must resist the present day simplicity and speak of providing for the opportunity to earn an income, not providing the income itself.

The trouble with this seemingly new theory is that the more we learn about poverty, particularly hardcore poverty, the more we realize that it is not just an economic problem. It is a problem with deep cultural, emotional, and political roots. In truth, hardcore poverty in the United States is as much a state of mind as a lack of money. Merely providing direct money payments to the poor will not solve the poverty problem. In fact, I believe that providing a guaranteed annual income would perpetuate poverty and might even make it worse.

As a matter of fact, the term "poverty" must be more clearly understood. In the United States today, it is definitely *not* subsistence-poverty which is the term developed in the Western world over the past seventeen decades as a scientific word of art, which is used in the United Nations and applied with a real and practical meaning to most societies in the world today. The term "poverty" as used in the United States today can only mean comparative-poverty—an entirely new concept and one which has little relationship to subsistence-poverty, albeit it is descriptive of a very real and important bundle of social and economic problems.

In my opinion, the guaranteed income would harden the poverty subcultures in our society. It would make millions of individuals wholly dependent upon some new form of welfare check and give them the feeling that they had no chance to obtain more. This is why I am opposed to the guaranteed income and why I believe it would be a cruel mistake to adopt it as public policy.

There is a better, more realistic and more enlightened way to fight comparative-poverty. It is by guaranteeing opportunity. Or as Abraham Lincoln put it, by affording every man "an unfettered start in the race of life." But before explaining how I think we can do a better job of guaranteeing opportunity, I want to discuss why I think adoption of the guaranteed annual income would be a major mistake.

A complete evaluation of the guaranteed income requires the skills and insights of an economist, sociologist, philosopher, and psychologist. For some reason, the economists seem to have made the subject their own special province. Admittedly, economists can provide a part of the answer. They can tell us something of the cost and of the alternative uses to which we might put our resources. But economists can tell us very little about the social, cultural, and psychological effects of the guaranteed income. And in my opinion, these are critical.

I suppose that is part of the reason why I am here. Just as I feel that war is too serious to be left to the generals, so do I believe that the outcome of the guaranteed income debate is too important to be left to the economists. As a lawyer-politician by profession and an economist by avocation, perhaps I can contribute a different and, I hope, useful point of view to the discussion.

Before examining the concept of the guaranteed income, I think it would be helpful if I stated the basic assumptions upon which I am proceeding.

First, one of the major objectives of our society should be the rapid reduction of comparative-poverty with the ultimate goal of its virtual elimination within a reasonably short time, so that standards of living are truly free choices of living, differences not superiorities or inferiorities, and what measures less in dollars may well measure more in terms of human happiness.

Second, our economic and social system has produced unprecedented successes in eliminating subsistance-poverty and in reducing comparative-poverty over the years. In the postwar period alone, the number of persons in comparative-poverty has been reduced by an average of 700,000 a year. This is hardly a record of failure that justifies basic and far-reaching changes in our social and economic system. In fact, such changes might destroy the sources of our success and impede further progress.

Third, in spite of our successes, substantial numbers of Americans continue to live in comparative-poverty. As yet we have found no answer to the problem of the passing of poverty from generation to generation, nor have we found the proper approach to attacking the intractable islands of comparative-poverty and stagnation that exist in our otherwise prosperous and advancing society.

Fourth, as presently being developed, our welfare system is incapable of eliminating poverty and actually helps to perpetuate it. It not only falls short of providing adequate relief to those while they are in need, but it fails to provide the opportunities to make self-supporting citizens of welfare recipients.

If we can agree on these basic assumptions, then we are faced with deciding what is the best way to eliminate chronic hard-core comparative-poverty. Basically, I think we have only two choices. We can guarantee income to the impoverished, or we can guarantee them opportunity.

For my part, I choose opportunity. Guaranteeing opportunity is better for the country, and it is better for the individual. There possibly will always be some people for whom subsidization is the only way out. The chronically sick or disabled and certain mental defectives are cases in point. But for the vast majority of the poor, habilitation (largely education) and rehabilitation are attainable goals. What are the advantages of this approach over the guaranteed annual income?

Guaranteeing opportunity promotes individual dignity; guaranteeing income weakens it.

Guaranteeing opportunity recognizes that a man grows with responsibility; guaranteeing income denies his capacity for growth and self-sufficiency.

Guaranteeing opportunity is the humane approach to defeating poverty; guaranteeing income in effect says to millions of the poor: "We can't use you, we don't want you, but we won't let you starve."

Guaranteeing opportunity helps to eliminate poverty; guaranteeing income simply helps to alleviate it.

The idea of a guaranteed annual income for all citizens as a matter of right is not new. The expression itself has a daring, modern ring, but the concept was discussed by utopian thinkers as far back as Edward Bellamy in the late nineteenth century. Thirty years ago, Francis Townsend proposed a guaranteed income of $200 a month for the aged. His plan was not adopted, but it influenced the passage of social security and was a major factor in making the aged a powerful political force in American life.

What is new is that the idea for a guaranteed annual income is now receiving powerful support from eminent scholars and social thinkers as a solution to the problem of poverty in the midst of plenty. Advocates include liberals of both the modern and classical schools. Any plan having the support of such a disparate and growing body of intellectuals demands the attention of those of us who operate in the area of public policy.

How has the idea gained such momentum? You will recall that it was only a few years ago that the notion that America was an "affluent society" entered the conventional wisdom. We admitted to our affluence almost with a sense of shame or guilt, rather than with justifiable pride in the achievements of our system. The public sector, it was said, was starving, while most individuals were glutted with goods.

The picture was undoubtedly overdrawn but it left its impact. Professors, pundits, and publicists began to dramatize—and sometimes overdramatize—the fact that a sizable minority of our fellow citizens were living in comparative-poverty in spite of the general affluence. The Conference on Economic Progress claimed that over 40 percent of our people were poor or deprived, notably without any clear definition of the words "poor" and "deprived."

While the extent and nature of poverty often was exaggerated, the point was driven home forcefully that millions of Americans live under substandard conditions and—even more important—many feel little hope (or is it desire) of ever bettering their lot. Their consensus that something was wrong with the present programs, many of which they had helped design, was really a remarkable admission. They who had supported ever-expanding social welfare programs over the years were admitting that these programs largely bypassed the poor and were arguing that specific measures aimed at poverty were required. Thus the poverty war was declared.

I believe that it is fair to say that thus far the war on poverty has been a great disappointment. Most of the programs are not new and still have potential, but they were pushed too fast and without coordination with each other in a desire to produce quick and dramatic results. Even more to the point, the war on poverty was launched before anyone knew how to fight it or had studied carefully the techniques of those who had been fighting it for years. Those responsible for conducting the "war" acted on the basis of beliefs and dogmatic assumptions rather than tested facts arrived at from hard research. This is perhaps the most important reason for the failure of the program.

Now we are threatening to make the same mistake with regard to the guaranteed annual income. My suggestion is that before we undertake what would be a major social revolution, we investigate thoroughly and with open minds what the consequences would be. I think we are likely to find that undesirable side effects of the plan would far outweigh any benefits that we might hope to realize.

Those who propose a guaranteed annual income, or—what is simply another approach to the same goal, the negative income tax—do so for a variety of reasons. All advocates of such a plan would, I suppose, base their support to some degree on humanitarian grounds. Poor people should be helped by society. I, of course, would agree. The question is how best to do it.

Some proponents of the plan believe that machines soon will do most of men's work and that unless the link between jobs and income is broken, mass unemployment and human suffering will result. An interesting thought perhaps, but it is one which elicits little professional support and no verification either from history or recent experience.

Let's study and debate these crucial questions, not beg them or bury them in dogma. Does automation create more jobs than it destroys? Do the jobs automation create require more brains and less brawn? Are sufficient jobs left (and created) to employ all the people in the lower i.q. percentiles? There seems to be ample evidence to support an affirmative answer to all three of these questions.

Others propose the plan because it seems to offer a simpler and less costly way of helping the poor. The complex array of public and private programs, which comprise the welfare-poverty establishment, could be dismantled, they argue, once the poor directly got what they are alleged to need most, i.e., money. Even if this goal were desirable, I doubt whether it could be achieved. Somehow the most minor Washington agency, after having long outlived its original purpose, manages to survive. How much more difficult it would be to substitute direct money payments for the welfare-poverty power structure.

No, I believe the guaranteed income or the negative income tax would be superimposed upon already existing welfare and poverty programs. Interestingly enough, there is a plan which proposes just this: a guaranteed annual income along with an array of welfare and poverty-fighting measures. The trouble with this scheme is that it fails to take into account the human and political realities. To the extent society devoted resources to guarantee income, its commitment to the costly and slow-acting structural correctives would weaken.

Whatever the differences in detail or in justification among the various plans, they are essentially the same in their implications. Each plan is revolutionary because it would break the link between income and work. Each would enshrine in law the concept that society owes every citizen a living regardless of his willingness or ability to work. The lazy and shiftless would benefit as much as the deserving.

We all know individuals who secretly believe that society owes them a living. But, fortunately, society has not yet been willing to concede it. In our culture one generally receives income in relation to his contribution to the production of goods and services. For those unable to work, our public assistance programs have stood as a basic income guarantee, however inadequate. But the guaranteed income scheme omits the test of need and gives income as a matter of right alone. I think the right to public support, to the extent the public is able, exists, but only where the need has been established with reasonable certainty. When the need has not been established, there can be no intelligent program designed to eliminate the reasons for the need.

In my view, the guaranteed income approach would create deep social divisions in society; it would tend to perpetuate poverty and might even worsen it by its impact on economic growth; and it would create a host of administrative problems whose solution would require greater social control of the individual. Furthermore, it would require a new and radically different federal constitution which should be of concern even to academic political scientists.

To treat abnormalities, one must first be able to understand normality. Today in America we are beginning to look at a person's full life—his tender years, his years of education, his productive years and his years of retirement. We have been developing the mechanisms and the programs for spreading a person's lifetime income from his productive and earning years to the non-productive years. The first mechanisms developed were in the nature of savings from the productive years to provide for retirement pensions, annuities and retirement systems. At the same time, we were developing the mechanisms whereby people could pool their common risks against an untimely diminution of earning capacity from (a) death, (b) disability through accident or sickness, (c) interrupted earnings resulting from e.g. military service and economic downturn, (d) and now obsolescence of skills. So since World War II we have been developing the mechanisms to spread income forward in anticipation of earnings from the more productive years to the less productive years through consumer credit to buy homes, consumer durables and now wisely to provide the capital investment for education. A great deal of today's consumer credit constitutes real savings inasmuch as the expenditures do relate to increased wealth and increased earning capacity, not to mention increased standard of living of the debtor. It is indicative of this understanding of lifetime income that income averaging techniques, crude as they are, were introduced into the federal personal income tax laws in 1964.

The emphasis needed for further development lies in phasing-in individuals and phasing them out of the labor market. One does not abruptly—or should not abruptly—enter the labor market or retire from it. The better retirement systems we are developing permit a phrasing-out utilizing in different ways the talent perfected by experience of the older citizens. The better educational systems use a variety of phasing-in mechanisms.

Above all we are beginning to understand that people are not committed full time in the labor market. The eight hour day and the forty hour week attest this. Hopefully we will begin to move more broadly into the eleven month year and possibly to the concept of the fallow seventh year—the sabbatical leave. However, the women in our society are increasingly developing work patterns of great interest entering the labor market prenuptially only to retire for the period of raising children, and then to reenter later on planned, part time basis which frequently develops into full time employment again.

As rapid technological change continues, skills change and become obsolete. No longer can a skill learned in the formative years assure lifetime employment. Training and retraining on or off the job are increasingly a part of the work pattern. The hard realities of training the unemployables are that they will not be capable of learning the higher skills demanded in the jobs newly created by automation, but those with jobs must be trained and willing to do so, to take the new jobs thus leaving their old but needed jobs available to those below them in the ladder of skills if they too will train. The unskilled and semi-skilled with training will fit into the jobs left vacant by those upgrading their skills.

This process requires understanding, study and constant research to identify the jobs going begging and the skills and training needed to fill them. Just as the rehabilitation program for the physically handicapped requires cooperation by employers to identify the jobs they may have which a one-armed man, for example, might productively fill, so the rehabilitation program for the comparative poor will require similar cooperation and understanding.

Let us consider for a moment the major objections to the guaranteed income.

First, to what extent will common agreement be possible in the support and implementation of a guaranteed income? Assuming both the economic and political feasibility of some plan of guaranteed income, would this assure sufficient and broad enough support to avoid disruptive conflict and social disorganization?

The value system of Western Man has for centuries associated work with income. It is a Judea-Christian ethic with special emphasis incorporated in the Protestant norm in American society.

Specifically, can a right to income without work be adopted without creating deep cleavages and conflicts in our society? Is it possible to have a dual set of values and norms; one predicated on income for work and one on income without work? Isn't it possible that the existing gulf between the middle-class culture and the sub-culture of poverty will be deepened and problems of national cohesiveness and accommodation be aggravated?

Any social system is composed of many interrelated units and functions. Any drastic change in one part of the social system will affect the total in many unforeseen and unpredictable ways. We have never been able to predict the total impact of change. Increasingly and frequently we have learned that the treatment of a social problem may produce additional problems and, in the final analysis, the treatment may be worse than the disease. The "side effects" may leave the patient worse off than before.

Second, the plan would help to perpetuate welfare as a way of life by sacrificing social services designed to eliminate the causes of need for an income guarantee. Proponents of guaranteed income plans fail to distinguish between those families and individuals who could and would make good use of an interim guaranteed income grant and those who would not. They also fail to distinguish between those in poverty and those who lead decent lives, although having no margin for waste or luxury. They would create a costly program that would spread our resources over both groups without regard to social priorities or the likelihood of productive use of those resources.

The provision of this "soical conscience money" would lull us into a sense of complacency about the poverty problem and divert our attention from the critical need to provide remedial services to the hard-core poor.

In order to solve the problem of comparative-poverty, we must be concerned with much more than providing income. For many of the comparative-poor, providing income would not mean a better diet for the children, improved medical care, more adequate housing, or a move into self-sufficiency. There is evidence that prolonged chronic relief is a factor in the acceptance of a dependency state.

Any real remedy to this chronic poverty must be concerned with cultural change, with an alteration of attitudes toward life and work. This change is particularly required in the urban slums where apathy, social inadequacy, and an inability to cope with the environment are breeding grounds for a form of self-perpetuating poverty that could infect the rest of the population with a host of social ills.

Our resources are ample. However, they must be spent efficiently, that is where they are needed and in an amount sufficient to do the job. This means a deeper commitment and a more intelligent strategy. It means that individuals must not be encouraged to remain in the poverty cycle. Conversely, they must be given specific assistance and direction and not just left to drift for themselves subsisting on a new form of dole.

Even at that, it will be a long and difficult job marked by many setbacks. But I believe our goal can be reached if we concentrate our resources on the areas of need and if we move ahead at a pace consistent with our growing knowledge and understanding of the problem. In this way progress replaces promise in the war on poverty.

We should constantly strive to strengthen our public and private retirement systems and provide basic protections against financial hazards and hardships, including catastrophic illness and unemployment, against

which the individual has no control. But it would be a great mistake to direct our attention and resources from the real poverty problem in this country and put millions of self-respecting and self-sufficient citizens on a new dole that in many cases is neither needed nor wanted. This, I fear, would be one result of the guaranteed income proposal.

Third, the guaranteed annual income would slow down the rate of economic growth by reducing incentives to work and save. Automatically providing an adequate minimum standard of living to any citizen would be sufficient to eliminate incentives to work for most of those unemployed or those earning less than the minimum standard level. Those who earn only slightly more than the minimum might also decide not to work at all. Admittedly, the adverse incentive effect differs among plans, but in every instance there is at least some negative incentive effect. The result would be a lower gross national product and a lower rate of economic growth than would otherwise exist.

A recent empirical study by Professor Lowell E. Gallaway of the Wharton School of Finance and Commerce on the "Negative Income Tax Rates and the Elimination of Poverty" is helpful in this area. It throws some interesting light on the individual's labor market response to the receipt of transfer payment income. Professor Gallaway thinks the evidence of his study establishes a basis for a skeptical view of the contribution which the negative income tax can make to improving the income position of poverty groups with a relatively high degree of labor force participation.

Economic growth also would suffer to the extent that a guaranteed annual income weakened incentives to save. With an annual income assured, the future for many individuals would become more certain. Families would be less likely on the whole to save for emergencies, retirement, death, and disability. The pressure on business to make substantial contributions to employee pension funds would also be less urgent, and this source of capital accumulation could decline sharply as well. The likely result would be a higher rate of current consumption, less saving, and a slowdown in the modernization and expansion of plant and equipment.

This is a direct threat to employment opportunities for all those able and willing to work. Such opportunities directly depend upon a high level of investment in the future. The creation of new jobs for our rapidly growing labor force requires substantial growth of investment spending. Moreover, increasing technological progress raises the amount of capital equipment per worker and thus the investment costs of keeping a worker employed and providing the new jobs. The amount of investment required to create a new job in manufacturing has been rising steadily and now is $19,600 compared to $14,300 only ten years ago. If we guarantee income, it seems to me that we also would have to devise some scheme to guarantee saving.

The fact that the guaranteed income would have an adverse impact on economic growth grossly understates the real costs of the plan. The proponents have said that it would cost about two percent of GNP. This is misleading in itself, since a more accurate measure of cost to the society's producing element would be a percentage of personal income, after deducting transfer payments and other non-taxable items. But even this cost would be higher if the guaranteed income resulted in a lower level of personal income than would exist in its absence.

Finally, discussions of some form of income guarantee have exhibited a marked indisposition to consider the administrative problems of such a program. Finding workable solutions would require an intensive research effort. Even at that, no income guarantee program, contrary to the hopes of some advocates, could be run without a large-scale administrative organization and an increased degree of social control of the individual.

The first problem is that of defining income. Certain income as defined in the Tax Code would be unacceptable. It is for this reason that any simple negative income tax is not feasible. Two computations of income would be required. First, a person would reckon income for regular income tax purposes. If this computation yielded a net income figure which was low enough to entitle the person to a tentative refund, he would then have to make another computation which in effect added back into his income items excluded in the regular tax computation. The one-half of capital gains excluded from taxable income is one example of income which would have to be added back before a person could claim a "refund." Tax exempt interest is another example.

The second problem is that of fluctuating income. Would we want to permit people to concentrate income in one year and claim a refund in the next year because their income in that year was low? Not everyone is in a position to reallocate income between years, but some people are able to do so. A person could, for example, realize capital gains in one year and capital losses in the next year, claiming a refund in the second year because net income is so low. Business profits and losses often can be shifted between years.

The third problem is that of the weight to be given to wealth in determining entitlement to a payment from the Federal Government. Presently, under public assistance programs, savings as a source of funds for family support is taken into account. But the regular income tax computation takes no account of wealth. However rich a person may be, he might show a negative income in a year and pay no positive tax. The loss might make him eligible for a refund under a negative income tax unless wealth were taken into account in determining eligibility.

The fourth problem arises from the definition of the filing unit. Thus, under the regular income tax a husband and wife may elect to file joint or separate returns. Suppose the husband earns all of the family's income. Should the wife be permitted to file a separate return and claim a negative income tax refund?

If, in the light of these objections, we do not take the guaranteed income route, then how do we eliminate comparative-poverty? First we should take stock of what we are already doing. The fact is that we are doing a great deal. Between 1950 and 1965, the total public and private effort to reduce poverty and human suffering increased 97 percent, measured by constant dollar per capita annual expenditures for health, education, and welfare. During the same 15-year period, the share of the total output of the U.S. economy devoted to these purposes rose from about 13 percent of GNP to over 16 percent. And if we compared this more properly with personal income, these percentages would be even greater. This would be an impressive performance under any circumstances. It is particularly significant in the light of the other heavy and increasing drafts on the economy for defense and space.

One of our first jobs is to make certain that we are spending health, education and welfare funds with the greatest efficiency possible. This is not the case today. Much of our anti-poverty effort is wasteful, redundant, and ineffective. Before even considering vast new outlays on programs such as the guaranteed annual income, we should be certain that we are making the best possible use of the funds now being spent.

In this connection, I think it is essential to review existing policies and programs to determine the extent to which they actually impede the war on poverty. For example, our urban renewal programs have primarily benefited the middle third of the Nation, while many of the poor made homeless by these programs have been pressed into other slum areas or areas about to become slums. Our farm programs have poured out hundreds of millions of dollars, but rural poverty persists, and there is evidence to indicate that the distribution of income has actually been worsened because of our agricultural programs. Certainly they have done little or nothing to improve the quality of education or to update the skills of our rural citizens who are particularly handicapped in the urban environment.

We also ought to determine whether the application of our child labor laws may contribute to the unemployment of young people. At the same time, we need to know more about how the minimum wage laws contribute to unemployment among less skilled workers and how our tax laws impede geographical mobility. Another field for study is the tax treatment of individual educational expenses and its impact on upward job mobility. Our unemployment compensation program also could be improved to assist in the reduction of poverty. For example, under the encouragement of the Manpower Training Act of 1962, all states now permit an individual to take training without loss of unemployment benefits. However, we still do not relate improvement of the unemploymnt insurance system to improvement of our training, rehabilitation and retirement programs and correlate these programs.

We should also determine the poverty-creating effect of the present income limitations applied to those aged persons receiving social security retirement or survivor's payments. We need to know more about whether the aid-to-dependent-children program actually encourages illegitimacy by discouraging remarriage of an AFDC mother, and whether the so-called "man-in-the-house" rule, in effect, contributes to the break up of families and the perpetuation of poverty. We also need to review the extent to which public assistance programs create an incentive for beneficiaries to withdraw from the labor force because of the deduction of earnings from benefits received.

In addition to taking a hard look at present programs and policies, we must remember that economic policy has an important contribution to make toward eliminating poverty. This means that we must strive to maximize economic growth which results in increased wealth both to provide jobs for our rapidly increasing labor force and to have resources available for the fight against poverty.

We have been entirely too much concerned about increasing economic activity (GNP) and too little concerned about being certain that that activity is increasing the true wealth of the society of which the physical wealth is the lesser part. There is not sufficient realization that the greatest wealth a society can possess constitutes the skills of the people and the accumulated knowledge with its ready availability within the society. Our tax laws for example, do not treat employer or personal expenditures for education and training as capital expenditures—which I believe should receive specific tax treatment.

It also means that we must avoid inflation. The constant erosion of the purchasing power of the dollar since the end of World War II has pushed millions of individuals living on fixed incomes below the poverty level and made life even more difficult for those already impoverished. Because of inflation, the purchasing power of social security benefits, even after several increases, has barely kept pace with the rising cost of living.

Finally, general economic policy can make a contribution to the elimination of poverty

by promoting occupational and geographical mobility. In an age of rapid technological change and adjustment it is important that government and private business policies help to promote the maximum of flexible response to changing conditions among our labor force.

There is another precondition to the success of specific and selective anti-poverty measures. That is, the abolition of all unjustifiable discrimination in employment and education based upon race, creed, age, sex, physically handicapped or whatever. In the opinion of many, we have made great strides toward this goal. However, in the opinion of others, we may have gone backwards by failing to distinguish between discrimination based upon real differences which properly require differential economic treatment, from discrimination based upon unreasoned prejudice. Whatever the present movement may be, a sizable amount of unjustifiable discrimination exists as a structural barrier . . . discrimination as a barrier to equal opportunities for all of our citizens.

It would be very helpful in this connection if labor unions, particularly those which use the sanction of government to bind minorities through union shop provisions opened their doors to equal membership opportunities to all persons, particularly to members of minority groups. In many places and in many jobs, union membership is a condition of apprenticeship or employment from a practical if not a legal standpoint. Where this is true, business efforts to find job opportunities for minority Americans can be successful only to the extent that labor unions, with the cooperation of management, not its behind scenes condonation or encouragement which frequently exists, abolish discriminatory practices in their own membership and training programs. Today the values which occur from passing skills from father to son as it were must be realized within a structure which does not exclude others from learning and following these occupations.

Aside from these general considerations, our specific policies to combat poverty must emphasize alleviation, rehabilitation, and prevention.

Alleviating poverty means that every person in need, which means a person facing a basic economic problem the solution of which is beyond his own or his family's capabilities, should have relief from the Community as a whole—to the extent it can afford it. I emphasize the requirement of need. This is what divides me from those who advocate a guaranteed income given to all as a matter of right. I see nothing intrinsically wrong with the requirement of tests to determine need. Whether a means test is acceptable or not is usually a question of how it is administratively determined. The means test obviously should be given so that it infringes upon the rights and dignity of the individual receiving the assistance, in the most minimal way. And I have already indicated that technical problems connected with the guaranteed annual income would require the government to find out a great deal about the individual in order to insure that the intent of the guaranteed income law is carried out in practice.

One of the shortcomings of our present public assistance programs is that benefits are unrelated to specific needs and so are frequently too low to meet even minimum needs established by the states themselves. In other instances, states continue payments after the specific needs have actually disappeared or are within the ability of the individual to make them disappear. Rehabilitative social services are the essence of good welfare programs. The purpose of welfare is to provide income during the period a person is getting onto his own feet again, or getting onto his feet in the first instance.

Our public assistance programs also bypass many of the poor. The federal government today shares the cost of aid to the blind, aged, permanently disabled, and families with dependent children. Persons not fitting neatly into one of these categories are dependent on state and local general assistance. In 1964, such general assistance provided an average of $7 a week in support for about 800,000 persons. I can see no justification either for providing assistance by categories or for the federal government participating in one group over another. The problems of determining eligibility for a particular category of assistance is costly in terms of funds and precious professional time which could be better spent in improving social services. I would favor abolishing all categories of assistance and providing aid on the basis of demonstrated and specific need to the unemployed or underemployed poor whose income falls below the minimum standards established by the state itself, geared to programs designed wherever possible to getting them onto or back onto their own feet.

Rehabilitation—our second goal—involves making an all-out effort to make productive and self-sustaining citizens out of all those unable to find or keep a job. This means that everyone of labor force age who is on public welfare—a money income to which our laws give them a right—should have a responsibility under these same laws in return for this right. This responsibility is to take any necessary training or basic education needed to equip themselves to be self-supporting. In order to provide a positive incentive to train or work, I would reduce public assistance benefits substantially less than the added income arising from wages or the training allowance.

The importance of education is illustrated with respect to the aid to dependent children program. The higher the educational attainment of the mother, the less the period of dependence on public assistance. I think this points to another area where rehabilitative services could be critical in getting families off the relief rolls and into the ranks of job holders.

Mothers on aid to dependent children should be encouraged to take basic education and training in job skills. This requires that they receive training allowances and access to day-care facilities for the children. Not only would such centers free the mothers for education and training, but they could provide a creative and enriching experience for the children themselves.

The gloomy predictions about the job-destroying effects of cybernation are unjustifiable. Much of the work of society is not being done today. I think our rehabilitative programs should strive to get these jobs done through working with the job-creation process of private enterprise, even to the extent of providing incentives if this proves to be necessary.

Reforestation, stream clearance, urban beautification, slum cleanups, various educational work-study jobs and even simple maintenance jobs in public buildings are examples of the kind of interim work that could be usefully done by the unskilled and poorly trained. These tasks could be undertaken by private firms under contract to the government with a guarantee that at least the minimum wage would be paid. Not only would this get needed work done, but it would give the former welfare recipient personal satisfaction plus skills and work attitudes that would stand him in good stead in his future employment.

Obviously this covers only a part of the rehabilitative action that is need. A wide range of social services is needed, and to a large degree is presently available, to advise the poor on legal problems, family budgeting, simple health care, and the like. We should also remember the physically and mentally handicapped. They pose special problems but in most cases rehabilitation is possible and, in some ways, simpler than for those who suffer serious cultural and educational handicaps. Indeed, by studying the techniques that have proved successful in rehabilitating and habilitating the physically handicapped people, we can learn a great deal in properly structuring the programs for the culturally or educationally handicapped.

Our final goal is the prevention of new poverty. Here the focus should be on all children, not just those of the poor, with the objective of minimizing school dropouts who later become the unemployable adults. It has been said many times before, but it bears repeating, that the key is high-quality education and training, all along the rungs of the ladder of skills. Also needed is a better understanding among the self-styled intelligencia in our society, that technical training is just as socially important and accordingly should be as socially dignified as liberal arts training. By this statement I do not mean to minimize the importance of liberal arts training which in the past—and still in the minds of all too many in the present—has suffered from both envy and misunderstanding. I do mean to say that in many important educational and social circles there has been an unfortunate downgrading of vocational and technical training which has been a deterrent to getting both the number and quality of persons needed into these fields.

I would hope that by this time our society has reached the intellectual maturity to realize that differences in human beings do not per se spell out superiorities or inferiorities. Differences provide the variety which renders the total society rich, productive, variable, and capable of continuing understanding and innovation. In a society of nightingales with any crow-like voice, I would be discriminated against and justifiably so, and not as a result of bigotry. However, in a society which recognizes its needs for variety in talents and skills hopefully I could identify some talent I truly have, with hard work develop it, and become a citizen self-satisfied from doing a job well and socially satisfied doing a job that needed doing.

The schools for both urban and rural disadvantaged children should be among the best in the country. Who needs good schools more than the children of the poor? Although the situation is improving today, schools in poverty neighborhoods are very often among the worst the country has to offer.

A clean, attractive, well equipped and well-staffed school in a deteriorating neighborhood could serve as an example and an inspiration for many of our disadvantaged children. Both public and private educational groups should direct their attention to improving the quality of schools in poverty neighborhoods.

The states should update the school-grant formulaes in their equalization laws which take into account the costs involved in educating children in school districts with low tax bases. Many counties in the United States need to develop equalization laws because within counties just as within municipalities or states there are school districts of low wealth and districts of high wealth. The differentials in these tax bases need to be equalized. Let me say along this line, however, I know of no poor state, with the possible exception of Alaska, that needs federal equalization of tax bases. The common misunderstanding on this point arises from the failure to understand that education, as well as community facilities, are financed from tax systems using wealth as a tax base not income. The per capita income of a state is not the test of whether it can support schools but rather the per capita wealth. Absentee ownership or a poorly structured real estate tax permits many of the lower per capita income states which are reasonably wealthy to talk poor-mouth. If the children of the poor are to get a better education, there will need to be recognition and action on the proposition that expenditures per pupil will need to be higher in these

districts than in those more fortunately endowed.

Breaking the poverty cycle often requires preschool training. The accomplishments of the local and private Head Start Program, which the federal program properly emphasized, indicates that the states are correct in developing these remedial preschool programs on a large scale in poverty areas.

Perhaps the highest priority for the prevention of poverty should be given to providing birth control information to public assistance recipients on a voluntary basis. A broad program to make available birth control information would encourage family planning and reduce the incidence of unsupportable children among the poor. I believe that helping the poor control the size of their families offers our most promising opportunity for halting the growth of poverty.

We should also do something for young people who are of working age but who are neither in school nor in a job, those for whom the educational and welfare reforms have come too late. I think we should consider a pilot plan which might mean some subsidization to their employment by private business based upon a comprehensive study of what is already being done in this area. This could involve a program under which business would provide work at less than minimum wages for young people who would not otherwise be employed. The actual wage could be based on an estimate of their productivity and their value to the firm in relation to other employees. In addition, a direct government supplement would be paid to such employees in order to bring them up, if necessary, to a minimum wage. Obviously such a plan would involve administrative problems, but I think it is worth considering. It might well speed the movement of people needed in occupations paying low wages and thus increase the demand for labor in such areas. Perhaps the Human Investment tax credit, which I have proposed, would be sufficient. This is a 7% tax credit comparable to the investment tax credit for capital costs invested in machinery and capital cost invested in training and retraining manpower.

These, then, are some of the possible approaches to guaranteeing opportunity. Obviously there are many others which time has prevented me from mentioning. One thing is clear, the magnitude of the task is immense and requires a continuing effort by the private sector and understanding by all levels of government so that their programs work in conformity with and not against the operation of the private sector.

Guaranteeing opportunity has many advantages. It is positive and assumes that every individual should, and will if the climate is right, make a contribution of his own. It challenges our ingenuity to find ways and means for maximum utilization of our human resources. It is consistent with our value system and what we think we know about human behavior. It would be supported with a greater public consensus. And it would tend to protect the balanced mechanism of freedom with responsibility, calling for less social control of the individual.

In his 1962 State of the Union Message, President Kennedy proposed that amendments to the public welfare program stress "services instead of support, rehabilitation instead of relief, and training for useful work rather than prolonged dependency."

We are far from the mark. Indeed programs going in the opposite direction have been sold under this fine label.

The guaranteed income, the negative income tax and other well meaning programs would take us further afield. We need to develop our society so we can truthfully guarantee opportunities to all who gain satisfaction from doing a meaningful job well; and in this development we will find that we probably have attained a society where all have ample incomes.

AIR AND WATER POLLUTION

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Colorado [Mr. BROTZMAN] 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. BROTZMAN. Mr. Speaker, yesterday the President sent to Congress his message on protecting our natural heritage. He spoke at great length about the growing problem of air and water pollution. He pointed out the seriousness of this problem and offered some suggestions for meeting the challenge of air and water pollution.

I fully agree with the President when he says that pollution is an urgent problem. Private citizens as well as Federal, State and local governmental units have come to recognize the increasing dangers presented by air and water pollution. We in the Congress have enacted legislation in this area. During the 88th Congress, I was pleased to assist in drafting legislation which culminated in the enactment of the Clean Air Act. And, during the last Congress, the Federal Water Pollution Control Act was was passed.

Perhaps, Mr. Speaker, we in Colorado have been more fortunate than many of our more industrialized sister States. We have not had the same experiences as California, or New York, or New Jersey. But, Mr. Speaker, pollution is coming to Colorado, and it is coming fast. In a recent issue of Time magazine, the air pollution problem in Denver was summarized in one sentence. Time said:

> Rapidly industrializing Denver, which for many years boasted of its crystalline air, is now often smogbound.

We have a similar situation with regard to water pollution. The once sparkling waters of Colorado's many rivers and streams increasingly are becoming clogged with industrial refuse.

There are many persons who share our great concern. Industry itself is concerned. However, it is difficult for private industry and even State and local governments to meet the full challenge of air and water pollution. Pollution abatement is expensive. And, because it is expensive, it often goes unheeded.

Mr. Speaker, it is important that we find a means to encourage those who are willing to help meet the challenge of pollution, but who simply cannot because of the tremendous expense involved.

Accordingly, Mr. Speaker, I have introduced legislation today that will provide a 20-percent incentive tax credit for an industry that undertakes the construction of air or water pollution treatment facilities in cooperation with Federal and State governments on pollution programs. This legislation would enable industries to write off nearly 30 percent of the cost of constructing such facilities over a 5-year period.

The purpose of this legislation is to encourage the immediate construction of pollution abatement facilities so that no time will be wasted in getting to the heart of the problem. Legislation to require pollution abatement facilities to meet Federal, State, and local standards already has been enacted, and many industries have expressed a willingness to tackle this problem.

A tax credit arrangement would enable them to immediately undertake the construction of the costly facilities without having to wait for the availability of funds from Government grants.

AIR AND WATER POLLUTION

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Iowa [Mr. SCHWENGEL] 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. SCHWENGEL. Mr. Speaker, for many years the Congress has been attempting to deal with the problem of air and water pollution. As a member of the Public Works Committee for 10 years, I have heard hours of testimony on the problem of water pollution and have heard a multitude of suggestions offered on how to deal with the problem.

In 1961 I supported the water pollution abatement legislation passed during the 87th Congress. However, I pointed out at that time that it seemed to me that more research was needed on how to deal with the problem more effectively and efficiently. I believe that this is still a major problem in control. However, some techniques have been developed and we can start on the awesome task of trying to keep our air clean and to free our rivers and streams from pollution.

For this reason I am joining today with a number of my colleagues in the House in introducing legislation aimed at creating a favorable atmosphere for those who want to join the fight against pollution. Under the legislation I am introducing, a taxpayer would receive a tax credit for undertaking a construction program for air and water pollution abatement facilities. To qualify for the 20-percent tax credit allowable under the provisions of the bill, the facilities to be constructed would have to meet the standards set by appropriate State agencies. This would insure that quality control facilities would be constructed.

The legislation being introduced today will give business and industry an incentive to get into the fight against water and air pollution. The program presented here today, if adopted, would mean that pollution control could take place without a massive program of Federal grants, and therefore could eliminate the costly administration of yet another Federal program.

As I stated earlier, more research in the field of water and air pollution control is needed. New standards must be developed. More efficient methods of pollution control must be found, and with the cooperation of government at all levels and industry, they can be found. I am exploring this possibility and hope to introduce legislation of this

kind to provide for this kind of cooperative effort.

MEDICAL HISTORY MADE AT THE ST. BARNABAS MEDICAL CENTER

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentlewoman from New Jersey [Mrs. DWYER] may extend her 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.

Mrs. DWYER. Mr. Speaker, it is a matter of considerable pride to me that one of the most advanced medical centers in the world is situated in the congressional district which I represent. The St. Barnabas Medical Center in Livingston, N.J., is a monument to progress, to humanity, and to the healing arts, and it was a deeply impressive experience for me to visit this great institution for the first time less than 2 weeks ago.

Only a few days before my visit, doctors at the center made medical history by using two of the latest medical techniques in conjunction—cryosurgery and hyperbaric medicine—to perform a prostate operation on an 80-year-old patient who might not have survived conventional surgery.

A description of this event was published in the January 19 issue of the West Essex Tribune of Livingston and I include the article at the end of my remarks for the information of our colleagues.

To a great extent, Mr. Speaker, the St. Barnabas Medical Center is a product of the vision and tireless effort of one of this House's most distinguished former Members, the Honorable Robert W. Kean, of Livingston, who served so long and so brilliantly on the Committee on Ways and Means.

As a result of last year's realinement of New Jersey's congressional districts, it is now my privilege to represent Congressman Kean. And it was in his capacity as chairman of the board of St. Barnabas that my notable constituent escorted me throughout this remarkable facility together with his associate, Mr. Anthony Scala, president of the medical center and also a guiding force in bringing it into reality.

As the following news story will illustrate in one particular area, the St. Barnabas Medical Center is unsurpassed in the breadth and scope of its medical and research services, its superior facilities and equipment, and in the significance of the work being done by its staff on the frontiers of medical science.

The article follows:

FIRST OPERATION IN HYPERBARIC CHAMBER AT ST. BARNABAS COMBINED WITH CRYOSURGERY; OPERATION SUCCESSFUL

Physicians at Saint Barnabas Medical Center made medical history on Friday when they combined the two latest medical techniques to perform a prostate operation on an eighty year old patient who they felt would not survive conventional surgery. The procedure marked the first time anywhere that cryosurgery had been used in conjunction with hyperbaric medicine.

The patient, a resident of Freehold, was suffering from an enlarged prostate, but because of his age and past medical history, physicians were skeptical about using conventional surgical means to remove the gland. It was decided that by using cryosurgery, which is the removal of body tissue by freezing rather than by cutting, the risk could be greatly reduced.

However, physicians also were skeptical about how the operation might affect the cardiovascular system of the patient in view of the fact that he had recently suffered four heart attacks. Because of this it was decided that the operation would take place in the new Hyperbaric Medicine and Research Facility at Saint Barnabas. Hyperbaric medicine is the use of high pressure oxygen either to treat a patient or to aid in a procedure. In this case it was used to decrease the risk involved in the surgery. By performing the operation in the chamber no effort was placed on the cardiovascular and neuromuscular systems which were fully nourished with oxygen at all times. It marked the first time that the newly completed surgical chamber at Saint Barnabas had been used, although the medical chamber, which is a twin to the one used for surgery, is being used extensively.

By combining these two procedures, the risk involved in performing the operation on Frank Krystoff, Jr. of Freehold was greatly reduced. The team of physicians involved in the procedure included Dr. Ward A. Soanes of Buffalo, a consultant in urology at Saint Barnabas, Dr. Robert Lieb, attending physician in urology at Saint Barnabas, Dr. Joseph A. Cox, chief of anesthesiology at the Medical Center, Dr. Charles Abbott, director of Hyperbaric Medicine Department at Saint Barnabas, and Dr. Thomas Libby, coordinator of the Hyperbaric Medicine Team. The entire procedure, which took place under 30 pounds per square inch of pressure, or two atmospheres more than sea level, lasted only 23 minutes and the patient's condition is now listed as "good" by Medical Center officials.

In announcing the procedure Anthony Scala, president of the Medical Center, who assisted in the chamber by handling the technical equipment used for cryosurgery, said, "We at Saint Barnabas are justly proud of what has been accomplished here. It represents a breakthrough in medicine and the public can be assured that we will continue our work both in hyperbaric medicine and cryosurgery."

A MEANS TO HALT WATER AND AIR POLLUTION

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Wisconsin [Mr. STEIGER] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. STEIGER of Wisconsin. Mr. Speaker, it is my pleasure today to join with a number of my colleagues in introducing legislation designed to help combat air and water pollution.

We are all aware that the pollution of our air and water is not a new problem. In the 1940's and early 1950's, people laughed and joked about the smoke in Pittsburgh and smog in Los Angeles. Mr. Speaker, no one laughs anymore.

And during that same period, there were claims that we should not worry about the silt and waste being pumped into our waters because nature would take care of it, after all, streams are self-cleaning in the sense that bacteria in them break down wastes. Nature used to be able to do its job, Mr. Speaker. Fifty years ago the system worked well. A recent presentation by the League of Women Voters, called "It's Your Decision—Clean Water," explained the reasons this system no longer works. The presentation noted:

Now if the laws of nature worked so well in 1900 why don't they work today? The answer is: they do. Nature hasn't changed, but we have.

Our answer number one is people—three times as many people.

We have given up the simple life for higher standards of prosperity. Instead of the 1900 average of five gallons of water used in the home per person per day, it is now estimated we use an average of 50 gallons of water per person per day and 150 gallons if we include both domestic and municipal services from 1500 to 2000 gallons per person per day to supply us with the products of agriculture and industry.

Which brings us to answer Number 3—products. Few people realize the amount of water required for all the products of this highly complex society.

During the last 20 years we have created six times as much pollution for each individual in the nation. Raw sewage, industrial wastes, drainage from farmlands, all the side effects of more people, more prosperity and more products.

Mr. Speaker, I think this clearly points out the problem we face. Nature can no longer do the job for us. We must provide a better answer in order to insure both clean air and clean water. In some areas this problem is reaching crisis proportions.

The State of Wisconsin today has one of the most farsighted and toughest water pollution laws in the United States. Wisconsin has been a leader in the fight for clean water. We must, however, as a nation, increase our efforts to arrest environmental contamination.

The bill my colleagues and I have introduced today is designed to aid nature. It is designed to provide incentive to the genius of private enterprise to do the job. This legislation will encourage industry to act promptly in building facilities to control water and air pollution by providing a 20-percent investment tax credit for the installation of control equipment. I trust this Congress will consider very carefully this much-needed legislation.

HOUSE SELECT COMMITTEE ON EXPORT CONTROL

Mr. DICKINSON. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. EDWARDS] 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. EDWARDS of Alabama. Mr. Speaker, I am introducing today a House resolution providing for the reestablishment of the House Select Committee on Export Control.

The function of this select committee would be to conduct a full investigation of the operations of the Export Control Act of 1949.

A study of this kind is essential in view of the complex issues which face us with regard to U.S. trade with Communist countries. It is needed because of the proposals which have been made by the President and because of actions already taken by the executive branch in the direction of expanded trade with these Communist nations.

Article I, section 8, of the Constitution states:

> The Congress shall have power . . . to regulate commerce with foreign nations.

In 1949 the Congress passed the Export Control Act on the basis of its constitutional authority. The objective was to help "regulate" U.S. commerce with nations in cases where our national interests might be adversely affected.

But today Congress has no effective committee with the responsibility and equipment needed to ascertain whether provisions of the Export Control Act are actually in force, or whether new legislation is now needed.

My resolution would fill the gap, and would give us the tool we need to handle our responsibility in this important issue.

Mr. Speaker, I recognize that in some circles the Constitution is considered as an outdated document which is not adequate for a changing world. Further than that, there are those who feel that Congress itself is only a quaint and interesting institution, valued more as a tourist attraction than as one of the three coequal branches of the Federal Government.

Of course I do not subscribe to these notions. But I do believe that we had better heed the Constitution until we devise something better, or prepare to give up the whole idea of representative government.

And I believe that Congress has an obligation to accept and to fulfill its consitutional responsibility in vital matters of national policy.

The question of East-West trade is one of these matters of national policy. The President has proposed that we expand this trade. Actions of the executive branch have already been taken to expand U.S. trade with Communist nations.

It may be that these actions, those taken and those proposed, are indeed in our national interest. I rather doubt it; but at any rate, Congress has not informed itself adequately on the issue. It is time that we learn more about it.

Observations of recent events indicate serious contradictions in any U.S. eagerness to expand East-West trade. These contradictions cry out for explanation.

For example, our Government has imposed a blockade on trade with Cuba. We ask other nations to refrain from trading with Cuba because Cuba's Communist government is unfriendly to us.

Just a few days ago the United Kingdom agreed to grant 5 years' credit to Cuba to be used for the construction of a $39 million fertilizer plant by a British firm.

In 1964 a British firm was allowed by its Government to sell $22 million worth of buses to Cuba. In 1965 British exports to Cuba amounted to $70 million. In the first 9 months of 1966 they totalled nearly $19 million.

Our State Department apparently has raised objections, publicly or privately, with the United Kingdom regarding this trade.

But how can we do this when we ourselves are now evidently engaged in expanding trade with Russia and other Communist countries?

An even more basic contradiction presents itself when we ascertain the positions of the U.S.S.R. and this country with respect to each other.

President Johnson speaks of "building bridges" and we continually hear of the need for additional U.S. gestures of good will as a means of breaking down the deep and longstanding suspicion which the Kremlin is said to harbor against the United States.

For more than 20 years now, ever since the American armies of World War II took deliberate action to allow the Russian army to capture Berlin ahead of us, we have been told of the need for gestures of good will.

In October of last year our Government decided to drop restrictions on the export of many kinds of goods to Russia. And while the official announcement stressed that the goods included things like food and medicine, the list also included jet airplane engines, diesel engines, machine tools, and various chemical and scientific instruments.

At the same time it was announced that the Export-Import Bank, supported primarily by the United States, would finance exports of U.S. automobile machinery with which to equip a huge automobile plant in Russia.

And while this is going on the whole world knows that Russia and other Communist nations are supplying military equipment to North Vietnam for use against American soldiers in South Vietnam.

The Communists make no secret of this. In fact they boast of it in their newspapers and on their worldwide radio broadcasts. They vow to support Hanoi against the "American imperialists."

We are even persuaded that we must not make trouble for the Communists in the Haiphong Harbor, through which North Vietnam imports much of its material, because if we do we might damage some of the Russian ships unloading military supplies there.

It is well known by every schoolboy that international communism has long been able to use world commerce as a major weapon in its arsenal.

If there is any evidence that the U.S.S.R. has changed its course, has modified its objectives centered around the triumph of communism over capitalism, then let us hear about it.

If there is any evidence that Russia has abandoned its trade offensive, including a very significant buildup of her merchant shipping strength, then let us hear of it.

The evidence most of us have, shows the opposite: that Russia is stepping up her emphasis on international trade as a means of "burying us".

Many of us feel that for every "bridge" we try to build with the Communist world, Russia will ask for and get two more agreements giving her favorable trade with the United States. History shows that this is what has happened.

The need for congressional study in this matter is further highlighted by what apparently is evasiveness of the executive branch in letting the country know what is going on.

As others have pointed out, the Commerce Department said in October that in deciding to relax export restrictions to Communist countries consultation had been made with the intelligence community. But investigation has shown that no such consultation had in fact been undertaken.

These are all matters that need clarification. They need congressional attention at an early date. A Select Committee on Export Control did function in the House during the 87th Congress.

I urge the Congress to give full consideration to the need for reestablishment of the House Select Committee on Export Control as a means of accepting the congressional responsibility as provided expressly in the Constitution.

The time is late, and must not be allowed to become too late.

THE 1968 BUDGET

The SPEAKER pro tempore (Mr. ZABLOCKI). Under previous order of the House, the gentleman from North Carolina [Mr. JONAS] is recognized for 60 minutes.

Mr. JONAS. Mr. Speaker, the President's current budget now under consideration, which came up to the House a week ago yesterday, projects a deficit in fiscal year 1968 of $8.1 billion; but the distinguished gentleman from Texas [Mr. MAHON], the chairman of the House Committee on Appropriations, in a speech here a week ago today, said that this low projection is based upon a number of assumptions and contingencies, all of which will have to be met if the deficit is to remain under $18 billion next year.

Among those assumptions is that the level of economic activity will continue high in order to produce substantially higher funds from individual income taxes. Right at this point I might remind the House today that the projection of receipts from corporate income taxes next year is substantially lower than this year. This result follows by reason of the gimmick brought into play last year by the Administration in requiring the acceleration of corporate income tax payments. That was a one-shot proposition, as many of us pointed out at the time, and the results will be felt next year when receipts from corporate income taxes will be lower than they are this year.

There are several other contingencies involved. Many of them require legislative action which Congress on previous occasions has declined to approve. Another contingency is that Congress will

raise first-class postal rates by 20 percent. It is also contingent on the imposition of a 6 percent surcharge on corporate and income taxes as the President recommends. It is also contingent on the Government being able to dispose of around $5 billion in participation certificates.

This use of participation certificates is a real interesting little device by which the level of expenditures by Government agencies is pretended to be held down. The amount of funds received by an agency as a result of the sale of PC's can be counted as a reduction of expenditures rather than a receipt by virtue of the peculiar way in which the books are kept around here. Of course, these certificates cannot be sold on the open market for their face value, because the interest return is less than an investor can get on his investments elsewhere.

So, Mr. Speaker, in order to induce an investor to buy one of these certificates, the Government has to subsidize the interest. Therefore, Congress, this year, will be requested to provide, out of the General Treasury, a subsidy of x number of dollars, depending upon how many of the certificates are disposed of in order to bring the level of return on these certificates up to the level at which an investor would invest his money therein.

Of course, Mr. Speaker, this is alleged to be a sale. But, it is not a sale. It is simply a clever way of borrowing money without having it added to the national debt. The title to the mortgages will be retained by the Government; the Government will continue to service the loans and will guarantee the repayment of the sums advanced by the purchasers of the participating certificates.

Mr. Speaker, the Attorney General has ruled that these obligations are similar to general obligations of the Federal Government. Therefore, the $5 billion, if we sell that many next year, should be added to the national debt, but will not be. This is just a convenient way of borrowing money for additional spending without having it reflected in the national debt. But, Mr. Speaker, that is one of the contingencies, and there are some others.

Mr. Speaker, unless all these contingencies are met and unless all of the assumptions stand up, as the gentleman from Texas pointed out, the deficit next year might well be $18 billion.

Now, Mr. Speaker, a man from Mars who might be visiting this continent would think we are all off—if he should examine this budget. As a matter of fact, it takes a magician to figure out what the budget contemplates in the way of spending next year, because there are five separate sets of figures in the budget showing different levels of spending.

One set of figures is used in the administrative budget. It covers only estimated receipts and proposed expenditures of funds owned by the Government. It is shown on table 1 of page 41 of the budget and lists estimated receipts for 1968 at $126.9 billion and expenditures at $135 billion—for a deficit of $8.1 billion.

Another set of figures is used in the consolidated cash budget. It is shown on table 2 of page 41 of the budget and records the flow of money between the Government and the public on a cash basis, including trust fund transactions. It lists estimated receipts from the public at $168.1 billion during 1968 and projected payments to the public at $272.4 billion—for a deficit of $4.3 billion.

The third set of figures is used in the national income accounts budget. It is shown on table 3 of page 43 of the budget and includes actual cash receipts and expenditures plus accruals but excludes loans and receipts from the sale of loans. Estimated receipts for 1968 are listed in this table at $167.1 billion and expenditures at $169.2 billion—for a deficit of $2.1 billion.

The fourth set of figures is used to show gross expenditures of Government-administered funds. It appears on table B–9 on page 413 of the budget, and shows that gross expenditures on a checks-issued basis will in 1968 reach the fantastic total of $210.2 billion.

The fifth set of figures is used to show new obligational authority requested of Congress. The amount requested is shown on tables 4 and 5 on pages 44 and 45 of the budget. These tables show that the President is requesting $144 billion in new obligational authority. This means that he is requesting Congress to appropriate that much additional money for fiscal year 1968. The request this year is for $17.5 billion more than was requested in the original budget submission for fiscal year 1966.

It is this $144 billion in new obligational authority which the House Committee on Appropriations will be considering in hearings this spring. What Congress appropriates for fiscal year 1968 will not control the level of spending in 1968 or even thereafter because while some of whatever is appropriated will be spent in 1968 some will be retained for spending in subsequent years. But of one thing we all can be sure, the President does not have a dime to spend that Congress does not first authorize and later appropriate—so whatever amount of the $144 billion in requested new obligational authority is denied—can never be spent because it will not be available.

It must not be forgotten that, while the President is only asking Congress to appropriate new money in the amount of $144 billion next year, expenditures are projected at $210 billion in the gross expenditures budget, at $172.4 billion in the cash budget, at $169.2 billion in the national income accounts budget, and at $135 billion in the administrative budget.

The funds that will be spent next year, in addition to those appropriated in new obligational authority, will come out of a backlog of $125 billion in previously appropriated but unspent funds. The budget estimates that, at the end of fiscal year 1968, this pool of unspent funds will amount to $132.8 billion, and this money, of course, will be available for expenditures in 1969 and beyond.

But some of the money in this pool, while unspent, will already have been obligated by the time we come to the end of 1968, but not all of it. The balances of obligated authority by agency are shown in table 10 of page 51 of the budget and show, for example, that $9.5 billion will remain unobligated at the end of 1968 in funds appropriated to the President, that $2.5 billion will remain unobligated in the Department of Agriculture, and that $8.6 billion will remain unobligated in other independent agencies not listed in the table. The total of unobligated funds to be on hand in the executive branch of the Government at the end of 1968 will be $49.5 billion as will be shown in table 10.

While it is understood that some lead-time is necessary, particularly in areas such as construction, research and development, and the procurement of material requiring manufacture, it seems to me that the Committee on Appropriations has a clear duty to make a close and searching examination of the need to maintain these huge unobligated sums of money. It is possible that this examination will disclose a clear necessity to carry over this $50 billion into 1969 but at the same time it is possible that a close and careful examination will disclose that all of it is not so required. And for any part of these unobligated funds that we can pry loose for use in 1968, we can reduce the request for new obligational authority by that same amount. The job of making this examination will fall on each subcommittee and for whatever it may be worth I strongly recommend aggressive action in this area because I believe an extra effort will bear fruit and enhance our opportunity to make substantial cuts in the requests for new obligational authority—new appropriations.

Mr. RHODES of Arizona. Mr. Speaker, will the gentleman yield?

Mr. JONAS. I yield to the gentleman.

Mr. RHODES of Arizona. I thank the gentleman from North Carolina for the very fine and thorough statement that he is making concerning this budget.

I would like to ask the gentleman this question apropos of the subject he has just dealt with, the subject of unobligated balances.

Is it not a rather strange phenomenon that the House of Representatives and the Senate, that is the Congress of the United States, cannot under the rules of the House at least repeal an appropriation or unappropriate funds that have been appropriated? It has always seemed to me to be singularly unwise for such a situation to exist.

We know that in past years funds have been appropriated for purposes that are no longer valid and I, for one, have suggested, and I know that other Members have, that when we consider revising the rules of the House and reorganizing the House as we sometimes do, that we ought to deal with this situation and make it possible for the House today to repeal or to rescind an unwise appropriation, which appropriation had been made in

years past; or perhaps in the case of an appropriation which was wise when it was made but as to which the purpose originally existing is no longer in existence or may be invalid as of today.

Mr. JONAS. I agree with the gentleman. About the only way we can attack that problem is to take into consideration, in granting new obligational authority for specific agencies, if there are any strings tied to the funds they wish to carry over.

While we are on the subject of unobligated balances, just to give you an idea where some of this money will be: $9½ billion is in funds appropriated to the President—not to the Department of Defense and not to any other Department—but foreign aid and other funds appropriated to the President. That is $9½ billion; $2,500 million will be in the Department of Agriculture; $8.6 billion will remain in other independent agencies lumped together in the table and not identified by the specific agency.

I think the job of examining these unobligated balances is one that should come to the attention of the subcommittee members who will be considering this budget.

CIVILIAN EMPLOYMENT IN THE EXECUTIVE BRANCH

There are several other areas in which substantial savings can be made. One is in the field of civilian employment in the executive branch, which has been growing by leaps and bounds under this administration. Table 4 on page 53 of the budget document shows this growth trend in jobs:

1966	2,366,317
1967	2,546,500
1968 (budget estimate)	2,615,000

As recently as a year ago last December, the President announced at the Texas White House an administration plan to eliminate at least 25,000 Government jobs. The record shows that the results did not live up to the advance billing.

At the time this plan was announced there were 1,947,066 permanent civilian employees of the Government, of which number 791,292 were engaged in defense work. But by June 30, 1966, civilian employment had climbed to 2,366,317 of which 1,052,998 were in the Defense Department. While this substantial increase was taking place in the Defense Department, no doubt attributable to escalation of the war in Vietnam, you would think civilian agencies would be redoubling their efforts to comply with the President's directive to reduce employment by 1 percent. But that was not the case. Instead of showing any decrease, nondefense employment increased by 157,545 employees or 13.6 percent.

The President currently anticipates that permanent civilian employment will total 2,546,500 at the end of June, of which nondefense jobs will total 1,366,000 or a further increase of 52,681 jobs in nondefense activities.

And the budget projects a full-time employment total of 2,615,000 at June 30, 1968, of which 1,410,000 will be in nondefense areas. This is a further increase of 44,100 nondefense employees planned for fiscal year 1968.

To recapitulate, notwithstanding the President's announcement of December 1, 1965, of his plan to reduce civilian employment by 25,000, here is what has happened:

	Increases in employment		
	Total	Defense	Nondefense
Dec. 1, 1965, to June 30, 1966	419,251	261,706	157,545
June 30, 1966, to June 30, 1967	180,183	127,502	52,681
June 30, 1967, to June 30, 1968	68,500	24,400	44,100
Total	667,934	413,608	254,326

As of June 30 last, the Civil Service Commission estimated the average Federal civilian employee's salary at $7,904. And this does not count the cost of fringe benefits, space and supplies necessary to keep one employee on board. On an annual basis, the salary cost alone for the 667,934 new employees added to the rolls since December 1, 1965—through June 30, 1968, as projected—will be $5.3 billion, and this does not even include collateral costs of providing work space, supplies, and for fringe benefits, and so forth. And this is a recurring cost as long as the jobs are filled.

The following table will show full-time jobs by agency for the years 1966, 1967, and 1968:

Full-time permanent civilian employment in the executive branch as of June

	1966 actual	1967 estimate	1968 estimate	Comparison	
				1967 with 1966	1968 with 1966
Agriculture	84,070	84,400	85,800	+330	+1,730
Commerce	25,133	25,100	26,800	−33	+1,667
Defense, civil	30,290	32,300	33,000	+2,010	+2,710
Health, Education, and Welfare	91,650	95,900	99,800	+4,250	+8,150
Housing and Urban Development	14,009	14,200	15,400	+191	+1,391
Interior	59,432	60,200	62,100	+768	+2,668
Justice	33,067	33,100	33,700	+33	+633
Labor	9,208	9,250	9,800	+42	+592
Post Office	489,898	525,000	539,300	+35,102	+49,402
State	24,572	25,000	25,400	+428	+828
Agency for International Development	14,892	16,800	17,500	+1,908	+2,608
Peace Corps	1,158	1,240	1,600	+82	+442
Transportation	52,924	53,850	55,800	+926	+2,876
Treasury	80,176	80,900	83,200	+724	+3,024
Atomic Energy Commission	6,974	7,010	7,200	+36	+226
General Services Administration	35,955	36,600	37,500	+645	+1,545
NASA	33,526	33,600	34,000	+74	+474
Veterans' Administration	147,634	149,300	154,200	+1,666	+6,566
Selective Service System	6,969	6,300	6,300	−669	−669
Small Business Administration	3,862	4,050	4,800	+188	+938
Tennessee Valley Authority	11,486	11,800	12,300	+314	+814
Panama Canal	14,129	14,600	14,900	+471	+771
U.S. Information Agency	11,516	11,900	12,000	+384	+484
Miscellaneous agencies	30,789	31,700	32,900	+911	+2,111
Allowance for contingencies		1,900	4,800	+1,900	+4,800
Subtotal	1,313,319	1,366,000	1 410,100	+52,682	+96,781
Department of Defense, military and military assistance	1,052,998	1,180,500	1,204,900	+127,502	+151,902
Total	2,366,317	2,546,500	2,615,000	+180,183	+248,683

The foregoing comments and the table refer only to full-time employment. The budget projects a total of 266,500 part-time employees in 1968 which, of course, will have to be added to the full-time employment shown above so the total number on the payroll in 1968 will be above 2,800,000.

I would invite your attention to a report and statement released to the press yesterday by the distinguished gentleman from Texas [Mr. MAHON], who is chairman of our House Committee on Appropriations, but who issued the statement in his capacity as chairman of the Joint Committee on Reduction of Nonessential Federal Expenditures. His report shows that civilian employment by the executive agencies of the Federal Government increased by 104,444 persons during the first 6 months of the current fiscal year.

Now some of these new jobs may be justified in agencies such as the Department of Defense, the Post Office Department, and perhaps the Internal Revenue Service; but I submit that when a President announces that he is going to reduce civilian employment by 1 percent and instead of a reduction there is the substantial increase noted above, I think the heads of the civilian agencies of the Government ought to be brought to task and made to justify in detail the need for these increases. I frankly doubt if a good case can be made to increase personnel in the Department of Agriculture and in some of the other purely civilian departments and agencies. So I recommend to the committee that here is a big field in which to explore for reductions. Remember that in 1968 we will be dealing with a total payroll of $23.3 billion. For every job we cut out there will be a corresponding saving of approximately $7,904 in salary alone. If we could eliminate 100,000 of the 254,000 jobs that have been created in nondefense areas since 1965, the saving would amount to nearly a billion dollars a year, and remember that this saving

will be on an annual basis and recur every year.

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

Mr. JONAS. I am glad to yield to the gentleman from Iowa.

Mr. KYL. Mr. Speaker, if the gentleman would permit, I would like to study for a moment another aspect of this budget-spending proposition in relation to the highway trust funds. The Secretary is directed to invest in short-term loans the money which is in the trust fund, and it is my understanding that at the present time about $1.1 billion has been borrowed from that fund.

Now, the President—and we would not want to doubt his intention—has asked for a rollback in the highway construction program as an economy coolant.

But is it not a fact that this $1.1 billion from the highway trust fund has been spent in reality, and that to replenish it, so the highway program can proceed at a normal speed, we would have to have an additional source of revenue for that $1.1 billion which has been borrowed, or else raise the debt ceiling to get to it? Is that not correct?

Mr. JONAS. I do not know any other way to do it, unless we just turn on the printing presses, which is about what we have been doing.

Mr. KYL. While the intention in collecting the highway construction program funds may be a perfectly legitimate motive, this does in fact hide some Government spending, does it not?

Mr. JONAS. That is quite correct.

I thought the gentleman was going to refer to another proposal of the President to divert out of the administration's budget the highway beautification and safety money and transfer that to the trust fund in 1968, but I would be glad to yield to the gentleman further if he wishes me to.

Mr. KYL. No, I thank the gentleman.

Mr. JONAS. Mr. Speaker, let me hurry along and move now to one other area which is deserving of very careful consideration. This is a broad area and not a specific project. Then I will have a recommendation to make about how I believe we can proceed through reductions in these specific areas to accomplish the objective of reducing the request for new obligational authority by a sufficient amount to obviate a tax increase.

OTHER OBJECTS

The next area is one we refer to in the budget hearings as "Other objects." In every agency justification there will be a table giving a breakdown of obligations by objects, including travel, transportation of things, printing, supplies, utilities, and so forth. There is no summary of these objects in the budget. For the last several years I have asked for such a summary and always receive it, but usually it comes in a month or two after the budget document has been submitted. I have asked for such a summary this year, but it will be delayed again. Based on the summary supplied last year, I predict that it will contain some shocking information and will open up another area for substantial budget cutting. For example, here are a few items taken from the summary provided last year:

	Billion
Personnel travel (civilian, $442 million)	$1.7
Transportation of things	3.8
Printing and reproductions	.305
Supplies and materials	28.5
Grants, subsidies, and contributions	20.9
Rents, communications, and utilities	2.4

Obviously cuts proposed in the area of "other objects" cannot be pinpointed until the individual justifications are received, but I believe the committee should give close and careful attention to these "other objects" because I believe that these large sums can be reduced substantially without damage.

GROWTH IN FEDERAL SPENDING

The last year we had a balanced budget and paid anything on the national debt—$1.2 billion—was 1960. Since then there has been a succession of deficits—red ink on the Government's books continuously. The impression is sought to be left that these deficits have been caused solely by the escalating war in Vietnam. That is not true as the following figures will show:

In fiscal year 1966 spending was up to $107 billion from the $76.5 billion level registered in 1960. The 1966 total was up to $10.5 billion over 1965 and of that total $7.5 billion was for defense while $3 billion was for nondefense purposes.

In fiscal year 1967 the latest spending estimate is $126.7 billion or $19.7 billion over 1966, of which $12.5 billion is attributable to defense and $7.2 billion to nondefense.

Proposed spending in fiscal year 1968 is estimated to increase still further to $135 billion—$8.3 billion for defense and $3 billion for nondefense.

Thus, unless Congress practices restraint and refuses to follow the administration's unsound fiscal policies, nondefense spending will have increased during the brief period of 3 years—1966, 1967, and 1968—by $13.2 billion—3 years in which we have seen a vast acceleration of the war in Vietnam.

Never before in the history of this great Nation when we were at war have we attempted to operate the Government on a "business as usual" basis. In World War II and in the Korean conflict, Presidents Roosevelt and Truman recognized the absolute necessity of curtailing nondefense spending and took prompt action to accomplish that goal.

Instead of following examples that served our country well, this administration continued full steam ahead and has increased nondefense spending substantially ever since the decision was made to escalate the war.

Instead of slowing down the rate of nondefense spending to balance the increasing costs of the war, the administration has adopted and is sponsoring a number of restrictive, unsound, and, in some cases, unfair policies designed to increase revenues to make it appear that the deficit is smaller than it really is:

First. It caused the suspension of the investment tax credit and accelerated depreciation provisions.

Second. It forced corporations to speed up their income tax payments and proposes another speedup this year to increase revenues $800 million this year.

Third. It inaugurated a policy of deliberate overwithholding of individual income taxes and forced taxpayers to be unwilling lenders of money to the Government and collect only by claiming and winning refunds.

Fourth. It now proposes to superimpose a 6-percent tax surcharge on corporate and individual income taxes.

Fifth. It proposes a 20-percent increase in first-class postage.

Sixth. It is cashing in on capital assets by selling participating certificates—pools of Government-owned mortgages and, instead of applying the proceeds to a reduction of the national debt as it should do, is using those proceeds for general operating expenses in order to hold down appropriations. And to add insult to injury, the administration is paying the purchasers of those participating certificates a cash subsidy to bring the yield up to a level to attract purchasers.

Seventh. And it is engaging in other questionable practices all designed to make it appear that we are spending less than is the case.

Despite the use of all these, and other gimmicks, and one-shot in the arm tactics, the deficits continue to mount and the more money that rolls in the higher the spending goes in both defense and nondefense activities.

Thus we have an administrative budget for 1968 which, although receipts in 1968 are estimated to be substantially higher than for 1967, the 1968 deficit is projected to be $8.3 billion which will be added to the national debt to take it up to $335 billion.

REDUCTIONS CAN BE MADE

In the light of the foregoing, it is imperative that the administration and the Congress tighten their nondefense spending belts to avoid the necessity for further tax increases and the chance of a recession. What then should be done? One very valid suggestion would be for the administration and Congress to immediately exert every effort to roll 1967 and 1968 nondefense spending, exclusive of interest, back to the $37,763 million level of fiscal 1966, which ended just 7 months ago. If such an effort were undertaken, it is reasonable to expect that one-half of the $6 billion spending increase in 1967 over 1966, or $3 billion, could be saved in the remaining months of the current year and all of the $7.3 billion increase in 1968 over 1966 could be saved. This effort could reduce planned and proposed spending in the 1967 and 1968 fiscal years by as much as $10 billion. And the only dislocation would be that resulting from rolling back nondefense spending levels to those in effect 7 months ago.

Despite repeated statements by the President, his advisers, and others that so very small a part of the budget is controllable, every dollar and cent which the Federal Establishment spends can be controlled by the administration and the Congress, acting in concert to set ceilings on spending and to suspend or stretch out civilian programs which

providence dictates we should do until the war is over.

The table which follows details in a broad functional outline Federal spending in fiscals 1960, 1966, 1967, and 1968. It is broken down to show expenditures for national defense, for interest, and for nondefense purposes:

Expenditures

[In millions of dollars]

	1960 actual	1966 actual	1967 estimate	1968 estimate
National defense:				
Military	41,215	54,409	66,950	72,300
Military assistance	1,609	968	1,000	800
Atomic energy and defense related activities	2,867	2,341	2,271	2,387
Total, national defense	45,691	57,718	70,222	75,487
Nondefense:				
International affairs and finance	3,195	4,191	4,608	4,797
Space research and technology	401	5,933	5,600	5,300
Agriculture and agricultural resources	3,475	3,307	3,035	3,173
Natural resources	1,798	3,120	3,226	3,518
Commerce and transportation	1,963	2,969	3,495	3,089
Housing and community development	122	347	890	1,023
Health, labor, and welfare	3,650	7,574	10,389	11,304
Education	866	2,834	3,304	2,816
Veterans benefits	5,266	5,023	6,394	6,124
General government	1,542	2,464	2,725	2,781
Total, nondefense	22,277	37,762	43,666	43,925
Interest	9,266	12,132	13,508	14,152
Civilian and military pay increase				1,000
Possible shortfall in asset sales				750
Contingencies			100	400
Interfund transactions	−694	−635	−766	−682
Total	76,539	106,978	126,729	135,033

CONTINUOUS DEFICITS AND MOUNTING DEBT MUST STOP

The budget estimates that the Government will wind up the current fiscal year on June 30, 1967, showing a deficit of $9.7 billion.

The budget projects the deficit next year at $8.1 billion.

This means that, at the end of fiscal year 1968, we will have permitted the U.S. Government for 8 successive years to spend more than it has taken in; that we have been operating in the red for 96 successive months; and that the accumulated deficit during that period will reach $48.3 billion.

The following table will show the annual deficit since 1960, which was the last year we balanced the Government's books and paid anything on the national debt:

[In billions]

	Deficit
1961	$3.9
1962	6.4
1963	6.3
1964	8.2
1965	3.4
1966	2.3
1967	9.7
1968	8.1
Total	48.3

Is it not ridiculous that during these years since 1960, which are alleged to have been the most prosperous in our country's history, the Government has run up a deficit in every single one of them?

Now, faced with a national debt of $330 billion, a record of six successive budget deficits, and the continuation of a costly war in Vietnam, what kind of fiscal discipline does the President propose? Does he issue a call to arms for economy? Does he urge harder work and more sacrifice? Does he ask that the country agree to defer some of the things it might want or even need but which can be postponed until our financial house is in order?

No, he does none of these things. He proposes to continue to spend and spend; to increase taxes and raise postage rates; and to borrow and borrow, thus adding to the already badly swollen national debt.

This would not be so bad if we had a modest debt, but it is quite serious when considered in the light of the fact that at present this debt is larger than the combined debts of the other countries of the world put together. We have already borrowed the money to make up the deficits accumulated in the last 6 years and now it is proposed to borrow more to make up the deficits projected for this year and next, so that at the end of 1968 it is estimated that the national debt will be $335.4 billion.

The carrying charges on this fantastic debt have gone up also from $9 billion a year in 1960 to $14 billion projected for 1968. Here we are paying out $14 billion a year just for the privilege of refusing to curtail this enormous debt, and adding to the debt each year and thereby increasing the interest charges.

Let me give you something to think about with respect to this interest. In just 23½ years we will pay out, in interest alone, an amount equal to the national debt but will still owe every dime of the principal. It has been figured out that if we would just begin to reduce the debt by 1 percent a year, in less than 30 years we would have paid the principal down to a sufficient point that we could continue to pay interest and curtail principal at 1 percent a year without paying out any more than we are now paying in interest alone.

Administration spokesmen like to relate the interest on the national debt to the gross national product. I do not think that is a realistic relationship and believe that interest should more properly be related to income. If you relate interest to income, you will find it is taking 11 cents out of every dollar received by the Government in individual, corporate, estate, and excise taxes, plus custom receipts, just to pay the interest on the national debt. This leaves only 89 cents out of each dollar to pay for national security and the various other programs of the Federal Government. You have to go all the way back to 1950 before this high ratio is exceeded, and it has been exceeded only 10 times during the last 46 years.

I believe it is time to call a halt to deficit financing. Let us refuse to increase this burden of debt. Let us demand that the Government begin to live within its means and stop borrowing more money to pay current bills. We owe this to our constituents and to future generations. Every generation should pay for its own mistakes and for its own benefits. Let us not leave our children a heritage of burdensome debt. We can do our part by reducing this current budget by a sufficient amount to bring it in balance and leave a surplus which can be used to reduce the national debt.

Mr. Speaker, it is not going to be easy to cut $4 or $5 billion out of this budget. It is never easy to do so. That is why service on the Committee on Appropriations is really a very frustrating experience. That is why I always wonder that so many of our newly elected Members want to serve on this committee. I said to one new Member just the other day, after he was placed on the committee, "We are mighty glad to have you on the committee and I look forward to working with you." But, I added, "If you got on this committee hoping to win friends to increase your popularity, you got on the wrong committee." He replied, "I did not come to Congress to increase my popularity." I said, "More power to you; congratulations."

Mr. Speaker, if all of us adopt that attitude and go to work on this budget in a realistic way, with the idea of striking a blow to preserve the fiscal integrity of our country and to protect it against the inflationary assaults that continually buffet it, and if we mean what we say when we say we are for economy, we can guide those who are not members of the Committee on Appropriations to areas in which we believe budget cuts can be made, cuts which can be made without sacrificing the security of this country to any degree whatsoever or without curtailing any essential services.

Mr. Speaker, the clerks of the Committee on Appropriations made a calculation which shows that during the last 14 years the House Committee on Appropriations has cut the budgets submitted by four Presidents by a total of more than $50 billion. All of it did not stand up, because the House did not follow the recommendations of its committee in every instance, and there is another body across the Capitol which has a right to have its say in the appropriations process. However, if the Congress of the United States had followed the recommendations of the House Committee on Appropriations over the years, the national debt would be $50 billion lower

than it is today and we would not be in the serious fiscal situation in which our country finds itself today.

Mr. Speaker, I shall insert into the RECORD as a part of my remarks tables that will contain some helpful information for those who take this issue to heart and who are concerned over our country's drift toward financial ruin. We can avoid that if we act now but it will demand a special and determined effort by all who believe in fiscal responsibility, sound money, and the payment of debts.

Cash budget

[In billions]

1966	
Receipts from public	$134.5
Payments to the public	137.8
Deficit	3.3
1967	
Receipts from public	154.7
Payments to the public	160.9
Deficit	6.2
1968	
Receipts from public	168.1
Payments to the public	172.4
Deficit	4.3
1966	
Defense	58.5
Nondefense	79.3
1967	
Defense	71.3
Nondefense	89.6
1968	
Defense	76.8
Nondefense	95.6

Defense up in 1968 over 1966: $18.3 billion.

Nondefense up in 1968 over 1966: $16.3 billion.

Defense up in 1968 over 1967: $5.5 billion.

Nondefense up in 1968 over 1967: $6 billion.

Administrative budget

[In billions]

1966	
Receipts	$104.7
Expenditures	107.0
Deficit	2.3
1967	
Receipts	117.0
Expenditures	126.7
Deficit	9.7
1968	
Receipts	126.9
Expenditures	135.0
Deficit	8.1
EXPENDITURES	
Defense (1966)	57.7
Nondefense (1966)	49.3
Defense (1967)	70.2
Nondefense (1967)	56.5
Defense (1968)	75.5
Nondefense (1968)	59.5

Defense expenditures up in 1968 over 1966: $17.8 billion.

Nondefense expenditures up in 1968 over 1966: $10.2 billion.

Defense up in 1968 over 1967: $5.3 billion.

Nondefense expenditures up in 1968 over 1967: $3.0 billion.

National income accounts budget

[In billions]

1966	
Receipts	$132.6
Expenditures	132.3
Surplus	.3
1967	
Receipts	149.8
Expenditures	153.6
Deficit	3.8
1968	
Receipts	167.1
Expenditures	169.2
Deficit	2.1
EXPENDITURES	
Defense (1966)	56.5
Nondefense (1966)	75.8
Defense (1967)	68.3
Nondefense (1967)	85.3
Defense (1968)	74.1
Nondefense (1968)	95.1

Defense up in 1968 over 1966: $17.6 billion.

Nondefense up in 1968 over 1966: $19.3 billion.

Defense up in 1968 over 1967: $5.8 billion.

Nondefense up in 1968 over 1967: $9.8 billion.

Gross expenditures of Government-administered funds

[In billions]

1966	$164.6
1967	192.1
1968	210.2
EXPENDITURES	
Defense (1966)	60.6
Nondefense (1966)	104.1
Defense (1967)	73.6
Nondefense (1967)	118.6
Defense (1968)	79.1
Nondefense (1968)	131.1

Defense up in 1968 over 1966: $18.5 billion.

Nondefense up in 1968 over 1966: $27 billion.

Defense up in 1968 over 1967: $5.5 billion.

Nondefense up in 1968 over 1967: $12.5 billion.

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

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

Mr. SHRIVER. Mr. Speaker, I want to commend the gentleman from North Carolina [Mr. JONAS] and my other distinguished colleagues who have worked so diligently on this initial study of the administration's budget for fiscal year 1968.

Two years ago Members of the minority, headed by my colleague from North Carolina, made a similar report on the budget which had been submitted to Congress by the President. At that time guidelines were recommended by the minority which are even more pertinent this year. They included the following evaluations:

First, is the request essential and should it be approved even though it must be financed out of borrowed money?

Second, is the request for something we can postpone until the budget is balanced and the national debt is reduced?

Mr. Speaker, this year we have been presented a record budget calling for $135 billion in Federal spending in 1968. Of that amount, over $75 billion is projected for defense expenditures.

The administration proposes to spend over $8 billion more in 1968 than in the current fiscal year, and coincidentally, the red-ink deficit is projected at the same amount as the increase in Government spending.

We soon will be asked to increase the Federal debt limit from the present $330 billion temporary ceiling. The American taxpayers will be putting up $14 billion next year just to pay the interest on the debt.

Since 1961 we have seen Federal deficits pile up in the amount of $40 billion.

If my mail is any indicator I believe the American people want to see prudence and economy practiced by the Federal Government, especially at a time when we are spending $2 billion a month to fight the war in Vietnam.

Each of us has a responsibility to support economies in Federal spending following the guidelines which I mentioned earlier. As the various subcommittees of the Committee on Appropriations begin their intensive examination of the budget proposals, we should look for the sacrifices and economies which seem to be dictated during these times of mounting defense costs.

We should ask the administration for justification and then make objective determinations of such requests as the following:

First. A $450 million increase in spending by the Office of Economic Opportunity.

Second. Increasing civilian employment by 68,500 with approximately 44,000 jobs in the nondefense areas.

Third. Extension and expansion of the Federal Teachers Corps.

Fourth. Continuing increase in welfare assistance payments.

We have in the past been successful in reducing the administration's budget requests without damaging the operations of the Federal Government. This budget can and should be cut.

Mr. JONAS. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. LIPSCOMB] may extend his remarks at this point in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LIPSCOMB. Mr. Speaker, year in and year out, in peacetime and in wartime, the defense budget is the largest and most complex departmental or agency budget before the Congress. The Defense Subcommittee holds extensive hearings because of the magnitude of the estimates involved. Fortunately, the Congress has had the wisdom to support defense authorizations and appropriations which have kept the United States militarily strong throughout the period of the cold war.

It is always difficult to cut funds which are said to provide the sustenance for our Nation's defenses. It is difficult in periods of cold war and it is extremely difficult

when we are fighting a hot war as we are today.

Nevertheless, the Department of Defense is the biggest business on earth and its sheer size would indicate that there are many areas in which savings can be made. We have found such areas in defense budgets in the past, and I am sure that we will find such areas in the fiscal year 1968 budget.

The regular annual defense estimates for fiscal year 1967, last year, were $57,664,353,000. The appropriation for fiscal year 1967 totaled $58,067,472,000, an increase of $403,119,000 which I will further discuss later. Obviously, the budget did not include adequate funding for the then escalating war in Vietnam. We are now confronted with a supplemental estimate of $12,275,870,000—including military construction items of $624,500,000—for southeast Asia, and will shortly have supplemental requests for pay increases and other items all together totaling about $590 million.

The regular annual estimates for 1968 are $71,554 million, an increase of about $1.245 billion above the appropriations for 1967, assuming Congress grants all of the proposed supplemental funds. Disregarding pending supplementals, we are asked to appropriate for 1968 about $13.487 billion above the appropriations to date for 1967.

Last year, the House Appropriations Committee recommended and the House voted a net increase of $947 million in the budget. We made some cuts which were offset by the increases. As I previously mentioned, the defense appropriations bill as ultimately enacted after Senate and conference action provided $403 million more than was requested.

This was due in part to the fact that the fiscal year 1967 budget submitted to the Congress was inadequate to properly fund the requirements of the war in Vietnam. For instance, there were 108,000 military personnel on active duty at the time the bill was reported to the House for whom no funds for pay and allowances had been requested. In order to keep faith with our colleagues and with our country, we recommended provision of an additional $569 million for their pay and allowances.

Other areas in which we felt that the budget was inadequate included airlift, the anti-ballistic-missile program, the size of the B-52 bomber force, and nuclear power for naval ships. We searched for and found areas in which reductions could be made and readjusted allocations between programs, but our revisions were more than offset by the budget's inadequacies.

This year, the fiscal year 1968 estimates before the Defense Subcommittee total $71.5 billion and ostensibly provide the funds required to fight the war in Vietnam and keep our Military Establishment strong otherwise. We cannot be certain at this time that this is entirely the case. At least the 1968 defense budget request appears to be more realistic and the "planned supplemental" approach which was followed last year appears to be less obvious.

The appropriations hearings will look into this carefully, as there were programs which the Congress recommended and funded last year, such as the more rapid development of an advanced manned strategic bomber, which were not fully implemented by the Defense Department and which may require additional congressional support in fiscal year 1968 if the country is to maintain a modern strategic bomber force.

One of the most significant military decisions to be made in this decade is whether or not to proceed with the deployment of an anti-ballistic-missile system. The Soviet Union is deploying such a system. The Congress provided funds in the amount of $168 million more than was requested last year for this program and these funds have not been used. The fiscal year 1968 budget carries $375 million for maintaining the option of initiating deployment of the system without making a commitment for deployment. We will have to look at this program closely and determine just what the real needs are in fiscal year 1968.

In the field of airlift, last year, the Congress resisted efforts of the administration to cut back the all-important military airlift. We insisted on keeping certain Air National Guard squadrons functioning in the belief that, in this day and time, the need for military airlift can arrive suddenly and overwhelmingly. This year, the budget proposes that the squadrons which we tried to keep active will be phased out and that other Reserve airlift squadrons will also be phased out. We may need to take very positive action in this area.

The Defense Appropriations Subcommittee has had investigators in the field this fall. We have every hope of finding, and will make every effort to find, areas in which budget requests for the Department of Defense can be reduced without hurting the war effort or the Nation's security.

The making of the budget in the executive branch and the appropriation process in the legislative branch are, in effect, a matter of allocating priorities to various programs. The Defense Subcommittee may discover and have to fund programs this year which we consider to be of high priority but which are not funded. We will make every effort to find any fat or any programs of low priority that the administration has budgeted, and the funds can be reallocated by the committee to higher priority programs. We did this last year and have done so in previous years.

Of course, we will have to examine the requirement for Vietnam very carefully and see that all the funds needed are provided. This is our first priority, but our second priority is economy and efficiency and saving of taxpayers' dollars.

I feel that we can do a good job in both of these areas and will do everything possible to cooperate with other members of the committee in seeing this come about.

PRESIDENTIAL PRAYER BREAKFAST

Mr. POLLOCK. 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 pro tempore. Is there objection to the request of the gentleman from Alaska?

There was no objection.

Mr. POLLOCK. Mr. Speaker, on February 2 of this year President Lyndon B. Johnson will host the annual Presidential prayer breakfast.

It is my distinct privilege to advise the Congress that the first order of business of the Alaska Legislature after organization this year was to unanimously pass House Concurrent Resolution 1 requesting the distinguished Governor of Alaska, Walter J. Hickel, to appoint State Representative Jack R. Simpson as Alaska's first official ambassador of good will to the Presidental prayer breakfast to be held on February 2, 1967, in Washington, D.C.

Accordingly, Governor Hickel has so appointed Mr. Simpson as the first ambassador of good will to the Presidental prayer breakfast.

I have had the good fortune of being acquainted with Representative Simpson for many years and to know his outstanding qualifications. He has been active in organizing many layman conferences of Christian leaders in Alaska, and has faithfully traveled to Washington for a number of years to attend the Presidential prayer breakfast.

It is my hope that other States may follow this new tradition adopted in Alaska by sending an official ambassador of good will to the Presidential prayer breakfast in future years.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks in the CONGRESSIONAL RECORD, together with extraneous matter including the provisions of Alaska House Resolution No. 1.

The SPEAKER pro tempore. Without objection, it is so ordered.

There was no objection.

ALASKA HOUSE CONCURRENT RESOLUTION NO. 1

(Relating to the appointment of an ambassador of good will from Alaska to the presidential prayer breakfast)

Be it resolved by the Legislature of the State of Alaska:

Whereas on February 2, 1967, President Lyndon B. Johnson will host the annual Presidential Prayer Breakfast in Washington, D.C.; and

Whereas representative dignitaries from all areas of the United States and the world as well as representative persons from government and industry will be in attendance; and

Whereas it would be most appropriate to have an official representative from the State of Alaska; and

Whereas Mr. Jack R. Simpson, a member of the Fifth State Legislature has attended the last several Presidential Prayer Breakfasts; and

Whereas Mr. Simpson is uniquely qualified to represent the State of Alaska in that he organized the weekly Anchorage Mayor's Breakfast and was the founder and first president of the United Churchmen Laymen's Conference; and

Whereas Mr. Simpson, as an executive of the International Christian Leadership will play a key role in hosting the world convention of the International Christian Leadership in Anchorage during 1967 which numerous international celebrities and distinguished international Christian leaders will attend;

Be it resolved, That the governor is respectfully requested to appoint Jack R. Simpson as Alaska's first official Ambassador of Good Will to the Presidential Prayer Breakfast to be held February 2, 1967 in Washington, D.C.

LEAVE TO EXTEND REMARKS

Mr. JONAS. Mr. Speaker, I ask unanimous consent that all Members who engaged in the colloquy on my special order today may revise and extend their remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

POLAND: THE MYTH OF THE INDEPENDENT SATELLITE

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Illinois [Mr. FINDLEY] is recognized for 60 minutes.

Mr. FINDLEY. Mr. Speaker, the U.S. proposal to relieve Poland of the need to pay in dollars an $18 million debt to this country brings into focus our relationship with Communist bloc countries. It raises disturbing questions over the trend of individual freedom and national independence in that area, and the influence U.S. foreign aid has had on that trend.

The current effort to ease Poland's monetary problems suggests that present U.S. policy is rooted in nothing more substantial than hopes for Polish liberalism which should have been set aside years ago as forlorn.

The time has come to face reality. Poland is more dependent on the Soviet Union and the Polish people have less individual freedom today than was true a decade ago.

Independence and liberalism in Soviet satellites—if Poland is typical of them—are myths. U.S. policies should be adjusted accordingly, and the adjustment should include an abrupt halt to financial aid which is not fully and clearly balanced by our own national interest.

During the upheavals of 1956—the Poznan riots in Poland in June, the Hungarian Revolution in October–November, and similar unrest throughout the East-European bloc—the West looked upon the seeming disintegration of the Communist alliance with renewed interest. Stalin was dead and Nikita Khrushchev's so-called secret speech denouncing the tyrannies of the one-time undisputed leader of all Communists unleashed a Pandora's box. No one was quite sure of the new direction that communism would take. It was argued that the unity of the bloc would never be the same—that each satellite country would go its own way, much as Yugoslavia's Tito seemed to be doing.

In Poland, Wladyslaw Gomulka, a man who spent over 5 years in various prisons on orders from Stalin, was elected the first secretary of the Communist Party—an evident anti-Stalinist move. Almost immediately he set out to "change" Poland and purge it of Stalin's era. He freed the jailed Polish church primate, Stefan Cardinal Wyszynski; amnestied most of the political prisoners; got rid of Soviet Marshal Rokossovsky, Poland's Defense Minister, and announced his willingness to discuss economic aid with the United States. In the agricultural sector, Gomulka also decollectivized the farms into private holdings. Press restrictions were eased and Poland was seen to move by leaps and bounds out of the Communist "orbit."

The Soviet area specialists of various foreign ministries and in our own State Department were quite pleased with these events. There was a movement afoot to give expression to this pleasure in a real and practical way with "aid." The U.S. Congress and the Executive were quite willing to offer significant assistance to the budding flower of Poland's independence from Soviet Union and the hegemony of international communism.

Believing that communism based on national aspirations, rather than visionary international Communist goals would move Gomulka closer to the West without threatening the basic American policy, we undertook a series of steps to help Poland from its serious economic, cumulative failures of the past. Our tacit quid quo pro understanding for such aid was, what we thought, continuation of Gomulka's apparent quest for decentralization of the political, economic, and social life in Poland—a move certainly in tune with our traditions. After all, it was the West that possesses the formula for human, dignified progress which would be to the benefit of all who sought to emulate our achievements—which every Communist leader envied.

For almost a year and a half, events in Poland were progressing toward that hoped-for ideal. Freedom of the press and assembly were partly restored. The ideas of liberalism and "Western image of freedom" was seen slowly emerging. American aid was gradually being increased and the boldness of the Polish populace appeared evermore natural.

Suddenly, the Gomulka regime was seen taking that one step back about which Lenin had written. All the decentralizing elements ceased progress. Stalinism, so it appeared to some, was lurking once again. And the trend is seen as continuing along the similar path—away from liberal, decentralizing direction toward "democratic centralism" as the political pundits describe.

In Poland freedom is in retreat, and Gomulka is still in power—more secure than before despite American aid amounting to over a half a billion dollars. Could it be that American aid worked in reverse, financing regression instead of advance?

Today the substantial gains made following Polish October have been mostly dissipated. The Government continually seeks to restrict the role of the Catholic Church in Polish society. Polish freedoms have been eroding rapidly. The intellectuals are under constant pressure by the state to conform to the original doctrines of the party.

The plain fact is that Poland is veering off from the West. Fearing a new Germany, and economically dependent on the Soviet Union, the Poles have found their unique kind of independence a luxury they can ill afford.

On one hand, Poland is engaged in a war by proxy with the United States as it subsidizes the National Liberation Front of South Vietnam and the Hanoi government at the expense of its own failing economy. On the other, Poland is periodically seeking more U.S. aid and hard currency credits. The more the United States aids and subsidizes the Gomulka regime in Poland, the stronger and more determined it becomes, and the more able to assist our enemies in Vietnam and generally work against our foreign policy objectives.

The basic premise under which the administration is willing to permit Poland to repay her current debt in zlotys rather than dollars is difficult to fathom. I believe that our foreign policy regarding Poland should be reconsidered. We should make it quite plain to the Poles that full payments will be expected in dollars. In this way we may provide the incentive for reforms through which the long-suppressed Polish freedoms will eventually be restored.

At a minimum, we will thus give them substantial reason to reconsider their policy of aiding our enemies in Vietnam.

THE POLISH MYTH

Vice President HUBERT HUMPHREY has said:

> There is a tendency in our country to get into a rather fixed and immobile position on policies even after they have ceased to serve the national interest. What we are really talking about, in other words, is what strategy, policy or tactics we should pursue in any country, or in any area of the world to promote our national interest.[1]

No words could more aptly describe our policy toward Poland. We have reached the point where the myth about Poland has become a dogma. Secretary Rusk declared:

> A good deal of the national autonomy and domestic liberalization which the Poles won in 1965 persist.[2]

Yet, statements and actions of the Polish government do not support the second statement. If anything they tend to buttress the sober estimate of former United States Ambassador to Poland, Joseph Beam, given just 2 years ago upon his departure from Warsaw. Said Ambassador Beam:

> The American policy of helping the Gomulka regime surmount its economic difficulties has not led to a more liberalizing evolution in Poland which could have been expected.

Present U.S. policy seems to say that since the Communists are here to stay, the local regime should. First, be made more independent of the Soviet Union; second, their rule should be made as truly democratic and dignified as possible; and, third, closer contacts with the West should be encouraged.[3]

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[1] Hubert Humphrey, CONGRESSIONAL RECORD, vol. 108, pt. 8, p. 10662.

[2] "Why We Treat Different Communist Governments Differently," March 16, 1964.

[3] *Current History*, March, 1965, Pg. 131.

Secretary of State Rusk has periodically articulated this policy by saying:

It is our policy to do what we can to encourage evolution in the Communist world toward national independence and open societies.[4]

I agree that it is in the best interests of the United States to contribute toward the further loosening of the ties linking Communist-ruled countries. The rebirth of national sentiment presents one of the most powerful threats to the uneasy balance of Communist rule in Eastern Europe.

However, it would appear from a practical point of view that Poland cannot be made more independent of the Soviet Union under Gomulka's leadership.

Throughout the long, drawn-out negotiations with Poland conducted in the new spirit of rapprochement since 1956, the only tangible evidence we have secured to date is an agreement signed in Washington in 1959 after 16½ months of negotiations. Under this Poland has agreed to compensate American citizens whose property was confiscated by the Communist regime. It provides for the sum of $40 million, less than 10 percent of the original value of confiscated property, over a period of 20 years. In return, the United States agreed to release all the assets of Polish nationals blocked since World War II.

The Poles are by nature strongly anti-Communist. Most Western commentators agree that Poland is one of the Eastern European countries most likely to cast off Communist Party domination were free elections held. For a brief time in October 1956 it even appeared that such an action might actually occur. That it did not is due to the political adroitness of Party Secretary Gomulka, who continues to rule Poland. The United States, I believe, is partly responsible for this situation by aiding his vacillating regime. We have not sought to exert enough influence on the Polish Reds to make them realize that a continuation of the liberalizing trend begun in 1956 was in their best interest. It would appear that our economic assistance has prevented, rather than promoted, a situation analogous to that which brought Gomulka to power in 1956.

Although it was made clear that the Communist form of government was to be the only one acceptable, it seemed that a significant change could have been forthcoming through the activity of the quasi-independent parties permitted after 1956. After Stephen Cardinal Wyszynski was released from prison, the Catholics were granted limited representation in the Sejm, and apparently a workable agreement was reached between the church and the state. Attempts by the regime to control the literary works of art were unsuccessful. The appearance of Morsek's highly political and impertinent book, "The Elephant," chastising the system, as well as plays and novels by Gombrowicz, an existentialist author, were viewed with curiosity—both in and out of Poland.

[4] "Why We Treat Different Communist Countries Differently," March 16, 1964.

Censorship of the press was scant. The journal, Po Prostu, went so far as to walk boldly along the brink of direct criticism of the Soviet Union.[5]

October 1956 also meant curbs on the secret police, the almost omnipotent arm of totalitarian regimes. But, that era seems to have taken a turn for the worse. Where before the principal policy issue was to see how many concessions might be extracted from Gomulka and Moscow, now the whittling process of those previous concessions has definitely become evident. At best, the confused and impatient Poles are hoping, and marking time. The liberal minds and the youth believe they are moving backward to keep pace with the Soviets. Poland has lost her old lead in hoping to liberalize the rest of satellite Europe. The enthusiasm of 1956–57 is dead. As the London Times of December 3, 1965, said:

What was once the hatchery of new ideas has turned into a graveyard of lost dreams.

The Times speculated that the saddest puzzle of East Europe is how Poland slipped away from her position as a pacemaker in political, cultural, and economic affairs. The main reason is perhaps our lack of concern when the centralist, Bolshevik tendencies were again reappearing.

The New York Times reported in April 1964:

There is an atmosphere of discontent that envelopes the country, compounded by annoyance of the rising prices, shortages of real wages, unemployment and increasing restrictions. An incident could generate a spark to set off a major explosion.[6]

These were the very conditions that brought a change in 1956. But because of Gomulka's retrenchment and an absence of U.S. pressure, no "incident" has generated a spark that could lead to disengagement. The present government representing itself as "heir" to the 1956 uprising has in fact been the opponent, and of late the outspoken foe of the progressive Polish faction within the Communist Party itself.[7]

Today life in Poland is difficult, drab, and without any evident prospect that it is about to improve substantially.[8]

The influence of the liberal group within the Communist Party, who held most of the top positions after 1956, has decreased considerably.[9]

The Communist guerrilla—partisans of World War II fame led by Strzelecki and Klizsko and their kind—are now very prominent in the Polish Ministeries of the Interior, Defense, Culture, Foreign Affairs, and Foreign Trade. The partisans, who were cooperating directly with the Red Army and always represented the hard line, have even managed to build up the secret police again. It now keeps tabs on interparty rivalry.[10] The degree to which the Gomulka faction and the partisans have increased their influence can best be demonstrated by the increasing membership on the Central Committee of the Communist Party. The following chart details the status of the major groups on the committee in 1959 and 1964.

	1959	1964
Gomulka faction	25	57
Pulewska faction	25	5
Former Socialists	11	8
Natolin faction	10	0
Revisionist faction	6	2
Partisan	0	14

The Gomulka faction and the partisans have more than doubled their ranks. In 1956, Gomulka and the revisionists supported each other but it was only a limited affair. Gomulka, an old revolutionary, had strong views about the controls he would exercise. The result has been a steady increase in the influence of the hardliners.[11]

While the 1956 changes were not interpreted as a Polish auschluss out of the Communist camp, the West did expect more from the strong-willed, practical Gomulka. His past record reveals that he was as liberal as he had to be to maintain his power. It is also evident that his leadership has continued to lose popular support since 1959. It was then that Gomulka returned to key positions individuals prominent as adherents of Stalinism.

POLAND'S UNAVAILABILITY TO THE WEST—TIES TO THE SOVIET UNION

It is an old axiom today that in the longrun the foreign policy of any country is determined less by ideological forces than by its geography and history. The striking feature of the current political scene in Poland is that while Communist ideology has failed to take firm roots among the Polish people, the Government's foreign policy on particular issues is endorsed by an increasing number of Poles.[12]

Poland's foreign policy has always been sensitive to her geographic position; sandwiched between an aggressive Germany and historically hostile Russia. Because of the superiority of German technology and organization, Germanization usually presents a far greater threat to Poland than Russification.[13] It is Germany which in the eyes of the Poles represents the arch enemy.[14] The memory of German occupation of Poland during World War II, when the Poles were literally threatened with national extermination at the hands of the Nazis, only intensifies their inclination.[15] Nor have the Poles forgotten that the West, France and Great Britain did not come to their aid during the Nazi invasion of 1939.[16]

Because Soviet policy regarding West Germany meets with the approval of virtually all Poles, and because the Polish regime has been able to obtain a modicum of independence of action, some degree of reconciliation between the Government and the society has occurred. But friction between the two continues.

Poland's main concerns have been in: West Germany's reemergence as an in-

[5] *New Leader*, May 11, 1964, Pg. 5.
[6] New York Times, April 18, 1964.
[7] *New Leader*, May 11, 1964, Pg. 4.
[8] New York Times, Feb. 6, 1966.
[9] *Swiss Review of World Affairs*, June, 1964.
[10] *Swiss Review of World Affairs*, June, 1964.
[11] New York Times, Feb. 6, 1966.
[12] Foreign Affairs, July, 1962, Pg. 635.
[13] Foreign Affairs, July, 1962, Pg. 640.
[14] Foreign Affairs, July, 1962, Pg. 640.
[15] Foreign Affairs, July, 1962, Pg. 640.
[16] Foreign Affairs, July, 1962, Pg. 641.

dependent state, revival of the German military force, persistent refusal on the part of the Bonn government to accept the Oder-Neisse border, and Germany's prominent role in the anti-Communist alliance. These make the Poles once again fearful of their Western neighbor. The indefinite postponement of recognition of the Oder-Neisse frontier by the Western Powers, made the Soviet support of crucial importance to Poland. Included in this area is the second greatest industrial region of East Europe. Its retention is needed if Poland is to be the industrial power she desires to become. The problem of holding these pre-German provinces overshadows the Polish-Soviet territorial disputes which, for practical political reasons, have gradually faded into the background.[17]

Poland's best national interest is seen as protecting herself from Germany, and retaining her Western provinces. Soviet Union has identical interests. Consequently, both benefit from continued present relationship. And, American national interest, it would appear, lies in maintaining the strength of West Germany.

Our attitude with regard to possible disengagement in Central Europe has been influenced—and wisely—by consideration for West Germany, our strongest and possibly the most faithful ally in Europe. For obvious reasons, West Germany is opposed to any relaxation in East-West relations. They fear that any "deal" between the United States and the Soviet Union would, in practice, mean the acceptance of the status quo, implying not only the acceptance of the division of Germany, but also recognition of the Oder-Neisse line. This is difficult for any German politician to accept. If the United States attempts a disengagement policy alone, it will alienate its strongest ally. And, there is no assurance that the various East European regimes would succeed in achieving independence from Moscow.

The Poles so far have little choice other than to cherish the present Soviet guarantee of their territorial interests.

U.S. abandonment of NATO's controversial MLF concept did not significantly improve our relations with Poland as had been anticipated.[18]

The United States should not relinquish its legitimate interests in West Germany for a limited degree of internal autonomy in Poland. The condition Poles ask, disengagement from central Europe, is too high a price. That the Polish myth, nevertheless persists may be attributed in large part to our national desire to see in Poland a weakening of Russian influence. Under present conditions, however, it is questionable whether Poland will go any further without direct American influence.

Economic dependence on the Soviet Union, fear of West Germany and her own military weakness make Poland very much a part of the Communist bloc.[19]

POLAND'S ECONOMIC DEPENDENCE ON THE SOVIET UNION

Poland's dependency on the Soviet Union would be hard to exaggerate. "A turn of two valves and a flip of a railway switch would halt the flow of vital oil, gas, and iron ore from Russia to Poland."[20]

Although direct political interference by the Soviet Union is not blatantly exposed, the Soviet ability to mold Polish policy remains. Based on the economic and strategic interests of the Poles, rigid conformity to Soviet dicta has disappeared. However, indirect control through economic pressures may well be a more efficacious technique for maintaining Soviet ascendancy.

The Soviets have been clever in seeking to influence the Poles. In 1965, Soviet Union canceled a $525 million Polish debt to ease Poland's losses stemming from shipments of coal. Any Polish flexibility must contend with two decades of Soviet economic dominance, and the extent to which that could be altered without considerable damage to Polish interest. The breadth and depth of Soviet economic impact might well be the major feature which, for the time being, offsets some of the recent political concessions and precludes substantially greater Polish economic independence.[21]

Several crucial factors militate against the possibility of Poland's greater economic self-assertion in the immediate future, ignoring for the moment Soviet political and strategic considerations. The Soviet economic involvement of the past has been profound. An obviously limiting factor upon Polish maneuverability is the nature of its industrialization. This has revolved around Soviet blueprints, equipment, and methods, completion of projects, and flow of replacements in accordance with initial technical specifications which depend upon continued Soviet cooperation. Of equal influence is the degree to which the Polish economy has been coordinated in CEMA among bloc countries.

Poland's largest trading partner was and is the Soviet Union. Last year the Soviets bought 32 percent of the goods exported from Poland and supplied it with 29 percent of all imported goods. Soviet Union is Poland's main supplier of industrial equipment. This is especially important, because, like most European Communist-ruled countries, Poland is spending a substantial part of her national income every year in a headlong rush to industrialize. In 1963, Poland ruled out any change in plans to alter the concentration on heavy industry in favor of consumer oriented economy. Without Soviet aid Poland would be helpless.

Since the creation of Polish Peoples Republic the U.S.S.R. has been and remains its biggest trade partner. For several years the share of trade with the Soviets has been about 30 percent, while trade with other Communist countries was 40 percent. During the period from 1950–55, Soviets were Poland's main suppliers of capital equipment, contributing to its 6-year plan. The Russians have also become the principal supplier of basic raw materials; iron ore, crude oil, nonferrous metals, and so forth. Between 1956 and 1960, trade with the Soviet Union increased by 44 percent, with imports raised by 48 percent and exports to 39 percent. In 1960 the U.S.S.R. exported 100 percent of Poland's crude oil need, 90 percent of its nickel minerals, 78 percent of iron ore, 74 percent of chromium ore, 75 percent of petroleum products, 73 percent of lumber, 65 percent of cotton, 68 percent of tin, 45 percent of zinc concentrates, and 47 percent of grain. In turn, Poland was able to substantially increase its exports of finished industrial goods, machinery, capital equipment, and transportation equipment, to the Soviets. A 5-year trade agreement for 1961–65 signed in March 1960 insured exports of raw materials and capital equipment to assure Poland a steady market for its export commodities.

An agreement on Soviet technical assistance to the Poles, to build large-scale industrial enterprises, was also signed. The Soviet Government newspaper, Izvestia, on March 11, 1960, stated:

> The agreements signed a further contribution to the deepening and expanding of economic cooperation between the USSR and Poland. They will facilitate better fulfillment of the national economic plans of both countries and hence will promote the strengthening of the economic power of the world socialist system.[22]

According to the long-term agreement, the volume of goods exchanged between the U.S.S.R. and Poland was to amount to approximately 22 million rubles between 1961 and 1965. This volume increased approximately 60 percent over the levels reached in the preceding 5 years. During that period, Soviets continued to deliver equipment for industrial enterprises already under construction and offered technical assistance in building certain other industrial enterprises. Poland in turn delivered to the Soviet Union 120 seagoing ships, 15,000 railroad tank cars, 1,750 railroad passenger coaches, equipment for sugar refineries, used factories, and certain other industrial enterprises, machine tools and cables, 23 million tons of coal, and 3 million tons of coke.

In 1962 Poland and the Soviet Union signed another trade protocol which represented an increase in growth of trade between the two countries. The Polish Foreign Trade Minister, Mr. Trampczynski, said that the Polish-Soviet agreement "will be of greater importance for Polish economic development."[23] This increase in the trade exchange of 1962 was a result of the further strengthening and widening of economic cooperation between Soviet Union and Poland.

In 1963, the trade protocol of the Soviet Union constituted a considerable increase in comparison with the trade turn-

[17] Foreign Affairs, July, 1964, Pg. 64.

[18] Current History, March, 1965, Pg. 182.

[19] Washington Star, July 15, 1966.

[20] Washington Star, July 15, 1966.

[21] The American Slavic and East European Review, article entitled "Soviet Economic Impact on Poland," by Stanley J. Zyzniewski, #2, Vol. 17, 1959, Pg. 5.

[22] The Current Digest of Soviet Press, Vol. 12, No. 10, April 4, 1960, Pg. 26.

[23] USSR International Affairs, Section of the daily foreign broadcast, March 21, 1962.

over established by the protocol for 1962.[24]

An announcement on January 8, 1965, on the signing of the Polish-Soviet Trade Protocol provided for a substantial increase in trade and for greater specialization of production in related industries.[25]

The trend in Soviet-Polish relations since the creation of the Polish Peoples Republic clearly indicates that Poland is economically dependent on the Soviet Union. Without the assistance of the U.S.S.R. Poland's goal as an industrial nation cannot be achieved unless it receives substantial assistance from the Western World. For obvious reasons this assistance to Communist countries would not be in our best national interest.

POLISH FOREIGN POLICY

Poland's foreign policy is not significantly different from that of the Soviet Union.[26]

Gomulka's foreign policy has followed Moscow's cues for many years. In June 1958 Gomulka strongly denounced Marshal Tito's cooperation with the West and expressed his approval of the execution of the Hungarian Premier Imre Nagy during the days of the revolt. From 1960, his accord with Russian policy has found an even more positive expression. By 1962, Gomulka could say that "never in history have relations between Poland and the U.S.S.R. been as close as now."

Information furnished the CIA in 1963 by important defectors from the Polish secret service revealed the alarming extent of Polish spying activities. The full scope of his testimony still has not been released, but it is known that five State Department officials and marines as signed to guard the U.S. Embassy in Warsaw were compromised by Polish women, agents of the Polish secret police.[27]

At the U.N. with the exception of the isolated case of Hungary where Poland voted to condemn Soviet suppression of the revolt, Gomulka's representative has not deviated from the position of the Soviets. There have been only a few occasions where the Polish delegates abstained from voting with the bloc. In the main Poland has not taken a public position opposite that taken by the Soviet Union.

POLAND AND VIETNAM

Nowhere is Polish adherence to the Soviet line more pronounced than on the issue of Vietnam. Poland is engaged in a war by proxy against the United States. It is giving moral and economic support to our enemies in Vietnam. Gomulka's reaction to U.S. activities in Vietnam is both vehement and vilifying. American action is daily portrayed in the Polish press and in other communication media. The government has openly accused the United States of genocide.[28]

Poland extends credit to North Vietnam for the enlargement of its railroad fabricating plants, building material plants, and gives expert advice in coal mining. On October 2, 1966, the North Vietnamese delegation in Warsaw signed an agreement providing new aid and additional credits for Hanoi. Among the Polish delegation negotiating for this aid was Gen. Marian Granewski, Deputy Chief of the General Staff. Since October 1958, Granewski has been a member of the State Council for Peaceful Uses of Atomic Energy, since late 1960 a member of the Committee on Technology, and since late 1963, Chief (Armed Forces) Inspector for Technology and Planning. Granewski's presence may have been indicative of the sort of aid North Vietnam is after from Poland.[29]

According to the New York Times of October 28, 1966, it was announced that Poland would give $30 million in credits to North Vietnam.

On October 18, 1966, Gomulka sent a letter to all Communist parties of the Soviet bloc calling for a joint conference on aid to North Vietnam. On October 5, 1966, Radio Warsaw announced that Poland was going to establish a permanent representative of the Nationalist Liberation Front of South Vietnam to cooperate with the All-Polish Front of National Unity.

On October 17, 1966, two Polish agreements were made to aid North Vietnam. The Deputy Premier of Poland Jaroszewics said "both civil and defense deliveries which contributed to repelling aggression in Vietnam." The North Vietnam press agency from Moscow reported on October 19, 1966, that the Polish agreements included the following:

First. Long-term, interest-free loans for 1967 from Poland to Vietnam;

Second. Nonrefundable economic assistance for 1967 from Poland to Vietnam;

Third. Polish training of North Vietnamese technicians and technical workers in Poland, and

Fourth. Goods exchange and payments in 1967.

Similar agreements as outlined above were made between Poland and North Vietnam on January 10, 1965, and June 12, 1965.

In addition, Polish ships regularly make runs to the Haiphong Harbor carrying supplies to sustain the economy of North Vietnam and to support the war machine of the Vietcong.

From all this one could conclude that Poland has significantly contributed to the American casualty list on the battlegrounds of Vietnam. Polish economic assistance only prolongs this conflict. American aid to Poland would seem to be offering the very vehicle through which Gomulka can offer his aid to the enemy we seek to stop. It is sheer folly to continue buttressing this type of self-defeat.

We should demand not only the full payment, in dollars, for credits we extended to Gomulka since 1957, but also a halt to any aid whatsoever unless and until Poland ceases its support of the Vietcong. After all, the $26 million due this year on the first installment is significant enough so that Mr. Gomulka would feel quite a pinch where it hurts him most—his need of hard currency.

POLAND EXPORTS COMMUNISM

A basic premise underlying U.S. policy toward Poland is that while it is a Communist country it is not engaged in subversive activity and accordingly is not a threat to the security of this country. In brief, Poland does not seek to export communism. However, Poland has extended economic credit totalling about $200 million to various underdeveloped countries of the free world since 1954. Most of this total consists of commitments made since 1958. Although Polish credits account for a small percentage of the economic credits and grants extended to the underdeveloped countries by the Sino-Soviet bloc, nevertheless, Poland is an instrument of Communist foreign policy.

Recipients of Polish credits for economic purposes were: Yugoslavia, Brazil, Iran, Indonesia, India, Tunisia, Guinea, and Ghana.

In addition, Poland has provided some military assistance in the past to Indonesia. Economic credits have generally been used to finance purchases and installations of Polish industrial and transport equipment. In a number of cases Polish technical assistance and services are a part of the grant. This means the presence of Polish citizens in these foreign countries. That foreign aid activity of Communist countries constitutes an excellent cover for subversive activities is well known. In India in 1960 Polish technical services were employed in connection with the establishment of $30 million dollars worth of industrial projects. Under the terms of the agreement, Indian specialists will undergo training in Polish industries preparatory to operating the plan.

These examples, occurring under the regime of Mr. Gomulka, are an evidence of Poland's willingness to use economic grants and credits to serve the Communist cause.

POLAND BARS U.S. RELATIONS

Credit sales agreement from June, 1957 to the present total over one-half billion dollars. These include surplus agricultural commodities, equipment and materials and medical supplies. It represents a substantial U.S. investment in Poland, but it is not the only one. In 1965, for instance, the U.S. bought $65 million worth of Polish products while selling Poland only $35 million, thus providing Poland with a $30 million favorable balance of trade.[30]

In addition, we spent over $15 million for a children's hospital in Cracow. In 1964, the U.S. supported Poland's application to participate in the "Kennedy round" negotiations at Geneva.[31]

One wonders whether our policy has served the cause of freedom or simply helped entrench authoritarian and inefficient regime. The answer appears to be directed toward the latter. Gomulka has indicated that Poland's trade was at a higher level with the West than he personally would like.[32] It is evident that

[24] Daily Foreign Broadcasts Digest, February 21, 1963.

[25] New York Times, January 9, 1965.

[26] East West Trade, The Background of U.S. Policy, by Nathaniel McKitterick, 20th Century Fund, 1966, Pg. 33.

[27] New Leader, May 11, 1964, Pg. 6.

[28] Poland, Czechoslovakia, Austria and Italy, by Rep. Clement Zablocki of the Committee on Foreign Affairs, 89th Congress, First Session, Pg. 15.

[29] RFE—Situation Report, October 6, 1966.

[30] Washington Post, July 15, 1966.

[31] New York Times, May 6, 1964.

[32] New York Times, November 27, 1962.

he fears his country's involvement with the West, although his need for hard currency is growing all the time.

The chief Polish advocate of rapprochement between East and West, Hochfeld, was removed from political power by Gomulka. The United States finds itself the largest foreign holder of zlotys, over $11 billion in all. Despite our lavish assistance, Gomulka has on more than one occasion said that Polish economic troubles could in part be ascribed to the Western World. Mr. Gomulka said in 1962:

> We turn our face too much toward the West, toward the highly developed capitalist countries. Almost thirty percent of our total trade turnover is done in capitalist markets. Experience shows how dangerous such a proportion is to our economy.

There are other indications of how the Polish Government has reacted against the United States—in April 1965, the Government-owned newspaper, Zycie Warsaw, accused the Warsaw correspondent of the New York Times, David Halderstam, of a "malicious presentation of Poland to readers."

LOSS OF POLITICAL FREEDOM IN POLAND

Party Secretary Gomulka looks at Poland from the eyes of a Communist conservative. While he may object to the terror associated with Stalinism, he believes thoroughly in centralized control of Poland and in top-down economic procedures.

Though the Poles today still enjoy a small measure of personal and cultural liberty, perhaps greater than any other inhabitants of the Communist world, recently even those have been seen eroding. This plus evidence of a tightening of policy in agriculture, education, military scrutiny, and economic planning indicates that at the time when some liberalization is being permitted by certain other Communist regimes, Gomulka pushes toward greater conformity.[33]

One indication of the loss of political freedom in Poland is that while, officially, strikes are allowed, they are promoted by the state trade unions subservient more and more to Gomulka's decrees.

Following an example set by the Soviets, Gomulka's courts carried out the first execution for "economic crimes" since Stalin's days, in March 1965.

Criticism of the regime can once again lead to a loss of job. After the protest letter from a group of Poland's most prominent intellectuals in 1964, 12 of the country's best-known writers and teachers were suspended from their posts.[34]

Another indication of the loss of political freedom in Poland has been an enlargement of the Communist Party candidates in the balloting for the parliament. In each election since Gomulka has returned to power the percentage of seats in the parliament held by the Communists has increased at the expense of the other members of the coalition.

The Communists have made substantial gains in local governing bodies. Today it is estimated that more than 50 percent of the local governing bodies' membership are held by Communists. The Communist Party runs Poland, but except for the top level of the government, it has been a minority rule, heavily dependent for local administration on the subservient United Peasants and Democratic Party, and on cooperating independent politicians. In many villages there are no Communist Party organizations at all. But the situation is changing. The shortage of Communist activities at the bottom of the pyramid became acute after the 1956 Poznan uprising. A 1958 purge of dissident members ordered by Gomulka cut more than 200,000 from the rolls. The party level in 1959, for example, was 300,000 below the 1956 level. In the 1958 provincial elections, the party was able to find only enough trustworthy Communists to fill an average of one seat in four on the local councils. A major rebuilding drive, not yet completed, was started in 1960 when a total of 167,000 new admissions into the party were granted. Since 1958, worker membership has been raised from 37 percent to near 40 percent, and peasant membership has risen to 12 percent. This indicates that Communist Party membership is on the rise in Poland, at the expense of the independent and non-Communist members of the coalition. The entire political situation in Poland seems to indicate that the Communist Party is moving in giant strides, back to the position of influence and power it had prior to October 1956.

LOSS OF RELIGIOUS FREEDOM IN POLAND

There is only one organization in Poland which can successfully compete with the regime for the allegiance of the population. This is the Roman Catholic Church. In order to eliminate any such potential threat, Gomulka has been employing a variety of means to destroy the prestige of the church and to transform it into a government-directed group.

For the past several years, gestures of accommodation toward the church have ceased. In 1958, the government interposed itself to collect "duty" on several million dollars worth of food stock given to the church for relief by Roman Catholic charity groups in the United States. Newsprint paper has been withheld from church-connected papers and journals. Instances of church censorship occurred with growing frequency. A policy of church taxation was instituted in the Catholic University of Lublin, subjected to crippling retroactive action. In 1960, permission to build a new Roman Catholic Church in the newly built industrial complex of Nova Huta was suddenly withdrawn, though it was previously granted.

Building permits for other new churches were similarly denied or withdrawn in what appeared to be a general policy of harassment. In 1961, religious instruction in schools, without state supervision, was prohibited. The new minister of religious education was formerly the director of the Polish Association of Atheists. There have been a number of assaults by the militia on church demonstrations and religious pilgrimages. Church-operated schools have been again closed down and school property seized. Following the trend, students in four important seminaries received orders to report for military duty. Pope Paul's special service in the Slavic Rite in November 1963 for the "church in silence" was a reminder to East European regimes that the situation was getting out of hand.[35]

It is inconceivable for Gomulka and the Cardinal to find a long-lasting area of cooperation—one or the other must eventually yield. Many of the party stalwarts are also good Catholics in Poland—which makes the situation that much more complicated. But Gomulka is determined to alienate the clergy from the masses by placing obstacles for training of new clerics and closing various religious institutions. As of now most of the parochial schools and minor seminaries have been closed. Similar fate has been met by most of the nurseries, private schools, nursing schools, and other institutions operated by religious orders. The government imposed exorbitant taxation and unreasonable limitations on the enrollment of students to maintain the opposing force at a minimum. Employees of religious institutions are dropped from social security rolls, deprived of medical and hospital benefits, retirement and disability pensions, and related privileges.

While the Catholic Church still possess sufficient following to be reckoned with, the Government is obviously endeavoring to change that situation.[36]

Thus the Communist regime church policy is one of unremitting attack in an attempt to remove its strongest competitor for the allegiance of the Polish people. The Government has even gone so far as to misrepresent the position of the church on the German question, inciting Polish Catholics against their German counterparts.[37]

Last year Poland celebrated its millennium as a Christian nation. Pope Paul VI was denied entry by the Polish Government to attend an open mass in Jasna Gora. The regime went to all extremes to cut attendance at this historic affair—sponsoring soccer matches nearby, warning taxicab drivers not to take fares to Czestochowa, and the like.[38]

The state travel agency, Orbis, refused to grant passports for travelers at the Polish border for the pilgrimage even at Polish Embassies in Western countries.

LOSS OF INTELLECTUAL FREEDOM

In one other major area the government has moved to impose its will over the years. It is quite evident that the Gomulka government has a distinctly anti-intellectual bias, which is to continue indefinitely.[39]

Freedom of the press that flowered briefly after 1956 has receded to dark corners once again. The ugly head of censorship is quite evident. Writer's commissions have been reduced and many papers forced to cease publica-

[33] Current History, March 1965, pg. 154.

[34] New York Times, April 16, 1964.

[35] New Leader, May 11, 1964, pg. 5.

[36] Report on Poland, Czechoslovakia, Austria and Italy made by the Honorable Clement Zablocki on the House Foreign Affairs Committee, June, 1965.

[37] For full background on the Polish Bishop's letter to the German Bishop and the government's misrepresentation see World Today, May, 1966, pg. 177.

[38] East Europe, June 1966, pg. 42.

[39] Progressive, May, 1964, pg. 29.

tion. There is a lot to write—but very little that would pass the censor's scissors.

Defeatism and apathy of the past are again submerging the isolated intellectuals. Open revolt seems out of the question.

To attempt to control this dissatisfied generation the Government is adroitly attempting to buy the support of the intellectual with rewards for works that comply with the cultural policy of the party. Payments ranging from 100 percent up to 250 percent of the honorarium are made to authors whose works are of "high ideological, artistic value." Special literary fellowships are offered to writers who have been previously published. Planning of awards is left to the Minister of Culture and Arts, which indicates that those who refuse to toe the line may not benefit.[40]

A dramatic demonstration against the suppression and press censorship occurred on March 14, 1964, when 34 of Poland's most prominent progressives signed a letter of protest to Premier Cyrankiewicz. Their letter said:

> Restrictions on the allocations of paper for the publication of books and periodicals and the tightening of censorship create a situation that threatens the development of our national culture. In recognition of the existence of public opinion, the right to criticism, the right of free discussion and honest information as a necessary element of progress, the undersigned, motivated by civic concern, demand that the Polish cultural policy be altered so as to conform to the rights guaranteed by the Constitution of the Polish state and conducive to national welfare.[41]

Among the signers, were: first, Leopold Infeld, Poland's most noted theoretical physicist, who worked with Albert Einstein; second, Prof. Todd Katarbinski, one of the country's leading philosophers and until 1963 head of the Polish Academy of Sciences; third, Antonio Slanimski, the nation's most noted poet; fourth, Adam Wazyk, author of the world-famous "Poems for Adults"; fifth, Maria Dabrawska, winner of the Polish state literary prize. The regime's reaction was swift. Almost half were banned from writing for the press or television and lost their passports for traveling abroad. Others had their works in print halted. The only national circulation Catholic newspaper had its allocation of paper permanently cut by 10,000 copies. A 72-year-old naturalized American citizen who returned to Poland to retire was convicted and sentenced to 3 years in prison for distributing false and slanderous material against the regime. He wrote a speech which criticized restrictions on cultural life then mailed a copy to his daughter in the United States.

Gomulka's security police exerted pressures on signators to induce them to withdraw their names. Most stood firm, accepting reprisals rather than yield. Gomulka's managed press noted afterward:

> We do not see a place for books and plays whose ideological and moral sense is directed against socialism.[42]

In February 1966, Polish writers Badowski, Gass, Smecho, Miller, Grezensziski, Mackiewicz, Czemley, and others were sentenced by the state court for anti-Communist views. Czemley was given a 3-year imprisonment with the loss of public and civil rights.

In December 1966, 13 intellectuals were expelled from the party after writing a letter to the Central Committee, criticizing it.

Six students critical of Poland's Communist government were suspended from classes and faced possible expulsion from Warsaw University.[43] Two cultural weeklies, Przeglad Kulturalny and Nasza Kultura, were discontinued.

The New York Times for December 21, 1966, reported that the Communist Party was considering sterner measures against its own dissatisfied intellectuals. Among the steps under consideration is the expulsion of some members, which in a state-controlled Poland is next to the poor house.

Typical of the restrictions gradually placed upon writers and journalists can be seen in the case of the literary journal, Po Prostu. First, the entire editorial board was dismissed. Then the journal was dissolved altogether. Another popular Warsaw intellectual and literary magazine of similar persuasion, the Crooked Circle was also closed as was a similar publication in Cracow, the Flaming Tomato. In succeeding months, Gomulka's censorship and dismissals affected numerous other journals. Party control of the writers' union prevented publication of controversial manuscripts. The size of the editions has been cut and republication of certain post-1956 books refused. Novels and plays of progressive Witold Gombrowitz have now been banned from publication and stage.

The effect of communism on the individuals, particularly the intellectual, has already been dramatically discussed in such books as Adam Cshass' "Marxism and the Individual" and "Capital of Mind" by Czeslaw Milosz. These books have concentrated on the individual's feelings of alienation, the bewilderment of the peasant working in heavy industry, the anxiety of the citizen who cannot make his voice heard, and the isolation of a writer who cannot publish what he writes in the Polish state.

The party is fearful of the liberal thought. It recognizes that it is a danger to its hold on the people, but it would threaten party authority to offer people a sense of involvement by permitting party differences to be published and by giving a freedom of reporting in the newspapers.

In the final analysis, political, intellectual, and religious freedom are incompatible with the Communist government. This is true whether the government has its seat in Warsaw or Moscow. The lesson is a brutal one and one difficult for us to comprehend.

It is nevertheless compelling. No amount of U.S. aid, credits, or willingness to foreign debt is going to persuade Gomulka into making significant concessions on the political, religious, and intellectual front unless pressure is applied.

Mr. Speaker, here is the text of a letter I sent over the weekend to President Johnson:

Hon. LYNDON B. JOHNSON,
President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The United States Ambassador to Poland has made a proposal to the Polish Government whereby certain Polish debts incurred under P.L. 480 (Food for Peace Act) would be payable in zlotys to be spent for mutually agreed upon projects in Poland. If this proposal is accepted by the Polish government, the dollar loss to the United States Treasury between now and January 2, 1968 would be about $18,000,000.

A thorough study of Poland and its outside relationships brings me to conclude that the proposal is clearly against our national interest. I strongly urge that the United States withdraw it and demand instead full payment in dollars.

My reasons are set out in a "white paper" I have prepared entitled, "Poland: The Myth of the Independent Satellite," a copy of which is attached. In it I question the validity of the theory which underlies our policy toward Poland, and which obviously led to the present proposal. The basic points:

1. In Poland, individual liberty is receding, not advancing.

The moderate progress made toward greater personal, political and religious freedom following the October 1956 election of Mr. Gomulka as Community Party Secretary has receded. The Polish government has progressively and forcefully reasserted the fundamental theory which holds that religious and intellectual freedom are incompatible with Communism.

2. Polish national independence is a myth.

Because of the Oder-Neisse boundary dispute, West Germany's international position and Poland's economic and military dependence on the Soviet Union, Poland is simply unavailable to the West.

3. Poland is heavily engaged in a war-by-proxy against the United States.

This is being accomplished through economic, military, political and moral support for our enemies in Vietnam.

Specific evidence is offered to support each of these contentions.

In addition to policy questions, I believe the proposal is subject to legal challenge under the language and legislative history of five applicable statutes:

1. The Foreign Assistance Act of 1961, as amended.
2. The Battle Act.
3. Public Law 480, as amended.
4. The "Findley Amendment" to the Agriculture Appropriation Act of 1967.
5. The Foreign Assistance Appropriation Act of 1966.

"Accordingly, I respectfully urge that the proposal be withdrawn and the Polish government notified that the United States will, until further notice, expect full payment in dollars for all obligations as they come due. At the same time it would be helpful to inform the Polish government of our concern over the recession of individual liberty and national independence in Poland, and our outrage over Poland's war-by-proxy against us.

"This would offer a crucial test of the Polish myth. By dropping the war-by-proxy and reversing the tide against individual liberty, the Gomulka government could demonstrate Polish independence—if such is possible—and thus strengthen its application for United States' aid in the future.

"Heretofore our aid has been one of the most important stabilizing forces for the Gomulka regime, helping to maintain an economic level above that which would produce mass dissatisfaction. In effect our aid

[40] Current History, April 10, 1964.
[41] New York Times, April 18, 1964.
[42] New York Times, April 18, 1964.
[43] Washington Post, November 10, 1966.

has helped to provide the government's margin of safety during the same period in which individual liberty has suffered setbacks and war-by-proxy undertaken.

"At this point common sense dictates that we withhold further aid, and let Mr. Gomulka contemplate the consequences.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

Mr. Speaker, here are two letters on the same subjects I have sent recently to the Comptroller General:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 14, 1967.

Hon. ELMER STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: At the present time the Executive has directed our ambassador to Poland to enter into negotiations with the Polish government regarding payment this year of about $18,000,000. This is an obligation that Poland incurred under our PL 480 program. On January 2, 1967, Poland paid $3,700,000 in dollars, and our government is considering proposals which would allow Poland to pay off this dollar debt with zloties which would be spent for mutually agreed upon purposes in Poland.

As a member of the House Committee on Agriculture, which deals with PL 480, it is my opinion that the legislative history on acts relating to Poland since 1960 clearly demonstrates that Congress intended a restrictive policy in matters of foreign aid, trade and PL 480 funds. I am concerned that the proposals of the executive permitting payment in zloties violates this legislative intent and ask for clarification from your office.

In his 1961 State of the Union message, President Kennedy asked the Congress to enact legislation which would amend the Battle Act to permit the United States to extend aid to Poland when such action might be in the nation's best interest. The Congress did not do so. The proposal passed the Senate, but the House failed to act. Congress' failure to relax a rather stiff ban regarding Poland under the Battle Act is just one indication among many that Congress intended to be restrictive in its policy of aid to Poland.

In the same State of the Union message, President Kennedy asked the Congress to enact legislation which would permit the use of U.S.-owned Polish currency on projects of peace. Congress responded by passing only one such authorization, and it was carefully limited. The Congress authorized the President to use $100,000 in U.S. owned foreign currencies for construction of a U.S. sponsored trade school in Poland.

In 1962, the Congress again dealt with the question of Poland in the foreign aid appropriations. The House sustained the principle that aid should not be extended to nations "whose government is based upon that theory of government known as Communism" except for funds for construction of a Children's Hospital in Krakow, Poland. The bill as finally enacted prohibited such economic aid to Communist countries except when the President determined that the national interest so required. Thus the Congress again showed general objection to aid to Poland.

In 1964 the Congress removed Poland's status as a "most favored nation" under our tariffs. In 1966 the Congress declined to take up the President's East-West Trade Bill which would have reinstituted this provision.

Aside from questions of aid and trade arrangements, Congress has treated Poland as a special case under PL 480.

From the beginning all PL 480 agreements with Poland have carefully specified that all currency proceeds of the transaction be reserved exclusively for U.S. purposes—and none for economic development loans and other forms of assistance provided in most PL 480 agreements with other countries. All agreements have, furthermore, specified that the local currencies accruing to the U.S. ultimately be convertible into dollars.

Thus the whole record of Congressional intent shows that the Congress has carefully avoided foreign aid to Poland except in very limited situations where exact Congressional authorization and appropriation were given.

The effect of the President's proposal on Poland, as I understand it, would circumvent the route of specific Congressional authorization and would violate the long and consistent record of Congressional intent. The whole basis of these negotiations is that Poland has financial problems which would place a great burden on them to liquidate this debt in dollars. This is established by the President's speech in New York City on October 7 to the National Conference of Editorial Writers in which he said, "The Secretary of State is reviewing the possibility of easing the burden of Polish debts to the U.S. through expenditures of our Polish currency holdings which would be mutually beneficial to both countries." Therefore, to the extent that we ease this burden our proposals constitute economic aid to Poland.

The policy of restricting economic aid to Poland was reaffirmed by the 88th Congress when it enacted my amendment which eliminated Poland from any further soft-currency transactions under PL 480. It was reaffirmed in at least three instances by the 89th Congress; first, in the Findley Amendment to the Appropriation Bill for Agriculture and Related Agencies, under which subsidized credit under PL 480 was denied to any nation like Poland which trades with North Vietnam; second, in a similar provision in the legislative history on the same bill as printed in the CONGRESSIONAL RECORD, volume 112, part 18, page 25308.

Thus in all three instances the Congress clearly demonstrated its opposition to PL 480 being used as foreign economic aid to Poland. The proposals submitted to the Polish government by the executive constitute economc aid in that their principal purpose would be to alleviate Poland's scarcity of dollar resources.

I request the General Accounting Office to investigate the nature of the proposal offered and the terms of payment to determine whether or not they conform with the intent of Congress as expressed in recent years.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., January 18, 1967.

Hon. ELMER STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: On January 13, 1967 I wrote your office requesting a report on the legality of our proposal to the Polish government in which we would permit the debts incurred by Poland under Public Law 480 to be repaid in zlotys. These zlotys would then be used for "mutually beneficial" projects in Poland.

The factual circumstances appear to be as follows:

FACTS

Pursuant to agreements under Public Law 480 between the U.S. and Polish governments, during the period 1956–64 large quantities of U.S. farm commodities have been sold to Poland for their local currency (zlotys). These currencies (worth approximately one-half billion dollars) are accumulated in Poland and cannot be used for any "country uses" there. Only limited "U.S. uses" are permitted. Poland has agreed to repay the proceeds of these sales in U.S. dollars, rather than in local currency. According to recent press accounts the Administration has offered the Polish government the option of repaying in zlotys a substantial portion of the dollar payments due the United States during 1967. These zlotys would then be used for "mutually beneficial" projects in Poland, which is currently reported to be actively assisting the North Vietnamese government.

If these facts are correct, it would seem that very serious legal and policy questions are raised.

LEGAL VALIDITY DOUBTFUL

The legality of the reported Administration proposal is subject to legal challenge under the language and legislative history of five applicable statutes: The Foreign Assistance Act of 1961, as amended; the Battle Act; Public Law 480, as amended; the "Findley rider" to the Agricultural Appropriations Act of 1967; and the Foreign Assistance Appropriations Act of 1966.

FOREIGN ASSISTANCE ACT OF 1961, AS AMENDED

The proposed agreement would seem to be in conflict with Section 620 (f) and (i) of that Act. Section 620(f) specifically defines Poland as a "Communist country"[1] and Section 620(i) prohibits any assistance to countries which are "engaging in or preparing for aggressive military efforts against" the United States, a nation receiving U.S. assistance, or a nation with which the United States has a P.L. 480 sales agreement unless there is a Presidential finding that such efforts have ceased and he reports the same to Congress.[2]

In the present situation, if Poland is providing military assistance to North Vietnam, a sister Communist state that is engaged in open warfare against the United States and South Vietnam, a beneficiary of both U.S. foreign aid and P.L. 480 sales, the term "aggressive military efforts" should be con-

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[1] Section 620 (f) reads as follows:

"(f) No assistance shall be furnished under this Act, as amended (except section 214(b)), to any Communist country. This restriction may not be waived pursuant to any authority contained in this Act unless the President finds and promptly reports to Congress that: (1) such assistance is vital to the security of the United States; (2) that the recipient country is not controlled by the International Communist conspiracy; and (3) such assistance will further promote the independence of the recipient country from international communism. For the purposes of this subsection, the phrase "Communist country" shall include specifically, but not be limited to, the following countries:

"Peoples Republic of Albania, Peoples Republic of Bulgaria, Peoples Republic of China, Czechoslovak Socialist Republic, German Democratic Republic (East Germany), Estonia, Hungarian Peoples Republic, Latvia, Lithuania, North Korean Peoples Republic, North Vietnam, Outer Mongolia-Mongolian Peoples Republic, Polish Peoples Republic, Rumanian Peoples Republic, Tibet, Federal Peoples Republic of Yugoslavia, Cuba, and Union of Soviet Socialist Republics (including its captive constitutent republics)."

[2] Section 620(i) reads as follows:

"(i) No assistance shall be provided under this or any other Act, and no sales shall be made under the Agricultural Trade Development and Assistance Act of 1954, to any country which the President determines is engaging in or preparing for aggressive military efforts directed against (1) the United States, (2) any country receiving assistance under this or any other Act, or (3) any country to which sales are made under the Agricultural Trade Development and Assistance Act of 1954, until the President determines that such military efforts or preparations have ceased and he reports to the Congress that he has received assurances satisfactory to him that such military efforts or preparations will not be renewed. This restriction may not be waived pursuant to any authority contained in this Act."

strued to include the shipment of military equipment to a nation actively engaged in armed conflict against American troops. As of this date, Congress has not been informed of a Presidential finding that these efforts have ceased. Therefore, the extension of aid to Poland by converting a dollar obligation into foreign currencies for use by that nation for its internal welfare would appear to be contrary to this provision of law.

BATTLE ACT

Section 101 of the Mutual Defense Assistance Control Act of 1951 (the Battle Act) declares the policy of the United States to be that no military, economic or financial assistance shall be supplied to any nation unless it applies an embargo on certain military and strategic shipments to any nation or combination of nations threatening the security of the United States.[3]

Again in the present situation, the conversion of dollar repayment obligations into foreign currency grants is certainly a form of "economic or financial assistance" and the shipment by Poland of any "Battle Act" materials to North Vietnam is certainly "threatening the security of the United States." The Presidential waiver authority in other parts of the Battle Act has apparently not been exercised in this particular instance.[4]

PUBLIC LAW 480 AND FINDLEY RIDER

Sales of U.S. farm commodities for zlotys were prohibited by the 1964 amendments to Public Law 480.[5]

The 1964 amendments were adopted by Congress in recognition of the fact that excessive amounts of foreign currency were being accumulated in Poland and that any future problems of repayment in hard currency would only be aggravated by future soft currency sales. In rewriting the provisions dealing with Communist countries in 1964, Poland was treated differently from Yugoslavia, the only other Communist nation receiving concessional sales from the United States under P.L. 480. Both countries were permitted to have dollar credit sales under P.L. 480, but sales to Poland, because of her participation in the Warsaw Pact, were limited to repayment within five years. Yugoslavia was permitted repayment terms to run as long as 20 years.

In the 1966 amendments to P.L. 480,[6] local currency sales were again prohibited but both Poland and Yugoslavia were treated the same as far as eligibility for long-term dollar credit sales running up to 20 years for repayment.

Both nations, however, were affected by the North Vietnam-Cuba clause in the new law[7] and by the "Findley rider" to the Agricultural Appropriations Act for FY 1967.[8] The Findley rider, as far as North Vietnam is concerned, is identical to the language of the new P.L. 480 statute.[9]

Under the language of this law, Poland is obviously ineligible for any P.L. 480 sales agreements at this time. This is true not only because of Poland's supplying of military equipment to North Vietnam, but also because of the presence of Polish ships in the Haiphong Harbor. (The Polish government has reportedly asked for compensation for damage to a Polish ship that was unloading in North Vietnam).

In other words, P.L. 480 as now written prohibits any concessional sales agreements with Poland. It is difficult to see how Congressional intent could be construed toward permitting what is in substance, if not in form a dollar *gift* to a nation with which concessional dollar *trade* is banned. Put another way, nothing in the language or legislative history of P.L. 480 in any way directly or indirectly authorizes, directs, or encourages the Administration to convert dollar debts into local currency grants to nations which are ineligible for concessional sales.

FOREIGN ASSISTANCE APPROPRIATIONS ACT OF 1966

Section 109(b) of that Act states that there shall be no economic assistance to any nation whose government is based on the theory of Communism unless there is a Presidential determination of national interest and notification to the House and Senate Foreign Affairs Committees and publication of the same in the Federal Register.[10]

In the present case there has not been such a finding in regard to Poland and there has been no notice in the Federal Register. Thus, the furnishing of this form of economic assistance to Poland without an appropriate Presidential finding would not be lawful.

In summary of the legal question, it is clear that there is no specific authority or legislative directive for the Administration to convert Poland's dollar obligations incurred under agreements executed pursuant to P.L. 480 into soft currency grants. On the other hand, there is ample evidence that Congress does not intend for a nation which is at this time legally ineligible to receive concessional sales of farm commodities to be relieved of the obligation of paying her earlier-incurred hard currency debts.

Sincerely yours,

PAUL FINDLEY,
Representative in Congress.

WHAT A B C's ARE OUR CHILDREN LEARNING?

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Tennessee [Mr. QUILLEN] is recognized for 10 minutes.

Mr. QUILLEN. Mr. Speaker, I take this opportunity to congratulate a great American, the Honorable J. Edgar Hoover, Director of the Federal Bureau of Investigation, on the outstanding article which he has written for the February 1967 issue of the VFW magazine.

The views that Mr. Hoover expresses have too long been left unrecorded. They should have been stated long ago.

Mr. Hoover places the roots for a revitalization of our spirit where they belong—with the upbringing of our children. Yes, that is where we must again instill the principles of our Founding Fathers in order to halt the growing chaos of crime and immorality. This is where we must commence our actions, individual actions, not the way the administration proposes which is increasing Federal involvement with local police and law-enforcement authorities.

I commend Mr. Hoover, and I include his article in full at this point in my remarks:

A PRIMER FOR TODAY

(By John Edgar Hoover, Director, Federal Bureau of Investigation, U.S. Department of Justice)

For more than a century the children of Colonial America learned to read from a little book of moral texts in which the alphabet was illustrated with woodcuts. Few youthful Americans were unfamiliar with the New England Primer and almost all of them began their memory work with one of its couplets:

"In Adam's fall
We sinned all."

The effect of the New England Primer was twofold. Children learned to read. At the same time they absorbed a beginning of the religious foundation responsible for the kind of conscience which has been termed by visitors to these shores as the key to American independence.

But the moral text no longer stands. To a growing degree, the morality embodied in the famous children's school book is being discarded. Today we appear to be in the process of adopting a new kind of text—one less tangible than the New England Primer. This primer which we are increasingly placing before our young might well be termed a mental handbook for disorder. Its ABCs are to be found in changing Attitudes, in Boredom and Confusion on the part of growing numbers of the American people.

My opinion regarding these current ABCs is derived from observation. One cannot have served for nearly half a century in the field of law enforcement without becoming cognizant, to some degree, of a frightening change in American thinking and American behavior. It is this change I have in mind when I refer to Attitudes.

Let me explain by repeating what I have said on many earlier occasions. Today there is a departure by growing numbers of adults from the recognition of an objective, or absolute, norm of morality. The teaching of "moral behavior" based on a clear-cut right and wrong stemming from an absolute norm of morality has made way, to a growing extent, for what is called "socially acceptable" behavior. In the course of this displacement we have, in my opinion, lost sight of two vital elements—the nature of God and the nature of man. Indeed, we tend to ignore the fact that the very foundations of this Republic rest on the belief that man is a rational creature subject to a rational Creator.

Theologians may describe that which flows from this basic belief as the Natural Law, the Great Plan or the Grand Design. In effect, they have reference to the body of relationship between God and Creation and among His creatures. Generations of men and women who preceded us simply absorbed the fact and lived by it. They knew that when individual man placed himself in opposition to God's immutable laws, his acts did violence to the nature of the Plan and were, therefore, immoral. Thus, the line between right and wrong cut sharp and clear, and few

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[3] The second paragraph of Section 101 of the Battle Act reads as follows:

"It is further declared to be the policy of the United States that no military, economic, or financial assistance shall be supplied to any nation unless it applies an embargo on such shipments to any nation or combination of nations threatening the security of the United States, including the Union of Soviet Socialist Republics and all countries under its domination."

[4] See Section 103(b) of the Battle Act (22 U.S.C. 1611b).

[5] See Section 107 of Public Law 83–480, as amended (7 U.S.C. 1707).

[6] See Section 103(d) of Public Law 83–480, as amended by Public Law 89–808 approved November 11, 1966.

[7] Ibid Section 103(d)(3).

[8] Public Law 89–556 approved September 7, 1966.

[9] Ibid [7] and [8].

[10] Section 109(b) of the Foreign Assistance Appropriations Act of 1966 reads as follows:

"(b) No economic assistance shall be furnished to any nation whose government is based upon that theory of government known as communism under the Foreign Assistance Act of 1961, as amended (except section 214 (b)), unless the President determines that the withholding of such assistance would be contrary to the national interest and reports such determination to the Foreign Affairs and Appropriations Committees of the House of Representatives and Foreign Relations and Appropriations Committees of the Senate. Reports made pursuant to this subsection shall be published in the Federal Register within seven days of submission to the committees and shall contain a statement by the President of the reasons for such determination."

Americans reached adulthood without an equally clear knowledge of the behavior fitting either category.

For centuries the vast majority of Americans ranged themselves forthrightly on the side of right. The moral obligation which average citizens felt was clearly manifest in their demand for law and order, in their automatic support of legal authority, and in their contempt for those who lacked personal integrity. Respect for law and order was implanted in children and standards of youth discipline were extraordinarily high. That fact is pointed up sharply in editorial comment more than a hundred years ago when, under the heading "Rude Boys," a prominent newspaper in the nation's capital rebuked a group of youths for misbehaving. What constituted delinquent behavior sufficiently reprehensible to evoke press comment in 1858? Two country boys wearing newly purchased shawls were harassed by city youths who followed them about executing a mock war dance and shouting "Indians!"

Today, news items of robbery, brutal assault and even murder committed by youthful Americans are commonplace.

I repeat, the standards of behavior adhered to by our predecessors were remarkably high. Charles Dickens, whose visit to America in 1842 left him extremely critical of practically all things American, nevertheless stated positively that never once, on any occasion, anywhere, during his travels in America, did he see a woman exposed to the slightest act of rudeness, incivility, or even inattention. The police blotters of almost any American city will attest to the fact that times have indeed changed and that few streets today can be deemed truly safe for anyone.

The crimes of theft which were committed in an earlier day, with few exceptions, were perpetrated by a relatively small fringe of known irresponsibles, who, in a very real sense, were outcasts. Such persons were thought of as a criminal class for the average citizen simply refused to tolerate those who lacked personal integrity. In that day, loss of personal honor meant total disgrace. Today, unfortunately, an atmosphere of "it's all right if you can get by with it" appears to be growing, with more and more citizens closing their eyes to flagrant activities which at an earlier date would have earned scorn and ostracism. In that earlier day, too, poverty was no excuse for breaking a law and it was unthinkable that any citizen might decide which laws he would obey and which, if he happened to disagree with them, he might ignore.

Reverence for God, love of country, respect for womankind, acceptance of responsibility—these, for long years, were the hallmarks of Americans. Are we erasing these clear-cut stamps of a great, independent and stable people and substituting for them symbols of weakness and cynicism? Let us ask ourselves: What attitudes are being recorded in our primer for today's children to absorb?

Unfortunately, growing numbers of citizens care nothing about American attitudes. Boredom, therefore, must be inscribed in stark black letters on many pages. Boredom, or apathy, reaches its unattractive height in the phenomenon summed up in the words: "I didn't want to get involved."

This is the excuse projected by citizens who refuse to accept the responsibilities of citizenship. It is the shamed apologia of those who can watch a killer stalk his victim without lifting a finger to dial the police or of those who, in the depths of the night, hear a cry for help without responding in any way. Truly, it is a haunting echo down the long centuries of the guilt-ridden cry, "Am I my brother's keeper?"

To changing Attitudes and to Boredom must be added still another item on the pages of today's primer. This is Confusion on the part of the public.

Currently, a great many good Americans appear to be afflicted with a kind of confusion which I can describe only as sentimental myopia. This is the muddled shortsightedness which enables citizens to afford the perpetrator of a crime infinitely greater consideration than the victim of his criminal act. It is the shortsightedness which, in the face of an increasing deluge of crime, permits the fostering of hostility against law enforcement through the use of vicious epithets and false charges. It is the shortsightedness which, through abuses of probation and parole, results in misguided leniences. It is the shortsightedness, in instance after instance, which permits turnstile justice and judicial technicalities to nullify the most proficient police work. It is the shortsightedness which requires impossible procedures tending to handcuff law enforcement and to release the guilty. It is the shortsightedness which usurps the authority of the police commander by placing his executive responsibilities for the performance, discipline and control of his officers in the hands of civilians who are generally inexperienced and uninformed in law enforcement and police administration. It is the shortsightedness of those who advocate breaking any law which an individual conceives to be "morally unjust."

There are many additional forces adding to the climate of confusion which surrounds all efforts to achieve justice. For example, one of these is the supervisory control which courts exercise over law enforcement through the exclusionary theory whereby evidence obtained in violation of certain complex and indecisive rules cannot be used in a criminal trial. Lack of public support also results in low morale. This adds to the confused situation by raising roadblocks to the recruitment of desperately needed personnel.

These ABCs in the current primer from which our young people absorb so much that will shape their future do not have to be permanent. They can be expunged. But it will take Alert citizens, Better citizens, more Conscientious citizens to effect essential changes and reverse those trends which seem to be moving us almost inexorably toward the edge of chaos.

Unless those changes are made and those trends reversed, the next generation of Americans will learn from a new primer—and its ABCs will read Anarchy, Brutality, and Crime.

Mr. Speaker, I urge my colleagues and all Americans to give Mr. Hoover's words very careful consideration.

NEED TO REVISE SELECTIVE SERVICE SYSTEM—XI

Mr. EILBERG. 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 Pennsylvania?

There was no objection.

Mr. KASTENMEIER. Mr. Speaker, in its publication entitled "Channeling," the selective service stresses the importance of its role in procuring the manpower necessary to provide maximum effort in the fields of scientific research and development and the fullest possible utilization of the Nation's technological, scientific, and other critical manpower resources. All of this is accomplished, according to the Selective Service System, by the deferment policy.

I do not disagree with the selective service that the technological and scientific areas are crucial to the development and future of this Nation. Ever since the orbiting of the first sputnik in 1957 the concern has been expressed that American education must focus greater attention in fostering and strengthening the academic disciplines in the sciences. Furthermore, when nearly all draftable age men saw service, the deferment system may have been a valid way of assuring that certain jobs in the national interest were performed.

Today, however, this type of deferment system can no longer be tolerated. Only 46 percent of the 26-year-olds had seen military service in 1966. The tremendous increase in available manpower has given the draft, through the system of deferments, unanticipated and undesirable authority to designate what civilian jobs are in the national interest for deferment purposes. This deferment system results in the draft regulating the civilian careers of more than 50 percent of our draft-age men who never see military service.

The selective service denies compelling people "by edict as in foreign systems to enter pursuits having to do with essentiality and progress." What it does, however, is to threaten the draftable age man with the loss or denial of a deferment, so that in actuality, the individual "is impelled to pursue his skill rather than embark upon some less important enterprise." This process, as described by the selective service, is "the American or indirect way of achieving what is done by direction in foreign countries where choice is not permitted."

The strength and greatness of our Nation is measured as much in the quality of our teachers, scholars, administrators, statesmen, social workers, writers and artists as it is in the numbers of technologists we produce. I resent the insinuation by the selective service that certain professions and pursuits "lead to various forms of recognized, patriotic service to the Nation" while others do not and I am appalled to learn that—

> The club of induction has been used to drive out of areas considered to be less important to the areas af 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 bureaucratic intervention by the selective service in "how to control effectively the service of individuals who are not in the Armed Forces" emphasizes an ominous trend toward central control not only of individuals but of our society itself. We have already been alerted to the dangers that the military-industrial complex poses to our democratic institutions. The indiscriminate continuation of the draft represents but an extension of this concentration of power. The selective service law must be changed.

ENCOURAGING TRAVEL AT HOME

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HANNA] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HANNA. Mr. Speaker, last week the President sent to Congress his annual Economic Report. The report covered a wide range of issues, and I am certain each proposal in the report will be given the most careful and closest of scrutiny.

One section of the President's report was of particular interest to me. The President emphasized the necessity to "seek further improvement" in our balance-of-payments posture. He indicated that—

> Our goal in the coming year is to continue to move toward balance of payments equilibrium. This goal will be supported through measures and policies consistent with healthy growth at home and our responsibilities abroad.

Mr. Speaker, I commend the President for emphasizing as one of his major goals creating a more positive structure in our balance-of-payments pictures. Particularly encouraging was one of the specific proposals the President suggested. An increasingly perplexing situation has been the flow of American tourist dollars from the country, and the President addressed himself to this issue by saying:

> The most satisfactory way to arrest the increasing gap between American travel abroad and foreign travel here is not to limit the former but to stimulate and encourage the latter.

I believe this proposal is especially enlightened, and I commend the President for his leadership in this area. In 1964 I was privileged to serve on a Special Select Committee on Tourism. After an extensive investigation a number of specific recommendations were considered.

Today Mr. Speaker, I am introducing legislation that I believe will be effective in dealing with this important issue. The bill I am introducing amends the International Travel Act of 1961 in order to promote travel in the United States. The bill strongly sets forth its purpose as "strengthening the domestic and foreign commerce of the United States, and promote friendly understanding and appreciation of the United States by encouraging foreign residents to visit the United States and by facilitating international travel generally, and by otherwise encouraging and facilitating travel within the United States."

The legislation places initial responsibility for the act's administration in the hands of the Department of Commerce. The Secretary of Commerce is asked to:

First, formulate for the United States a comprehensive policy with respect to domestic travel;

Second, develop, plan, and carry out a comprehensive program designed to stimulate and encourage travel to and within the United States for the purpose of study, culture, recreation, business, and other activities and as a means of promoting friendly understanding and good will among peoples of foreign countries and the United States;

Third, encourage the development of tourist facilities, low cost unit tours, and other arrangements within the United States for meeting the requirements of all travelers;

Fourth, foster and encourage the widest possible distribution of the benefits of travel at the cheapest rates between foreign countries and the United States and within the United States consistent with sound economic principles;

Fifth, encourage the simplification, reduction, or elimination of barriers to travel, and facilitation of travel to and within the United States;

Sixth, collect, publish, and provide for all the exchange of statistics and technical information, including schedules of matters of interest to tourists;

Seventh, create the Office of Travel Program Coordination to carry out the provisions of the act;

Eighth, create a National Tourism Resources Review Commission composed of knowledgable people in the field to make a 2-year investigation designed to deal with the present and future needs of the tourist in America.

The President has said he intends to shortly appoint a task force to report to him by May 1, 1967, recommendations that he can propose to Congress. I earnestly suggest that this task force-to-be begin its work with the material prepared by the Select House Committee on Tourism. I am certain they will find much useful and valuable information that will assist in the preparation of their final recommendations to the President.

I am also hopeful, Mr. Speaker, that the task force will give serious consideration to the approach outlined in my bill. The steps suggested in the bill are based on the results of the Tourism Committee's work, and I believe are worthy of a full hearing.

Let me stress that I am very encouraged by the President's reference to this matter of promoting travel in the United States. I am optimistic that the 90th Congress will be the one that will pass the required legislation that will institute the necessary programs.

A well reasoned and carefully considered approach in encouraging travel at home will not only eventually result in improving the balance of payments situation, but will also facilitate a better understanding of America by Americans as well as the people of other nations. Such compelling goals are worth our active pursuit.

A CONSTRUCTIVE APPROACH TO THE BUDGET

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. HANNA] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HANNA. Mr. Speaker, we have been presented with a budget that, unlike budgets of the past, is candid and direct. It represents an honest effort to carry forward Great Society programs, while fighting a war. Such a forthright presentation must be welcomed by Members as a constructive step away from the gimmickry and obfuscation that have all too frequently been typical of the budget document.

Past budgets have hardly earned a reputation as pristine documents, exemplifying directness and clarity. In fact, as a budget watcher of some long standing, I must confess an honest inability to cope with the voluminous detail, the technicalities of accounting and the ponderous columns of numbers and cryptic titles attached thereto which have become part and parcel of the budget process. I suspect—no, I know—that there must be awards given downtown at the Bureau of the Budget for devising new and more intricate devices to make the budget document more inscrutable.

Along with the increasing complexity of the budget, there has been a concommitant growth in the tendency to adopt a few oversimplifications, sacred cows, which have become an integral part of budget discussions. Among these hallowed but little valued habits is the concentration on the administrative budget, the budget which understates Federal expenditures and obligations by ignoring the activities of the trust funds.

THE NATIONAL INCOME ACCOUNTS BUDGET

I was pleased and encouraged to find in the budget message a concentration on the national income accounts budget. A measure which has long been used by economists and fiscal experts to analyze the flow of income and production in the economy. Its measures of total Federal receipts and expenditures are identical to those used by corporations and individuals in identifying and recording their receipts and expenditures of business firms and individuals. The national income accounts budget along with a similar data on businesses and individuals goes to make up the measures of gross national product and national income.

The frank and open discussion of the budget on this basis was long overdue. Leaders in public affairs have long called for a more candid and direct disclosure of public finance. In his remarks at Yale University in 1962, President Kennedy said:

> In fiscal policy . . . myths are legion and truth is hard to find. But let me take as a prime example the Federal budget. We persist in measuring our Federal fiscal integrity today by the conventional administrative budget—with results which would be regarded as absurd in any business firm—in any country of Europe—or in any careful assessment of the reality of our national finance. The administrative budget has sound administrative uses. But for wider purposes it is less helpful. It omits our special trust funds; it neglects changes in assets or inventories. It cannot tell a loan from a straight expenditure—and worst of all it cannot distinguish between operating expenditures and long-term investments.

The national income accounts budget's most significant advantage is that it does not confuse lending with spending. This is proper and appropriate. Business firms and individuals do not record loans as expenditures, they recognize that for every loan there is an asset acquired of equivalent value. It is proper that the

Federal budget recognizes that loans are offset by tangible assets, assets which add to the Nation's total wealth and the recipient communities resources. It can be shown, historically, that the value added by such investments far exceeds in economic value, to say nothing of social value, the face amount of the loans.

To exclude such loan transaction from Federal budget calculations is also appropriate since it is consistent with what you and I know to be the objective of Federal participation. The aim is not one of a permanent, long-term spending support. It is a limited yet catalytic role—one of restricted involvement—intended to spur activity in areas where the economy has demonstrated an inability or unwillingness to act. In some areas this has meant guaranteeing loans as in the case of FHA and VA insurance; in others it has required a Federal Secondary Market operations role to facilitate the flow of mortgage funds from areas of surplus to areas of need; more recently it has meant a program of participation sales whereby loans made by Federal agencies are packaged and sold to private investors. But in all cases the motion has been made in the direction of temporary or limited activity. To include any of the loan transactions in the budget would both overstate and misstate the Federal role and commitment.

PITFALLS IN THE ADMINISTRATIVE BUDGET

It is clear to me that to concentrate on other than the national income accounts budget, in relation to the great problems of Federal fiscal policy, is not simply irrelevant; it can be actively misleading. And yet there is a mythology that measures all of our national soundness or unsoundness on the single basis of this same annual administrative budget. If our Federal budget is to serve not the debate but the country, we must avoid this dialog.

There are those who would try to take steps to focus attention on the administrative budget and through budget devices endeavor to misconstrue the size of the budget deficit. This represents a retreat from constructive and effective effort that has been made to clearly and fairly disclose the impact of Federal activity.

The only logically consistent alternative to national income accounts budget is a calculation which would include all Government liabilities. Such an approach would identify all Federal obligations as debts to be paid and fix the Federal debt ceiling accordingly. Such a proposal is more reasonable than the administrative budget. At least it counts all loan obligations consistently and makes no artificial or arbitrary distinctions.

Although more desirable than the administrative budget office, this method shares the absurdity of the administrative budget. It is absurd because, like the administrative budget, it would count the beneficial interest in assets, represented for example by college housing, small businesses, and home mortgages as liabilities. Absurd because it would require the increase of the national debt by some $100 million to cover the total extent of the Government's exposure not covered in the public debt.

I would submit, however, that the opponents of the approach of the present budget should, if they desire to be consistent, propose an increase in the debt of not an additional $5 billion but of an amount sufficient to cover the entirety of the contingent liability of the Federal Government, some $100 billion.

Let us not bog down in the complexities of the administrative budget or derivations there of with all their traps and misconstructions. Instead, let disagreement over the budget be carried on the same frank and open basis as has characterized our deliberations this session. Let us also resolve to carry on this discussion on the basis which is recognized to the most accurate, available measure of Federal fiscal activity—the national income accounts budget.

THE ISSUE OF RURAL DEVELOPMENT: COMMUNITIES OF TOMORROW

Mr. EILBERG. 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 Pennsylvania?

There was no objection.

Mr. RESNICK. Mr. Speaker, yesterday, Secretary Freeman made the second in a series of policy speeches concerning the six major operational areas of the U.S. Department of Agriculture. The first address, on "Programs and Commodities," was delivered January 20 at the Southwest Agricultural Forum in Tulsa, Okla. The Secretary spoke yesterday on the subject of rural development at a conference on rural poverty sponsored by the National Association for Community Development.

I commend this speech—entitled "The Issue of Rural Development: Communities of Tomorrow"—to the attention of everyone interested in development and jobs and opportunity in both city and country, since the various problems in this field are inseparably intertwined.

The Secretary's speech follows:

THE ISSUE OF RURAL DEVELOPMENT: COMMUNITIES OF TOMORROW

We are now seven years into the seventh decade of the Twentieth Century, poised at a point in time when fundamental, widespread and irreversible change in the fabric of the United States is occurring daily.

Thirty-three years ahead of us lies the dawn of a new century. And if that date has the ring of the far-distant future, it might be well to recall just how short a period three decades really is.

We are equidistant in time today from the year 2000 and the year 1934, the second year of the New Deal. Rural America then, as now, was in crisis, but of a different order—a crisis highly visible, affecting almost the total rural population, and part of a larger economic crisis affecting the entire Nation.

The Nation responded to this crisis, creating agencies and programs to conserve the soil, to bring electricity to the countryside, to bring agricultural supply and demand in balance, and a host of other measures which fundamentally altered the condition of American life.

What we did then profoundly affected what we are today.

Now, 33 years later, we face crisis of another order—just as acute, just as widespread as the crisis in the thirties, but with this fundamental difference: Today's crisis in rural America is a hidden crisis, largely invisible, and largely overshadowed by other, more spectacular problems at home and abroad.

DIMENSIONS OF THE CRISIS

The dimensions of the crisis are well known to all of you who are deeply involved in rural development. They consist of too little of everything—jobs, income, education, and services—in rural America, and a continuing one-way flow of people from country to city, damaging to country and city alike.

The crisis is neither simple nor easy of solution. It is complex, multi-faceted, and feeds upon itself. Less economic opportunity in rural America means fewer jobs; underemployment means a lower tax base; a lower tax base means poorer community facilities and education; crippled education and facilities bring the problem full circle by discouraging industry from locating in rural areas.

The result has been a rural America with space to spare, but starved for opportunity—and paradoxically an urban America with opportunity for the many, but starved for space for her residents to move in, to enjoy, to breathe.

Rural residents have roughly half the number of doctors per 100,000 people as city people; a third of the number of dentists. The amount of underemployment in rural America is equivalent to 2.5 million unemployed. 6.8 million rural homes are in need of repairs and 30,000 rural communities need improved water and sewer systems. The educational achievement rate is some two years behind that of urban America and the dropout rate is 7 percent higher than in urban areas.

THE CITY TODAY

An unplanned policy of exporting rural problems to the city has drawn urban America into the rural crisis. For the affluent of the city, the unchecked migration means more crowding, higher taxes, more hours consumed in commuting as urban sprawl continues unabated. For migrants already in the teeming ghettos, further immigration means less opportunity and rising despair.

One urban observer put it this way:

"Our cities exact too much from those who live in them. They are not only increasingly expensive places in which to live or work; more and more, the price of city living is being paid by a sacrifice of fundamental personal freedoms:" The author of these words is no agrarian fundamentalist; he is Mayor John V. Lindsay of New York City.

THE CITY TOMORROW

By the turn of the century, if present trends continue unchecked, Mayor Lindsay's New York will have become part of a super megalopolis stretching from present-day Boston south to Washington, D.C., and containing 56 million people. This strip city, and 4 other strips like it, will house 174 million Americans on urbanized land ranging in density from 660 to 2,600 people per square mile.

Residents of these 5 super strip cities and other urbanized areas will get up earlier, spend more time breathing their neighbors' car exhaust and return home later. Superhighways and mass transit systems will soak up increasing amounts of urban land in a frantic race to keep the city mobile. If past trends are an indication, crimes of violence will increase as urban life becomes increasingly more depersonalized and hopeless for the disadvantaged.

Nor can we count with any certainty on being rescued by technology from such a reckless concentration of people, vehicles and

industry. The number of automobiles is increasing at a rate twice that of U.S. population. By the year 2000 we will have an estimated 200 million cars in the U.S.—nearly 3 times as many as today. With this many mobile pollution sources crowded into 9 percent of the land area, even the most stringent anti-pollution ordinances will do little more than preserve the status quo, if that. Pollutants produced by industry, sewage plants and land development, will increase apace.

This is the world we're building, simply by allowing present trends to continue to their logical conclusion—for powerful, yet unplanned, forces are tending in the direction of even further imbalance.

CENTRALIZATION FACTORS

1. One of these is tradition. The farm-to-city migration has been under way for a hundred years or more. Cities have traditionally offered better wages, education, community facilities, and cultural activities than rural areas. Both the city and the countryside have undergone tremendeous change in recent years, and now many rural communities offer as much as the central city . . . and a great deal more that the urban complex cannot offer. Yet the tug of traditional thinking is strong, both on the average citizen and on those who make the plant-location decisions.

2. A second factor encouraging centralization can be summed up as, "them as has, gits." Those areas which already have industry attract more, and this in turn attracts even more. The sprawling electronics complex in Southern California is an example. Although overcrowding, increased taxation and snarled transportation in urban areas are making rural locations increasingly attractive, the lure of established commerce still is a powerful force.

3. A third factor is negative, but quite possibly more important than the other two combined: *We lack any accepted national goal in rural/urban balance.* We have never seriously asked—let alone answered—questions like these: "What is a desirable maximum size for any one metropolitan area?" "How much weight should be given to rural/urban balance in the location of government facilities and awarding of contracts?" "Are more Federal incentives desirable to encourage rural development? If so, how much?" "What are the social costs involved in this unplanned population shift?"

In the absence of a national policy in this matter, decisions in industrial location, government installations, contract awards, and government program expenditures all tend to favor urban areas.

A continued unplanned stacking up of more people in urban areas, at the expense of rural areas, is a national drift that bodes ill for the future. No one planned it this way; like Topsy, "It just grew." Nobody really wants an America of super strip cities, dotted with explosive and squalid ghettos. It is not too much to call such a drift "national idiocy," and it does no good to offer palliatives and pills to cure a disease which has literally assumed epidemic proportions.

THE NEW AWARENESS

Working against this centralizing drift, fortunately, is the flickering beginning of a national awareness of the relationship between urban and rural problems, and a growing commitment to meeting the problems in rural America, rather than exporting them.

Author J. P. Lyford, in his book on the New York slums, "The Airtight Cage," articulates this new awareness by asking:

"Why, for instance, must huge concentrations of unemployed and untrained human beings continue to pile up in financially unstable cities that no longer have the jobs, the housing, the educational opportunities, or any of the other prerequisites for a healthy and productive life? Why do we treat the consequences and ignore the causes of massive and purposeless migration to the city? Why are we not developing new uses for those rural areas that are rapidly becoming depopulated? Why do we still instinctively deal with urban and rural America as if they were separate, conflicting interests when in fact neither interest can be served independently of the other?"

The President, speaking last September in Dallastown, Pennsylvania, said:

"Not just sentiment demands that we do more to help our farms and rural communities. . . . The welfare of this Nation demands it . . . Must we export our youth to the cities faster than we export our crops and our livestock to market? I believe we can do something about this."

We can:

Urban America, according to its spokesmen, can easily absorb one trillion dollars to make existing cities livable. Certainly we should bend every effort to make them livable. But at the same time we should devote much more to building rural America than we have done in the past, to head off even more virulent attacks of urban decay occasioned by uncontrolled growth in the future. Doing this will cost less and get better results.

AGRICULTURE AND RURAL DEVELOPMENT

Basic to any discussion of this rural development is agriculture—because a healthy agricultural plant provides an underpinning to support the rural economy. This basic resource is in a very different position today than it was 5 years ago, or even 12 months ago:

1. Food surpluses have disappeared, and an end to surpluses in cotton and tobacco is within grasp. Our reliance now is on stored acres and improved technology to produce for need, rather than on stored commodities.

2. Farm income, both gross and net, has increased markedly. Last year gross income was the highest in history and net income was the second highest. In the 6 years since 1960, $31.8 billion more in gross income has been pumped into the rural economy, over and above what would have been earned had 1960 levels continued.

3. Demand for agricultural products is strong and will remain so for the foreseeable future. Exports during 1966 totaled some $6.9 billion and should surpass $7 billion this year.

4. The free market, much praised but little used during the fifties, is now freer of government controls than it has been in decades.

5. Our commodities are moving in the world market at world prices, because of an aggressive public and private market development program and because of pricing policies designed to meet competition.

6. Of great significance is the accelerated graduation into "adequate size" class by family farms in recent years. One measure of "adequate size" is gross sales of $10,000 a year or more. Since 1959, nearly 200,000 farm families have moved into that class.

But let me be emphatically clear at this point: Despite steady progress the last 6 years, the farmer's income *still lags far behind that of other Americans.*

On a per capita basis, the farmer's income is $1,700. Other Americans average $2,610 per capita.

Farm prices, though up last year, have been down the last few months, and today are *less* than the 1947–49 average. At the same time, food costs are 35 percent *higher.*

This the farmer bitterly resents—and properly so.

This discrepancy *must be corrected.* It must be corrected because it is unfair to the farmer and therefore wrong. It must be corrected because if farmers don't get a fair return commensurate with the other segments of society, we will lose our best farmers. If that happens the entire Nation, not just the farmer, will be hurt.

In addition, more financing and technical assistance, both public and private, should be extended to farmers presently in the "less-than-adequate" size, to allow those farmers to expand operations and to take advantage of modern technology. In other words, we should continue to keep the door open for those who wish to remain in commercial agriculture.

Yet there are many operators who do not wish to expand, or lack the capacity to, because of age, physical disability, grossly inadequate resources, or other limitations. It is critically important that there be a place for these farmers in rural America also—for urban America has no place for him.

Take the case of a man 45 years old whose farm has failed. The small town where he's done his modest shopping has no job for him, nor are there any within commuting range. And so, in a desperate search for work, he moves to the city.

He has no money, so he doesn't have much of a choice in housing . . . he settles in the decayed heart of the city. His limited education puts him out of the running for a job. His limited skills are useless in the city . . . for who needs a man to plow a straight furrow in an asphalt field?

He is one of thousands . . . all disenchanted, all strangers in a strange land. Families break asunder; children are infected with the virus of the ghetto and yet another generation is crippled. This is the human cost we're talking about.

It is true that our farm commodity programs have helped the less-than-adequate farmer—to an extent. From 1959 through 1965 the class of farmers with gross incomes below $10,000 yearly increased their per farm net income by some 19 percent. Their off-farm income, with greater job opportunities in recent years, increased some 30 percent. Yet their earnings are far from adequate, and it is unrealistic to expect the farmer with "40 acres and a mule" to enter the mainstream of commercial agriculture.

Commodity programs are not welfare programs; they do not provide the whole answer.

Certainly programs are necessary, and certainly they should be improved. Yet those who stake *all* their hopes on just one set of solutions for rural America perpetuate a cruel and dangerous illusion. Rural development must proceed on more than one track.

We *can* offer a place in the countryside to those who, for one reason or another, do not find a rewarding place in commercial farming, or who wish to farm part time and supplement their incomes with outside employment.

NEW TOOLS

The need for such a second track has called forth an array of Federal programs to help rural America. A partial list includes the Food and Agriculture Act of 1965, the Rural Water Systems and Sanitation Act, the Housing and Urban Development Act, the Appalachian Regional Development Act, the Manpower Training and Development Act; Elementary and Secondary Education, and the Public Works and Economic Development Act. Local rural development committees, local Resource and Conservation Districts and local leadership give us an apparatus to use these tools.

So far, we have accomplished a great deal. USDA made more rural housing loans during the past 3 years than in all the prior years since the program began in 1949. In the first 6 months of 1966 alone, grants and loans for rural sewer systems totaled $13 million and helped 46 communities. Today, nearly 30,000 farmers are engaged in marketing recreation for profit. Since 1963, construction has begun on 256 small watershed projects—the largest number of any similar period in the 12-year history of the program.

Measured against what had gone before, accomplishment has been great. But measured against what *needs* to be done, it is apparent that we have only scratched the surface.

But we are making the attempt:

In my Department, the old county-by-county and agency-by-agency approach is giving way to State and county Technical Action Panels, made up of experts in many disciplines, and keyed to multi-county development. Where local leadership is aggressive and strong, the panels provide a ready source of technical aid; where it is lacking, Technical Action Panels seek to stimulate and involve local leaders in finding answers to local problems.

This new approach points up a basic change in Department thinking. Since its founding, and until very recently, the Department has been almost exclusively concerned with agriculture—keeping its records, researching its problems, conserving its soil, and educating its constituency in scientific farming. All of these functions are still necessary and are still being performed. But in the past 6 years the Department has begun to address itself to the problems of the *other* rural America—an America where poverty is ingrained, opportunity is lacking, and basic community growth facilities are sometimes nonexistent.

These problems, which are essentially human and economic, have been approached within the existing agency framework, and it has taken some basic reorientation on the part of all of us. In 1961, for instance, nearly all Farmers Home Administration loans went to farmers. During fiscal 1967, farmers will receive about 50 percent of the FHA loans, and nonfarm rural residents 50 percent. This doesn't mean farmers are being short-changed, since the total dollar amount loaned to farmers is higher this year than in 1961. It *does* mean more resources and a new priority for the problems of the small farm and nonfarm people in the countryside.

Another important ingredient in rural development is a re-evaluation of the administrative machinery we need to accomplish the job.

President Johnson pointed up the problem in his State of the Union address when he said:

". . . (we) are making and breaking new ground. Some (of our programs) do not yet have the capacity to absorb well or wisely all the money that could be put into them. Administrative skills and trained manpower are just as vital to their success as dollars, and I believe these skills will come. But it will take time and patience and hard work. Success cannot be forced at a single stroke. So we must continue to strengthen the administration of every program if that success is to come—as we know it must . . . Every program will be thoroughly evaluated . . . where there have been mistakes, we will try very hard to correct them."

Such an evaluation is taking place today in the Department of Agriculture, in other Federal agencies, and in many of the States.

A RISING TIDE OF INTEREST

President Johnson has a deep and abiding interest in rural development. In recent Executive Orders, including Number 11307, issued last fall, the President made this interest unmistakably clear:

1. He directed Federal agencies to coordinate their boundaries for Federally-assisted planning and development districts with existing State planning boundaries, to eliminate confusion and overlap,

2. He directed the Secretary of Agriculture and the Director of the Budget Bureau to review *all* existing programs with Cabinet and other Federal officials to insure that rural areas receive an equitable share of existing Federal program benefits, and to submit proposals for administrative or legislative changes needed to obtain such equity,

3. And he gave the Secretary of Agriculture responsibility within the Federal establishment for identifying agricultural and rural development problems which require the cooperation of various Federal departments, so that these programs may be better coordinated, and duplication eliminated.

These are a few of the recent Federal actions that bear directly on the problems of rural America.

But this is a big, diverse country and Federal actions alone won't solve rural America's problems. This is a point which cannot be stated too strongly. Nobody in Washington can pre-package a cure for the ills of rural America, ship it out to the country, and expect it to work. The Federal Government has literally hundreds of programs which *can* work, but making them effective takes local initiative, local leadership and local planning.

We have learned that where this local leadership exists, a pipeline through which to channel our development efforts also exists. Without it, development efforts are ineffective.

We have also learned the lesson of planning on a multi-county basis. It is difficult for every single rural community to offer a full set of community services of the calibre needed for sustained growth.

But a group of counties, usually with a small or medium-sized city at its center within easy commuting range, *can* provide the framework needed to make Federal and State programs effective. When united for planning purposes, the people and governments of such a functional community can assess the area's needs and determine the combinations of internal and outside resources essential to spark growth.

The multi-county approach is being taken by a number of States, including Kentucky, Iowa and Georgia, among others. The Appalachian Regional Commission and other regional groups are exploring this approach. Its effectiveness is becoming increasingly apparent.

Achievement of our development objectives will take planning, dedication, hard work, and some basic re-thinking of long-cherished folkways.

Planning is paramount. Building bigger and more sprawling strip cities can proceed without real planning; but upgrading the communities we have now—and building new communities—demands it.

Finally, of course, we have learned that we need to know a great deal more about rural America and its problems than we do now. To find answers to these questions, and to come up with effective solutions, President Johnson has established a Committee on Rural Poverty, which I am privileged to chair, and a National Advisory Commission on Rural Poverty, chaired by Governor Breathitt of Kentucky.

And while the Commission and Committee are seeking answers, the Department, in cooperation with other Federal Departments, the States, local government, and volunteer groups, will be pushing its own rural development programs at an ever-increasing tempo. In 1967, among other actions, we will:

1. Provide $33 million in Economic Opportunity loans to help 13,000 low-income families and some 390 cooperatives composed of low-income families.

2. Provide $435 million in rural housing loans for 48,000 families.

3. Help finance about 200 community recreation centers in rural areas.

4. Finance $304 million in loans and grants for construction or improvement of some 1,700 central water and waste disposal systems in rural areas.

5. Assist 10 additional local groups with Resource Conservation and Development projects.

6. Approve construction of another 63 multiple purpose small watershed projects with 45 reservoirs.

7. Help 8,500 additional rural land owners with income-producing recreational developments involving 150,000 acres of land.

8. Supervise harvest of another 12½ billion board feet of National Forest timber, providing 700,000 man years of employment, sharing $40 million of revenue with local governments for roads and schools.

9. Reforest 280,000 acres of timber lands, improve timber stands on another 440,000 acres, and build another 295 recreation sites in the National Forests.

THE MATTER OF CHOICE

What we in rural development are all fundamentally concerned with, it seems to me, is the matter of choice—of offering alternatives to ever-larger cities in the future. President Johnson put it this way:

"History records a long hard struggle to establish man's right to go where he pleases and live where he chooses. It took many centuries—and many bloody revolutions—to break the chains that bound him to a particular plot of land, or confined him within the walls of a particular community.

"We lost that freedom when our children are obliged to live someplace else . . . if they want a job or if they want a decent education.

"Not just sentiment demands that we do more to help our farms and rural communities . . . the welfare of this Nation demands it."

I believe that we *can* choose what kind of America our children will inherit 33 years from now, for we are not the blind pawns of Fate, but rather the shapers of our own destiny.

I believe that we as a nation *should* grasp this chance to shape our destiny—grasp it here and now, without further delay—before the chance for choice eludes us.

Thank you.

PAT HALL: A "DIFFERENT" INDUSTRIALIST

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. WHITENER] 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 Pennsylvania?

There was no objection.

Mr. WHITENER. Mr. Speaker, the domestic textile industry is vital to our economy and to our national security. In peace and war the textile plants of the United States furnish the many textile items required for the use of the Armed Forces and the civilian population. The industry employs hundreds of thousands of Americans and contributes many millions of dollars in local, State, and Federal taxes.

The greatest concentration of textile plants in the Nation is located in the district I am privileged to represent in the Congress. Nearly 230,000 North Carolinians are employed in textile plants. My congressional district has over 63,000 textile employees. The future of the textile industry and the problems of the people who earn their livelihoods in textile plants are of great interest and concern to me.

The textile industry has been characterized by outstanding leadership. The fact that the industry has been able to

survive and prosper in the face of mounting textile imports and other free trade policies of our Government attests to the high type of industrial leadership we find in the textile industry.

One of the men who plays an important role in keeping the textile mills operating at peak efficiency in the South is E. Pat Hall, of Charlotte, N.C. This dynamic industrialist furnishes to textile manufacturers nearly every item of machinery, supplies, and other materials necessary for the operation of textile plants.

E. Pat Hall is known throughout the textile industry for his keen business acumen, his forceful personality, and his tremendous ability to get things done. The Southern Textile News of January 30, 1967, carried a very interesting article concerning Pat Hall's personality and contribution to the textile industry. I include the article as a part of my remarks:

PAT HALL: A "DIFFERENT" INDUSTRIALIST

CHARLOTTE.—One of the exciting announcements originating at the Southern Textile Exposition at Greenville in 1966 was a new concept in textile complexes—a super market for the textile industry—where the mill buyer could make one visit and buy almost anything he needed in the way of machinery, materials or supplies.

The idea was advanced by E. Pat Hall, a well-known figure in the textile machinery field. Mr. Hall, a visitor at textile machinery exhibitions for more than ten years, felt that the industry had a need for such a shopping complex.

And he felt that he had the location for it. Charlotte.

And the name. Texland.

At Southern Textile News, we felt that it might be well to do a story about Mr. Hall—not on Texland itself, for we've already done that—but on what kind of man this is who's going to build the textile shopping center.

So—we checked around with everyone we could find who knew Mr. Hall. With his friends, employes, customers . . . and others.

We found first that practically everyone in textiles knows Pat Hall. That there are dozens of little human-interest stories making the rounds about him.

His personality seems to be filled with the type of flamboyance that makes people want to talk about him.

For instance, there's the story about his getting one of the first automobile telephones in the state, which he had wired to his automobile horn so that everytime the phone would ring, the horn would blow.

Now telephones just weren't to be found in automobiles in those days so it attracted quite a lot of attention when Mr. Hall's car would suddenly begin blowing its horn all by itself, and particularly so when he walked over and answered the phone.

One day while parked on one of Charlotte's main streets the auto horn abruptly began to honk frantically, even though unattended. Mr. Hall dashed out from a store and answered the telephone.

Noting that another car had pulled up alongside with the driver all agog and staring unbelievingly, Mr. Hall paused and extended the telephone receiver toward the other driver.

"It's for you!" he said.

The other driver drove off hurriedly.

Most of the employes with the Hall Textile Machinery Organization have been with the firm for many years. And we found that all these employes have an unusual personal loyalty to Mr. Hall. They're willing to work long, abnormal hours if there's a need. They're willing to perform tasks which don't fall under their job description.

One of the stories chortled over by the employes is about the only time Pat Hall was at a loss for words.

It seems that one of the men had to make a delivery of machinery. And that he took his own good time about bringing his truck back and reporting for work. As a matter of fact, he was a whole day late in coming back.

And when he did report in Mr. Hall lit into him with both feet, chewing up one side and down the other.

Finally he ran out of expletives and recriminations.

"What in the world am I going to do with you, Sandy?" he asked plaintively.

"Mr. Hall," he mumbled after a period of thought, "Ef I was as smart as you, you'd be working for me instead of the other way 'round."

The workers at the plant swear that Pat Hall just stood there for a moment, then turned his back and stalked off, without another word.

Mr. Hall believes that entertainment is important to his business. And he keeps his own private railroad car for that reason. Whenever he attends a show or exposition such as Greenville's STE, he carries the railroad car down and parks it near the exposition center.

There are textile machinery salesmen who declare that there are as many sales concluded on Pat Hall's railroad car as there are in the exhibition halls. And not necessarily Pat Hall deals, either. Salesmen say that the railroad car has just the right atmosphere for making deals.

Others claim that Mr. Hall should use the railroad car as his trademark.

"It's what you think of first whenever you think of Pat," they say.

Loyalty is a personal trait which most people attribute to Pat Hall.

There's a story that many years ago when Mr. Hall was first beginning to rise in the business world he developed a sudden urgent need for money. And that a certain bank advanced him the money.

Since then, people say, he's never done business with any other bank because he's never forgotten. It's said that he's the same in all his business dealings—he never forgets a favor done him.

But the stories one hears the most are the stories which have to do with kids.

Pat Hall was one of ten children, himself, and he loves youngsters. He has four of his own.

Every year at Christmas time, Mr. Hall invites all his acquaintances and their kids to come out to his place in the country and chop down their own Christmas Tree. They make an outing of it.

He has a picnic spread for the children and grownups in his railroad car. And after the Trees are carefully chosen and cut, there are antique cars and Chinese rickshaws for the youngsters to ride and play in.

Each year Mr. Hall rents the front convention hall at the local Barringer Hotel and invites his friends to bring their children to watch the annual Carrousel Parade.

One learns a little about Pat Hall by just having lunch with him, or dinner, or even breakfast—One thing is that Pat says grace before every meal. Without fail. Not too many do that anymore.

And another thing. He doesn't like to discuss business while he eats. Politics, religion, the weather, anything else—but no business while you eat.

He's an enthusiastic, energetic man.

Each day he spends part of his time at Texland. At the site of his new building which will house his textile machinery operations. Completion date for the new structure is slated to be in the latter part of March and Mr. Hall wants to make sure it's on time.

That's the kind of guy Pat Hall is.

AIR POLLUTION

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Michigan [Mr. O'HARA] 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 Pennsylvania?

There was no objection.

Mr. O'HARA of Michigan. Mr. Speaker, I am happy to lend my wholehearted support to the administration bill on air pollution.

There are many useful and needed improvements contained in this legislation. Among them is a provision calling for new research programs by the Department of Health, Education, and Welfare to overcome the technological obstacles standing in the way of full control of air pollution.

Sulfur compounds—a serious source of irritating and damaging air pollution in virtually every city and town in this country—will be the target of an important part of this effort.

In addition, a special research program will be inaugurated to find ways of controlling the noxious and obnoxious odors which come from diesel exhausts. These, too, are an affront to the senses and a threat to the health of all our citizens.

I feel that every American will benefit from these research programs—and I urge their establishment without undue delay.

RICKOVER DESERVES MUCH CREDIT

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Tennessee [Mr. ANDERSON] 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 Pennsylvania?

There was no objection.

Mr. ANDERSON of Tennessee. Mr. Speaker, as one who had a passing acquaintance with the early stages of nuclear power in ship propulsion, I should, perhaps, be among the last to be surprised at the developments this has led to. I am, however, not merely surprised but astonished at the extremely rapid progress that is taking place in this country in the development and construction of nuclear power for commercial use. What is taking place today exceeds the most optimistic expectations of those who forecast the future just 2 or 3 short years ago.

It is a characteristic of this country, and perhaps a healthy one, that we say a great deal more about our problems than our successes. Today I want to take note of a remarkable success. In particular, I want to pay tribute to a man who had the foresight and wisdom and drive to get us started down a vital road.

We should not forget that our first central power station at Shippingport, Pa., was Admiral Rickover's project and one which in large measure stemmed from the bold early progress he made in

the field of naval nuclear propulsion. He set not only the pace but also the standards of engineering and manufacturing excellence so essential to safety and success in this new field.

Recently I noticed that a new nuclear core is being developed for the carrier *Enterprise* which will last 13 years or more and that cores are now being installed in submarines which will last over 400,000 miles, at a cost of $3 million each. The first core for the atomic submarine *Nautilus* cost $4 million and lasted 62,000 miles.

Last year an avalanche of orders for atomic generating plants went out to builders. By last month, investor-owned utilities in the United States had 13 plants in operation, 26 being designed or under construction, and 7 in the planning or contract negotiation stages.

Just a few years ago we expected that it would take at least two decades for nuclear power to become cost competitive. The Tennessee Valley Authority now plans to build a nuclear generating plant which it believes will produce electricity more cheaply than its coal-fired plants. This is happening in coal country. Northeastern utilities paying up to 7 mills will be able to cut that to less than 5 mills for atomic power, a reduction of about 30 percent. Plans for the world's largest dual purpose desalting power project—a 150 million gallon per day and 1,800 megawatt prototype plant in southern California are moving forward.

Revolutionary steel mills powered by the atom are seen possible. Construction of a nuclear reactor on the ocean floor to produce electricity for protein farming is being talked about.

All of these things constitute a story of amazing and unexpected progress, having the strongest of national and international implications. Let us not forget the man who gave us the giant shove forward, Vice Adm. H. G. Rickover.

THE ANTIPOVERTY PROGRAM AND THE OPENING OF A COMMUNITY ACTION CENTER IN WOONSOCKET, R.I.

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] 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 Pennsylvania?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, far too often we dwell upon the negative aspects of Federal programs. One program which has been the recipient of considerable criticism has been the antipoverty program.

There are many reasons why so much criticism has been directed toward this program, but perhaps that which is foremost in causing so much negative talk is the loss of sight of the goal for which we are striving through the antipoverty program.

During a recent ceremony at the opening of a community action facility, the citizens of Woonsocket, R.I., were reminded of the purpose of community action: To help those who need help.

This help is what I think the poverty program is all about. This is the purpose for which the antipoverty program was established: To make productive members of society out of those who cannot help themselves.

I think it would do well for all my colleagues to dwell upon the words spoken at the opening of the Fairmount Neighborhood Council—Social Progress Action Corp.

Therefore, Mr. Speaker, I include the following declaration presented to the Honorable A. Edgar Lussier, mayor of Woonsocket, to be inserted in the RECORD at this point:

COPY OF DECLARATION PRESENTED TO HIS HONOR, MAYOR E. LUSSIER, ON THE OCCASION OF THE OFFICIAL OPENING OF THE FAIRMOUNT NEIGHBORHOOD COUNCIL—SPAC—NOVEMBER 11, 1966

Your honor: With the cutting of the ribbon, the Fairmount Neighborhood Council-Social Progress Action Corporation is officially open for the benefit of Fairmount citizens regardless of age, color, or creed.

The formal opening of this center is perhaps one of the answers to the question "What Am I Doing To Build A Better World?"

Hardened and calloused indeed is the man or woman who, in a world grown secular and materialistic, refuses to frankly face the above question, and earnestly seek a satisfactory reply. Such wilful neglect is a distinct threat to our great Heritage. While there is an insistent call upon us to contribute as individuals in this respect, it is as law abiding citizens that a double responsibility is laid upon us. The hope of the nation, this city, this neighborhood, rests squarely upon our shoulders, and upon our hearts, demanding that we do our own part in helping those who need help and also that we so train and guide the youth entrusted to our care that even greater accomplishments can be had through them.

There is a Christian way of living and an American way of living that are in large measure inseparable. More than that, what we are pleased to call our "American way of life" came about primarily because it was founded by God-fearing men. How so? Because the founders of our Nation, for the greater part, prudently and willingly centered their lives in God and accepted their responsibilities as citizens of a great country.

It is very difficult for us, in this richest nation in the world, to realize at times the appalling fact that there are more hungry and miserable people today than there have ever been before, even within our own country. With all our luxuries, we know that there are expanding areas of blight—in the centers of our cities—where chronic unemployment produces poverty, disorganization of families, neglect of education, unfitness for the jobs that are available, a vicious spiral downward that shows no signs of being checked and that will destroy the very fabric of our society through rot or riot if we do not find the solutions.

The only reason we are bogged down is that often we do not have the imagination, the gumption, the boldness of spirit to get started. With the cutting of this ribbon, we the people of this council believe it is a start in the right direction. It is perhaps the answer to some of our problems.

We must never forget that with programs like this one, we are in effect trying to make a better world for all of us to live in. We must not lose sight of our children and responsibilities towards them. If we can bring up our children with a greater concern and respect for others, through our example, they will be happier people, they will have marriages that are more stable, they will live more harmoniously in their neighborhoods, in addition to having a much better chance of saving the world through the humanity which we have left them as a most precious legacy.

Therefore, your honor, this council wishes to declare and affirm its backing of our city fathers and hereby proclaim its faith in the city of Woonsocket through this community action.

Any grievance and/or suggestions which might occur will be done in the true democratic tradition of law, order, and justice.

May God bless these humble surroundings and may He grant this council the courage of its convictions to help those who are in need so that all can enjoy the fruits of this great American Nation.

All council members affixed their signatures.

——— ———,
Chairman.

REDUCTION OF FEDERAL FUNDS FOR THE INTERSTATE HIGHWAY SYSTEM

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Rhode Island [Mr. ST GERMAIN] 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 Pennsylvania?

There was no objection.

Mr. ST GERMAIN. Mr. Speaker, the rationale of much of our legislation today is to stimulate and support activity in a given area by the States.

One such program is that of interstate highway construction in which the Federal Government repays 90 percent of the cost of construction carried out by the individual States.

Those of us who must travel a great deal are well aware of the importance of the Interstate Highway System in meeting the demands of modern travel. I need not dwell upon the overcrowded and inadequate highways that pose such a problem to our modern way of life and the very apparent need for further expansion and improvement of our highways.

The State of Rhode Island in grasping the need for divided highway construction took up the lead provided by the Federal Government and engaged itself in an accelerated construction program for the Interstate Highway System. Through bond issues voted by the people, the State of Rhode Island was able to finance this accelerated construction program with the intent of collecting its due share from the Federal Government at a later date.

Well, a cutback in Federal funds for highway construction has virtually made Rhode Island an island of uncompleted highways and interrupted support from the Federal Government.

In the Sunday, January 29 edition of the Sun published in Westerly, R.I., an excellent editorial was printed on this subject and was appropriately entitled "Rhode Island Penalized for Progress."

I would like to have this editorial inserted into the CONGRESSIONAL RECORD so

that my colleagues may become aware of the significance of the "big freeze" on highway construction.

Through such means I hope to gain sufficient support in having these funds restored so that we can get on with the vitally needed program of providing our citizens with adequate and safe roads on which to travel.

The article follows:

RHODE ISLAND PENALIZED FOR PROGRESS

Rhode Island's accelerated construction program for the Interstate Highway System has come to a screeching halt. In fact, Rhode Island finds itself being penalized for working rapidly to produce safe motoring on divided highways within its borders.

A cut-back of $400,000,000 was announced late last year in the Federal funds allocated for highway construction. The Interstate system is constructed by the individual states with the Federal government repaying ninety percent of the costs to the states. States were permitted to accelerate their construction programs, issue bonds to cover the cost of construction, and receive ninety percent of the cost figure from the Federal government at certain times each year.

Rhode Island elected to work fast, build the roads, create safe driving, permit the nearby land to be developed, pay for the work with bond issues, and collect later from the Federal government.

Today Rhode Island finds almost all of its highway work stopped! The only work being permitted by the Federal government is the completion of the parallel Washington Bridge in Providence and approaches. But no Interstate highway may be built to the bridge approaches!

The $400,000,000 "big freeze" from Washington meant that each state would be cut approximately 17 percent in government support. But, since Rhode Island has already spent part of the Federal funds allocated for 1968, the smallest state in the Union gets a cutback in funds of 125 percent! This means Rhode Island owes the Federal government 1.8 million dollars!

The Federal money to support interstate construction comes from a special Highway Trust Fund, which is constantly replenished from automotive tax dollars collected from the motoring public through the sale of gasoline, oil and automotive services. This is a trust fund to be used solely for highway purposes. But the Federal government is tapping this money for use in the Viet Nam war, just as the Social Security account was diverted during World War II.

While Rhode Island has money available for highway construction—realized through bond issues voted by the people—the state has been notified that if this money is used for Interstate highway construction, it will not be replaced by the Federal government on the 90–10 percent sharing schedule.

It is easy to say "Better sit back and wait for your money." But what happens to the Rhode Island labor force—both state employed and privately contracted—while the road work is halted? What happens to the trained machine operators, draftsmen, engineers, and supervisors? What happens to the contractors, who have invested in heavy equipment to make the roads?

Only 17 states in the nation are actually hurt by the Federal highway cutback. Rhode Island is one! Only nine states have constructed roads in advance of schedule. Rhode Island is one!

Rhode Island, with 15 percent of the 1968 fund already expended, is exceeded only by Maine—which has spent half of the 1968 allotment. The average throughout the nation is an expenditure of 82 percent of the 1967 allotment!

What can we do? Right now a quick letter or telegram to our Senators in Washington will help make them aware of the plight in Rhode Island.

We are being penalized for progress!

HOW TO FINANCE NONCOMMERCIAL TELEVISION

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from New Jersey [Mr. JOELSON] 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 Pennsylvania?

There was no objection.

Mr. JOELSON. Mr. Speaker, I have read the recommendations of the Carnegie Commission on Educational Television to develop public noncommercial television facilities. Although I am delighted that there is movement toward utilizing television for high quality cultural, educational, and entertainment programing, I am appalled at the recommendation of the Carnegie Commission for financing the new development.

The commission has endorsed an excise tax on the sale of new television sets which would eventually amount to 5 percent on the sale of each set. I urge that we consider as an alternative the obtaining of the necessary finances through meaningful fees to be paid annually by radio and television stations for licenses granted to them by the Federal Communications Commission. I consider the failure of the Federal Government to charge such fees the big giveaway of the 20th century, and I might add that since four of the 15 members of the Carnegie Commission on Educational Television have or had strong connections with the commercial television industry it is hardly surprising that the commission did not recommend this type of financing.

The airwaves are a natural resource owned by the people of the United States, and I think it shocking that our Government literally gives away these valuable assets. One can imagine the outcry that would result if the Federal Government gave away other natural resources it might own, and then told the fortunate donee to charge for these resources what the traffic will bear.

Most enterprises which are licensed and regulated by governmental bodies, whether State or local, pay fees for their privileges even though they are merely given the right to operate and, unlike the broadcasting industry, are not given virtual monopolies. Even barbers and liquor sellers are thus charged. Public utilities such as electric companies, telephone companies, and transportation companies at least have their rates regulated. Only the broadcasting companies escape the payment of meaningful license fees as well as the regulation of their rates.

In 1962, I introduced a bill which would have charged broadcasters annual fees which would have produced annual revenues of over $20 million a year, but my proposal never even received hearings by the House Committee on Interstate and Foreign Commerce to which it was referred. Subsequently, the Federal Communications Commission did decide to charge radio stations $50 and television stations $100. These sums are so small as to be laughable, and do not even approach the cost of the Federal Communications Commission in licensing and regulating the industry.

Broadcasters can be expected to oppose my proposal. Naturally, they would like to continue to enjoy the present system. However, I am sure that if at the outset they had been required by legislation to pay an initial fee and annual renewal fees to the Government, they would still have sought their licenses vigorously.

I have noticed that one major network has announced that it will make a voluntary gift to sustain the proposed educational television system. This is laudable indeed, but I believe that the financial needs will be such that voluntary contributions will constitute an adequate and dependable basis on which to proceed.

I believe that the consumers of this Nation will be most grateful if the proposals I have made are ultimately adopted.

LEGISLATION TO IMPROVE MAIL SERVICE FOR MEMBERS OF THE U.S. ARMED FORCES

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. DULSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DULSKI. Mr. Speaker, providing our servicemen overseas with the best possible mail service is of continuing concern and a matter of high priority to me and to the members of the Post Office and Civil Service Committee. General Westmoreland has given good mail service a priority ranking only behind "bullets, beans, and bandages," and we certainly have given support to his judgment. In the last Congress we were responsible for the enactment of two laws, Public Law 315 and Public Law 725, that together are now operating to achieve this high priority for good mail service to our Armed Forces.

Nevertheless, certain inequities and problem areas do remain and I am therefore today introducing new legislation that is designed to completely round out our efforts to see that all servicemen serving in remote overseas areas have the benefits of fast, efficient, and less expensive mail service. The ranking minority member of our committee, the Honorable ROBERT J. CORBETT, of Pennsylvania, who was a cosponsor of our earlier efforts, is today also introducing a bill identical to mine.

The new bill contains three significant and important provisions:

First. We would extend the free mailing privilege for letters and sound-recorded communications to all servicemen in overseas areas and to all who are hospitalized in a facility under the jurisdiction of the Armed Forces as a

result of disease or injury incurred while on active duty.

Under Public Law 89-315, only servicemen in combat areas as designated by the President, and those who are hospitalized as a result of disease or injury incurred as a result of service in an overseas combat area, can qualify for the free mailing privilege.

Extending this privilege to all servicemen overseas, and to all servicemen hospitalized by reason of disease or injury incurred while on active duty, is simply a matter of equity and fair treatment. In addition, it would remove several problems associated with the earlier law, such as where a serviceman loses his free mail privilege whenever he is rotated out of a combat zone for rest and relaxation, and where we now have arbitrary distinctions between forces serving in Vietnam and those serving in adjacent Thailand and other noncombat areas.

Essentially we would give the free mailing privilege primarily in recognition of the fact that the serviceman is serving in an overseas area vast distances from home, rather than in recognition of the fact that he may be in combat.

Second. The bill would create a new category of airlift mail for parcels weighing up to 30 pounds that are mailed at or addressed to any Armed Forces post office. The parcels would be transported by air on a space-available basis upon payment of the regular surface rate of postage plus a special uniform airlift fee to be fixed by the Postmaster General, which is expected to be not more than $1.

The most persistent and widespread complaint we receive from servicemen and from their families and friends is directed at the high cost of sending parcels by air parcel post. While our earlier legislation did provide an airlift at surface rates for parcels up to five pounds, under existing law parcels over that weight, if sent by air, must be paid for at the high air parcel post zone rates.

For example, a constituent of mine in Buffalo must now pay $8.08 to mail a 10-pound package to Vietnam by preferred air parcel post service. Under the new provision in my bill, the same 10-pound package would be mailed for approximately $3, and it would be transported by airlift on a less preferred service basis all the way from the point of mailing in Buffalo to the point of delivery in Vietnam.

Third. In last year's military mail law, Public Law 725, the Congress provided, among other things, an airlift from the United States to designated combat areas for certain news value publications, particularly news magazines and hometown newspapers. The third important provision of my bill would extend the airlift to this category of mail matter to all Armed Forces post offices in any overseas areas. Servicemen separated from their homes by an ocean of distance in Europe and elsewhere deserve to receive their hometown newspapers as quickly as those who are fighting in combat areas. The fact that a man is or is not in combat should not determine the speed by which news from his hometown reaches him.

Mr. Speaker, the American people are going to put up over $72 billion next year for our defense effort, a substantial part of which will go to pay for the "bullets, beans, and bandages" needed by our servicemen. I am confident the American people will want us to maintain the same high priority for improved communications with our servicemen through enactment of this legislation.

COMBATING AIR POLLUTION

Mr. EILBERG. 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 Pennsylvania?

There was no objection.

Mr. VAN DEERLIN. Mr. Speaker, the President yesterday outlined a bold, new program for combating air pollution. I agree with his proposals for a national effort to come to grips with this growing menace, for the atmospheric poison that now plagues so many areas is no respecter of State boundaries.

I have witnessed the effects of air pollution too often to feel that we can ignore this problem in the hope that it will go away. I have heard too much talk and seen too little action on this matter. We must act now, while we can, to defeat this menace before it overwhelms us. That is what the President is now asking us to do.

We must stop talking in general terms and get down to specifics.

We must deal swiftly with the problem of poisoned air moving from sources in one jurisdiction to threaten the lives of people in another. The air and all that it carries with it will not respect manmade boundaries, and accusations between jurisdictions will not solve the problems for which the people are paying.

We must induce industries to control the emissions from their plants and to cooperate with the air pollution laws. For an industry to invest large sums of money to clean up the air in its locality, only to be faced with the fact that a competitor has made no such investment is unfair and self-defeating.

The proposed national emission standards would solve this problem. They will give industry a sound basis for their air pollution control programs and allow them to plan for the future.

I believe that the enactment of this legislation is absolutely necessary if we are to breathe easy once again in this Nation.

DEMOCRACY—WHAT IT MEANS TO ME

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. HANLEY] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. HANLEY. Mr. Speaker, on this past Saturday evening, January 28, it was my great pleasure to join with a great number of people from my community at the Stanley Pennock Post No. 2893 of the Veterans of Foreign Wars, Solvay, N.Y., to tender honor to an outstanding member of both our community and the Veterans of Foreign Wars, the retiring fifth district commander, and my good friend, Francis A. O'Connell. Commander O'Connell has long been active in the arena of veterans affairs, consistently exerting his energy in the direction of aiding the veteran and his or her dependents, thus it was most fitting that he be recognized in this very deserving manner.

One of the highlights of the program was a speech presented by the winner of the Veterans of Foreign Wars Voice of Democracy Oratorical Contest. In this day when we hear so much about delinquency, it is so refreshing to observe a young man, just 17 years of age, whose philosophy, in my judgment, typifies that of the vast majority of American youngsters. Unfortunately, we read and hear so little about young Americans in this category, as opposed to the massive public information associated with the small minority of young Americans classified as delinquents.

The young man to whom I refer is Mr. Kevin Quinn, of 106 Rutledge Street, Syracuse, N.Y., the son of Mr. and Mrs. William M. Quinn. Kevin is a student at Christian Brothers Academy, in Syracuse, and has enjoyed previous oratorical successes in having been a winner of an Optimist Club oratorical contest as well as one sponsored by the National Catholic Forensic League.

In Kevin, I believe that we have a truly outstanding citizen in the making, and I am confident that every community in this Nation is blessed with a fair share of young Americans who embrace the ideals and philosophy of Kevin Quinn.

The topic of Kevin's address was "Democracy—What It Means to Me." I was most impressed with its content and would like to share it with my colleagues, as follows:

DEMOCRACY—WHAT IT MEANS TO ME

(By Kevin Quinn, Christian Brothers Academy)

Arthur Wellesley, later the Duke of Wellington, once remarked that, "The battle of Waterloo was won on the playing fields of Eton." Some have disputed this observation, especially since it was found that Eton had no formal playing fields in 1815. But of course, that wasn't what Wellesley meant. He was simply saying that the schoolboys of one decade must often become the defenders of freedom in the next, and that the preparation they receive in their youth is the foundation of their adult endeavors.

Every generation has its own particular challenge. In 1815, it was Waterloo. In our century, two world wars have been fought to safeguard freedom. The challenge of our generation is coming. It will be larger perhaps than any before it; for now, having obtained democracy, we are charged with preserving it.

The battles will be fought on many fronts: the battles of space and medicine, the battle for individual liberty and national purpose, for equal rights in an unequal world, for freedom from poverty, disease and despair. For self-determination in Asia and determination of self in America, for progress while retaining tradition, for a world in which men disagree yet still discuss, for *life*

salvaged from slums, *liberty* unsnared from the trap of socialism, and *happiness* realized as well as pursued, for all these—for democracy—we will fight. These are the Waterloos and the Normandies of tomorrow, and it is now that we must prepare.

When President Kennedy was alive, he often spoke to youth groups throughout the country. Occasionally his listeners would ask, in response to the challenge posed in his inaugural address, what they could do for their country. And he always answered the same: "Read history." John Kennedy himself had a great sense of history. After his death, his wife said of him, "You must think of him as this little boy, sick so much of the time, reading in bed, reading history, reading the Knights of the Round Table, reading Marlborough. For Jack, history was full of heroes. And if it made him this way—if it made him see the heroes—maybe other little boys will see." ". . . Maybe other little boys will see."

We, the youth of America, certainly have much to be proud of in our history, and knowing the price at which democracy was purchased by our forefathers ought to make it more dear to us. So perhaps this is *our* part in preserving democracy, to become the best of what we already are—students, because "the battle of Waterloo was won on the playing fields of Eton."

ABC AND I.T. & T. MERGER

Mr. EILBERG. Mr. Speaker, I ask unanimous consent that the gentleman from Massachusetts [Mr. O'NEILL] 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 Pennsylvania?

There was no objection.

Mr. O'NEILL of Massachusetts. Mr. Speaker, I wish to call the attention of my colleagues to the following editorial concerning the approved merger of the American Broadcasting Co. and the International Telephone & Telegraph Corp. The editorial appeared in the Washington Evening Star on Saturday, January 28. This late action by the Department of Justice has further complicated matters for the Federal Communications Commission which had last month sanctioned the merger of these two companies.

The editorial follows:

DELAY ON THE ABC–ITT MERGER

The Justice Department has put on a baffling performance in its recent effort to block a proposed merger of American Broadcasting Company and International and Telegraph Corporation.

As Senator Morton of Kentucky pointed out in a floor speech, Justice remained aloof while the Federal Communications Commission held public hearings on the case. Although given the opportunity to testify, it elected to remain silent. As recently as last month, Senator Morton noted, Justice wrote the FCC it did not have sufficient grounds to stay the merger, although it belatedly did question the move.

But 48 hours before the merger was scheduled for a green light this month, Justice asked the FCC for a delay. In doing so, the department suggested the merger might be harmful to competition in the broadcasting industry.

This line of reasoning is puzzling. As anyone in the broadcasting industry knows, ABC is not only the smallest of the three television networks but is up against competition with formidable diversification. The National Broadcasting Company is owned by Radio Corporation of America and has enjoyed a huge advantage because of this, particularly in development of color programming.

Senator Long of Louisiana, who served for many years as chairman of the Senate Small Business panel's subcommittee on monopoly, is in a good position to judge the matter. In supporting the FCC's approval of the merger, he notes that ABC "up to now has had difficulty in competing with the other two giants," and that combining it with ITT's resources in electronics would make its capital structure "parallel to that of the other two networks."

Perhaps the oddest statement put forth by Justice was the suggestion that the merger "threatens the independence and objectivity of ABC's news and public affairs reporting." If the department really wants to raise that gratuitous question, what about ABC's corporate competitors, who are embroiled in everything from book publishing to defense and space electronics, phonograph records, computers, and the New York Yankees? Does every broadcasting company's news integrity automatically come under a cloud of suspicion when it merges with an unrelated business? To believe this is absurd.

Senator Morton terms the Justice Department's move ill-conceived. At the least, it strikes us as displaying a superficial, poorly-reasoned and badly-timed approach.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. HOSMER, for February 1 and 2, on account of official business in district.

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. FINDLEY (at the request of Mr. DICKINSON), for 60 minutes, today; and to revise and extend his remarks, and to include extraneous matter.

Mr. QUILLEN (at the request of Mr. DICKINSON), for 10 minutes, today; and to revise and extend his remarks and include extraneous matter.

Mr. HOSMER (at the request of Mr. DICKINSON), for 20 minutes, February 2; and to revise and extend his remarks and include extraneous matter.

Mr. KUPFERMAN (at the request of Mr. DICKINSON), for 30 minutes, February 6; and to revise and extend his remarks and include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. CORMAN.

(The following Members (at the request of Mr. DICKINSON) and to include extraneous matter:)

Mr. BERRY.

Mr. JONAS to revise and extend his remarks and to include tables during his special order of today.

Mr. FINO.

(The following Members (at the request of Mr. EILBERG) and to include extraneous matter:)

Mr. HANNA.

Mr. WALKER.

Mr. BRINKLEY.

Mr. MINISH.

ADJOURNMENT

Mr. EILBERG. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 58 minutes p.m.) the House adjourned until tomorrow, Wednesday, February 1, 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:

298. A letter from the Assistant Secretary of Defense (Installations and Logistics), transmitting a report on Department of Defense procurement from small and other business firms for July to November 1966, pursuant to the provisions of section 10(d) of the Small Business Act, as amended; to the Committee on Banking and Currency.

299. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to revise and modernize procedures relating to the licensing by the District of Columbia of persons engaged in certain occupations, professions, businesses, trades, and callings, and for other purposes; to the Committee on the District of Columbia.

300. A letter from the Chairman, District of Columbia Armory Board, transmitting the ninth annual report and financial statements of the Board's operation of the District of Columbia Stadium, and the 19th annual report and financial statements of the Board's operation of the District of Columbia National Guard Armory for the fiscal year ended June 30, 1966, pursuant to the provisions of section 10, Public Law 80–605, as amended, and section 10 of Public Law 85–300, as amended; to the Committee on the District of Columbia.

301. A letter from the president, Potomac Electric Power Co., Washington, D.C., transmitting a copy of a balance sheet as of December 31, 1966, pursuant to 37 Stat. 979; to the Committee on the District of Columbia.

302. A letter from the Director, U.S. Information Agency, transmitting a draft of proposed legislation, to amend further section 1011 of the U.S. Information and Educational Exchange Act of 1948, as amended; to the Committee on Foreign Affairs.

303. A letter from the Administrator, Federal Aviation Agency, transmitting the 21st annual report of the Agency's operations under the Federal Airport Act, as amended, for the fiscal year ending June 30, 1966, pursuant to section 18 of the act; to the Committee on Interstate and Foreign Commerce.

304. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Bankruptcy Act to permit a husband and wife to file a joint petition in ordinary bankruptcy and chapter XIII (wage earner) proceedings; to the Committee on the Judiciary.

305. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend the Bankruptcy Act to authorize courts of bankruptcy to determine the dischargeability or nondischargeability of provable debts; to the Committee on the Judiciary.

306. A letter from the Assistant Attorney General for Administration, U.S. Department of Justice, transmitting the report on positions in grades GS-16, 17, and 18 as of December 31, 1966, pursuant to 5 U.S.C. 5114(a); to the Committee on Post Office and Civil Service.

307. A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to amend section 8346 of title 5, United States Code, to permit the recovery by the Government of amounts due the Government in the settlement of claims against retired civil service employees, and for other purposes; to the Committee on Post Office and Civil Service.

308. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated December 16, 1966, submitting a report, together with accompanying papers and an illustration, on a letter report on Burwells Bay, Isle of Wight County, Va., requested by a resolution of the Committee on Public Works, House of Representatives, adopted April 9, 1957; no authorization by Congress is recommended as the desired improvement has been adopted for accomplishment by the Chief of Engineers under the provisions of section 107 of the 1960 River and Harbor Act; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. SISK: Committee on Rules. House Resolution 53. Resolution creating a select committee to conduct studies and investigations of the problems of small business (Rept. No. 2). Referred to the House Calendar.

Mr. MADDEN: Committee on Rules. House Concurrent Resolution 51. Concurrent resolution to continue the Joint Committee on the Organization of the Congress (Rept. No. 3). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 4206. A bill to amend the Public Health Service Act to provide assistance to certain non-Federal institutions, agencies, and organizations for the establishment and operation of community programs for patients with kidney disease and for conduct of training related to such programs, and other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. BELL:

H.R. 4207. A bill to authorize the Legislative Reference Service to make use of automatic data processing techniques and equipment in the performance of its functions; to the Committee on House Administration.

By Mr. BERRY:

H.R. 4208. 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 costs within a period of from 1 to 5 years; to the Committee on Ways and Means.

H.R. 4209. A bill to amend the Internal Revenue Code of 1954 to provide that certain income derived from manufacturing plants established on Indian reservations shall not be subject to tax, and for other purposes; to the Committee on Ways and Means.

By Mr. BRASCO:

H.R. 4210. A bill to reclassify certain positions in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. BROWN of California:

H.R. 4211. A bill making a supplemental appropriation to carry out the Economic Opportunity Act of 1964 during the fiscal year ending June 30, 1967; to the Committee on Appropriations.

By Mr. CASEY:

H.R. 4212. A bill prohibiting the use in the District of Columbia of firearms in the commission of certain crimes; to the Committee on the District of Columbia.

H.R. 4213. A bill to amend the Disaster Relief Act of 1966 to provide for a national program of flood insurance; to the Committee on Public Works.

By Mr. CLEVELAND:

H.R. 4214. A bill to provide for the humane treatment of vertebrate animals used in experiments and tests by recipients of grants from the United States and by agencies and instrumentalities of the U.S. Government and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CONTE:

H.R. 4215. A bill to incorporate Pop Warner Little Scholars, Inc.; to the Committee on the Judiciary.

H.R. 4216. A bill to amend the act of October 4, 1961, relating to the acquisition of wetlands for conservation of migratory waterfowl, to extend for an additional 8 years the period during which funds may be appropriated under that act, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. CURTIS:

H.R. 4217. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of dividends paid by certain corporations which hold obligations of States and local governments; to the Committee on Ways and Means.

H.R. 4218. A bill to amend the Internal Revenue Code of 1954 to provide that contributions and gifts to foreign charities shall be deductible from gross income; to the Committee on Ways and Means.

H.R. 4219. A bill to amend section 212 of the Internal Revenue Code of 1954 to provide for the deduction of certain expenses paid or incurred in a search for a business or investment; to the Committee on Ways and Means.

H.R. 4220. A bill to amend the Internal Revenue Code of 1954 to encourage basic research in science by the allowance of a tax credit for contributions and other expenditures for basic research in science; to the Committee on Ways and Means.

By Mr. DENT:

H.R. 4221. A bill relative to age discrimination in employment; to the Committee on Education and Labor.

By Mr. DOWNING:

H.R. 4222. A bill to amend section 209 of the Merchant Marine Act, 1936, so as to require future authorization of funds for certain programs of the Maritime Administration; to the Committee on Merchant Marine and Fisheries.

H.R. 4223. A bill to amend the Disaster Relief Act of 1966 to provide for a national program of flood insurance; to the Committee on Public Works.

By Mr. DULSKI:

H.R. 4224. A bill to amend title 39, United States Code, to provide additional free letter-mail and air transportation mailing privileges for certain members of the U.S. Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. DWYER:

H.R. 4225. A bill to establish a National Commission on Older Workers; to the Committee on Education and Labor.

By Mr. ERLENBORN:

H.R. 4226. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. ESHLEMAN:

H.R. 4227. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. FASCELL:

H.R. 4228. 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. FULTON of Pennsylvania:

H.R. 4229. A bill to amend section 620 of the Foreign Assistance Act of 1961 to provide for the suspension of assistance to any country which does not protect American property and the rights of American citizens; to the Committee on Foreign Affairs.

H.R. 4230. A bill to authorize the erection of a statue of Queen Isabella of Spain in the rotunda of the U.S. Capitol; to the Committee on House Administration.

By Mr. GARMATZ:

H.R. 4231. A bill to amend section 27 of the Shipping Act, 1916; to the Committee on Merchant Marine and Fisheries.

By Mr. GONZALEZ:

H.R. 4232. 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.

By Mr. GROSS:

H.R. 4233. A bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations; to the Committee on Agriculture.

By Mr. GUBSER:

H.R. 4234. A bill to amend the Internal Revenue Code of 1954 to provide that the Secretary of the Treasury or his delegate shall be bound by decisions of certain Federal courts; to the Committee on Ways and Means.

H.R. 4235. A bill to amend the Internal Revenue Code of 1954 to authorize an incentive tax credit allowable with respect to facilities to control water and air pollution, to encourage the construction of such facilities, and to permit the amortization of the cost of constructing such facilities within a period of from 1 to 5 years; to the Committee on Ways and Means.

By Mr. HAGAN:

H.R. 4236. A bill to establish certain qualifications for persons appointed to the Supreme Court of the United States; to the Committee on the Judiciary.

H.R. 4237. A bill to increase from $600 to $1,200 the personal income tax exemptions of a taxpayer (including the exemption for a spouse, the exemption for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. HANNA:

H.R. 4238. A bill to provide for the establishment of an International Home Loan Bank, and for other purposes; to the Committee on Banking and Currency.

H.R. 4239. A bill to amend the International Travel Act of 1961 in order to promote travel in the United States; to the Committee on Interstate and Foreign Commerce.

By Mr. HÉBERT:

H.R. 4240. A bill to establish an Armed Forces Medical, Dental, and Allied Sciences Academy; to the Committee on Armed Services.

By Mr. HOLIFIELD:

H.R. 4241. A bill to extend for 2 years the period for which payments in lieu of taxes may be made with respect to certain real property transferred by the Reconstruction Finance Corporation and its subsidiaries to other Government departments; to the Committee on Government Operations.

By Mr. HOSMER:

H.R. 4242. A bill to amend title 18 of the United States Code to prohibit travel or use

of any facility in interstate and foreign commerce with intent to incite a riot or other civil disturbance, and for other purposes; to the Committee on the Judiciary.

By Mr. HULL:

H.R. 4243. 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 Mr. JACOBS:

H.R. 4244. A bill to amend the Internal Revenue Code of 1954 to allow teachers to deduct from gross income the expenses incurred in pursuing courses for academic credit and degrees at institutions of higher education and including certain travel; to the Committee on Ways and Means.

By Mr. JARMAN:

H.R. 4245. A bill to extend the fourth-class mail rate for books and educational materials to photographic prints mailed to and from amateur photographers and nonprofit photographic exhibitions, photographic societies, and photographic print study groups; to the Committee on Post Office and Civil Service.

By Mr. JOELSON:

H.R. 4246. A bill to amend the Internal Revenue Code of 1954 to allow a credit against income tax to individuals for certain expenses incurred in providing higher education; to the Committee on Ways and Means.

By Mr. KING of New York:

H.R. 4247. A bill to amend the Internal Revenue Code of 1954 to encourage the abatement of water and air pollution by permitting the amortization for income tax purposes of the cost of abatement works over a period of 36 months; to the Committee on Ways and Means.

By Mr. KUYKENDALL:

H.R. 4248. A bill to strengthen State and local governments, to provide the States with additional financial resources to improve public elementary and secondary education by returning a portion of the Federal revenue to the States; to the Committee on Ways and Means.

By Mr. KYL:

H.R. 4249. A bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations; to the Committee on Agriculture.

By Mr. LEGGETT:

H.R. 4250. A bill to preserve the domestic gold mining industry and to increase the domestic production of gold; to the Committee on Interior and Insular Affairs.

H.R. 4251. A bill to amend the Disaster Relief Act of 1966 to provide for a national program of flood insurance; to the Committee on Public Works.

By Mr. LLOYD:

H.R. 4252. 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. LONG of Maryland:

H.R. 4253. A bill to amend title 39, United States Code, to provide for the transportation of mail at no cost to the sender to and from the United States and combat areas overseas as designated by the President, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McCARTHY:

H.R. 4254. 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. MATSUNAGA:

H.R. 4255. A bill to amend the Federal Credit Union Act to modify the loan provisions relating to directors, members of the supervisory committee, and members of the credit committee of Federal credit unions; to increase the unsecured loan limit that a member can borrow from a Federal credit union; to require each Federal credit union to establish an education committee; and for other purposes; to the Committee on Banking and Currency.

H.R. 4256. A bill to permit Federal employees to purchase shares of Federal- or State-chartered credit unions through voluntary payroll allotment; to the Committee on Banking and Currency.

H.R. 4257. A bill for the establishment of a Civilian Aviation Academy; to the Committee on Interstate and Foreign Commerce.

By Mr. MAYNE:

H.R. 4258. A bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations; to the Committee on Agriculture.

By Mr. MONAGAN:

H.R. 4259. A bill to authorize the preparation of plans for a memorial to Woodrow Wilson; to the Committee on House Administration.

By Mr. MORSE of Massachusetts:

H.R. 4260. A bill to establish a system for the sharing of certain Federal revenues with the States; to the Committee on Ways and Means.

By Mr. PERKINS:

H.R. 4261. A bill to amend the Older American Act of 1965 so as to extend its provisions; to the Committee on Education and Labor.

By Mrs. REID of Illinois:

H.R. 4262. A bill to amend the Internal Revenue Code of 1954 to exempt servicemen from the excise tax on transportation by air; to the Committee on Ways and Means.

H.R. 4263. 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. REUSS:

H.R. 4264. A bill to amend the Internal Revenue Code of 1954 to provide that the reduction in the manufacturers excise tax on automobiles from 7 percent to 2 percent shall take effect on April 1, 1967, instead of on April 1, 1968; to the Committee on Ways and Means.

By Mr. RHODES of Pennsylvania:

H.R. 4265. A bill to amend section 118 of title 28, United States Code, to provide that the U.S. District Court for the Eastern District of Pennsylvania shall be held at Easton, Philadelphia, and Reading; to the Committee on the Judiciary.

H.R. 4266. A bill to amend the Internal Revenue Code of 1954 to increase from $600 to $1,000 the personal tax exemptions of a taxpayer (including the exemption for a spouse, the exemptions for a dependent, and the additional exemptions for old age and blindness); to the Committee on Ways and Means.

By Mr. ROUDEBUSH:

H.R. 4267. A bill to amend the Internal Revenue Code of 1954 to exempt servicemen from the excise tax on transportation by air; to the Committee on Ways and Means.

By Mr. ROYBAL:

H.R. 4268. A bill to amend the Internal Revenue Code of 1954 to increase the maximum amount of retirement income which may be taken into account in computing the retirement income credit; to the Committee on Ways and Means.

By Mr. ST GERMAIN:

H.R. 4269. A bill to amend the Older Americans Act of 1965 to provide for an older Americans community service program; to the Committee on Education and Labor.

By Mr. SAYLOR:

H.R. 4270. A bill to amend the Fair Labor Standards Act of 1938 to establish procedures to relieve domestic industries and workers injured by increased imports from low-wage areas; to the Committee on Education and Labor.

H.R. 4271. A bill to strengthen intergovernmental relations by improving cooperation and the coordination of federally aided activities between the Federal, State, and local levels of government, and for other purposes; to the Committee on Government Operations.

H.R. 4272. A bill to amend section 110 of title 38, United States Code, to provide for the preservation of total disability ratings under laws administered by the Veterans' Administration where such ratings have been in force for 15 years or more; to the Committee on Veterans' Affairs.

H.R. 4273. A bill to prescribe the size of flags furnished by the Administrator of Veterans' Affairs to drape the caskets of deceased veterans; to the Committee on Veterans' Affairs.

By Mr. SCHERLE:

H.R. 4274. A bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations; to the Committee on Agriculture.

By Mr. SCHEUER:

H.R. 4275. A bill to amend the Public Works and Economic Development Act of 1965 to make certain metropolitan areas eligible as redevelopment areas; to the Committee on Public Works.

By Mr. SCHWENGEL:

H.R. 4276. A bill to clarify the authority of the Secretary of Agriculture to require reasonable bonds from packers in connection with their livestock purchasing operations; to the Committee on Agriculture.

By Mr. SHRIVER:

H.R. 4277. A bill to provide for sharing of Federal taxes with States and their political subdivisions; to the Committee on Ways and Means.

By Mr. SLACK:

H.R. 4278. A bill to amend title II of the Social Security Act to eliminate the reduction in disability insurance benefits which is presently required in the case of an individual receiving workmen's compensation benefits; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 4279. A bill to amend the Clean Air Act to improve and expand the authority to conduct or assist research relating to air pollutants, to assist in the establishment of regional air quality commissions, to authorize establishment of standards applicable to emissions from establishments engaged in certain types of industry, to assist in establishment and maintenance of State programs for annual inspections of automobile emission control devices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STEIGER of Arizona:

H.R. 4280. A bill to establish a National Commission on Public Management, and for other purposes; to the Committee on Government Operations.

H.R. 4281. A bill to provide that chief judges of circuits and chief judges of district courts shall cease to serve as such upon reaching the age of 66; to the Committee on the Judiciary.

By Mr. VIGORITO:

H.R. 4282. A bill to amend the Agricultural Adjustment Act, as reenacted and amended by the Agricultural Marketing Agreement Act of 1937, as amended, so as to eliminate certain requirements with respect to effectuating marketing orders for cherries; to the Committee on Agriculture.

By Mr. WALDIE:

H.R. 4283. A bill to amend title II of the Social Security Act to permit a woman to become entitled to full wife's insurance benefits after attaining age 65 even though she became entitled to reduced old-age insurance

benefits (or disability insurance benefits) before attaining that age; to the Committee on Ways and Means.

By Mr. WALKER:

H.R. 4284. A bill to provide additional readjustment assistance to veterans who served in the Armed Forces during the Vietnam era, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WATTS:

H.R. 4285. A bill to amend title 18, United States Code, to provide penalties with respect to the maintenance of lists of Government employees in connection with fund solicitations, and for other purposes; to the Committee on the Judiciary.

By Mr. WILLIAMS of Pennsylvania:

H.R. 4286. 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. BROWN of Ohio:

H.R. 4287. 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. ZION:

H.R. 4288. 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. WHALLEY:

H.R. 4289. 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. SCHWEIKER:

H.R. 4290. 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. HALPERN:

H.R. 4291. 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. SCHNEEBELI:

H.R. 4292. 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. ANDREWS of North Dakota:

H.R. 4293. 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. STEIGER of Wisconsin:

H.R. 4294. 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. CEDERBERG:

H.R. 4295. 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. KUPFERMAN:

H.R. 4296. 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. KEITH:

H.R. 4297. 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. HALL:

H.R. 4298. 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. MACGREGOR:

H.R. 4299. 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. MIZE:

H.R. 4300. 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. MESKILL:

H.R. 4301. 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. SMITH of New York:

H.R. 4302. 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. TEAGUE of California:

H.R. 4303. 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. McDONALD of Michigan:

H.R. 4304. 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. BUCHANAN:

H.R. 4305. 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. BIESTER:

H.R. 4306. 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. TAFT:

H.R. 4307. 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. BROTZMAN:

H.R. 4308. 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. CURTIS:

H.R. 4309. 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 Mrs. DWYER:

H.R. 4310. 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. SCHWENGEL:

H.R. 4311. 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. SCOTT:

H.R. 4312. 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. BERRY:

H.R. 4313. A bill to permit the transfer of 100 acres of feed grain base from Yankton County, S. Dak., to Hughes County, S. Dak.; to the Committee on Agriculture.

By Mr. BROOMFIELD:

H.R. 4314. A bill to authorize the release of certain quantities of nickel from the national stockpile; to the Committee on Armed Services.

By Mr. BROYHILL of Virginia:

H.R. 4315. A bill to provide for the popular election of one member of the Board of Commissioners of the District of Columbia; to the Committee on the District of Columbia.

H.R. 4316. A bill to create an independent school board in the District of Columbia; to the Committee on the District of Columbia.

By Mr. BURKE of Massachusetts:

H.R. 4317. A bill to extend the U.S. Fishing Fleet Improvement Act and to increase the annual authorization for such act; to the Committee on Merchant Marine and Fisheries.

H.R. 4318. A bill to amend the Internal Revenue Code of 1954 with respect to expenses of plastic surgery and hypertrichology; to the Committee on Ways and Means.

By Mr. BUTTON:

H.R. 4319. A bill to amend the Internal Revenue Code of 1954 to exempt State-conducted lotteries from the taxes on wagering; to the Committee on Ways and Means.

By Mr. CORBETT:

H.R. 4320. A bill to amend title 39, United States Code, to provide additional free lettermail and air transportation mailing privileges for certain members of the U.S. Armed Forces, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. CUNNINGHAM:

H.R. 4321. 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.

By Mr. DELANEY:

H.R. 4322. A bill to amend the Clean Air Act to provide for more effective prevention, control, and abatement of air pollution through the establishment of air regions and standards applicable thereto; to the Committee on Interstate and Foreign Commerce.

By Mr. EDWARDS of Alabama:

H.R. 4323. A bill concerning a Federal Tax Fairness Act; to the Committee on Ways and Means.

By Mr. ERLENBORN:

H.R. 4324. A bill to establish a Commission on Goverment Procurement; to the Committee on Government Operations.

By Mr. FINO:

H.R. 4325. A bill to permit the transmission in the mails of lottery tickets and other matter mailed in a State where lotteries are legal, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 4326. A bill to amend the Internal Revenue Code of 1954 to exempt State-conducted lotteries from the taxes on wagering; to the Committee on Ways and Means.

By Mr. FULTON of Pennsylvania:

H.R. 4327. A bill to provide assistance to students pursuing programs of higher education in the fields of law enforcement and of correctional treatment of law violators; to the Committee on Education and Labor.

H.R. 4328. A bill to create a U.S. Academy of Foreign Service; to the Committee on Foreign Affairs.

By Mr. GARMATZ:

H.R. 4329. A bill to amend the Intercoastal Shipping Act of 1933 to provide for accounting at the expiration of a rate suspension; to the Committee on Merchant Marine and Fisheries.

By Mr. GILBERT:

H.R. 4330. A bill to amend title 32, United States Code, to clarify the status of National Guard technicians, and for other purposes; to the Committee on Armed Services.

H.R. 4331. A bill to amend the Public Health Service Act to provide for the establishment of a National Eye Institute in the National Institutes of Health; to the Committee on Interstate and Foreign Commerce.

H.R. 4332. A bill to amend the Clean Air Act to provide for more effective prevention, control, and abatement of air pollution through the establishment of air regions and standards applicable thereto; to the Committee on Interstate and Foreign Commerce.

H.R. 4333. A bill authorizing the President of the United States to award posthumously a Congressional Medal of Honor to John Fitzgerald Kennedy; to the Committee on the Judiciary.

H.R. 4334. A bill to amend section 2401 of title 28 of the United States Code to toll the running of the statute of limitations against tort claims of persons under legal disability or beyond the seas at the time their claims accrue; to the Committee on the Judiciary.

H.R. 4335. A bill to amend title 39, United States Code, in order to prevent the use of work measuring devices in the postal service; to the Committee on Post Office and Civil Service.

By Mr. HALL:

H.R. 4336. A bill to amend the act of April 22, 1960, providing for the establishment of the Wilson's Creek Battlefield National Park; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND:

H.R. 4337. A bill to amend the Internal Revenue Code of 1954 to eliminate the percentage depletion method for determining the deduction for depletion of oil and gas wells; to the Committee on Ways and Means.

By Mrs. KELLY:

H.R. 4338. A bill to amend the Economic Opportunity Act of 1964 to make permanent the present matching requirement applicable to the college work-study program; to the Committee on Education and Labor.

By Mr. MATSUNAGA:

H.R. 4339. A bill to amend the Older Americans Act of 1965 to provide for an older Americans community service program; to the Committee on Education and Labor.

By Mr. MURPHY of New York:

H.R. 4340. A bill to amend the Clean Air Act to improve and expand the authority to conduct or assist research relating to air pollutants, to assist in the establishment of regional air quality commissions, to authorize establishment of standards applicable to emissions from establishments engaged in certain types of industry, to assist in establishment and maintenance of State programs for annual inspections of automobile emission control devices, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SAYLOR:

H.R. 4341. A bill to amend title 38 of the United States Code to provide increases in the rates of disability compensation; to the Committee on Veterans' Affairs.

H.R. 4342. A bill to amend section 503 of title 38, United States Code, to provide that payments to an individual under a public or private retirement, annuity, endowment, or similar plans or programs shall not be counted as income for pension until the amount of payments received equals the contributions thereto; to the Committee on Veterans' Affairs.

H.R. 4343. A bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of business development corporations; to the Committee on Ways and Means.

H.R. 4344. A bill to amend the Internal Revenue Code of 1954 to increase the depletion allowance to the present maximum (27½ percent) for all minerals produced in the United States; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H.R. 4345. A bill to enable the Commissioner of Education to assist States to carry on education and training programs to strengthen public administration in the States; to the Committee on Education and Labor.

By Mr. UTT:

H.R. 4346. 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; to the Committee on Merchant Marine and Fisheries.

By Mr. WATSON:

H.R. 4347. A bill to amend the Fair Labor Standards Act of 1938 to exclude from that act's minimum wage coverage persons employed in agriculture; to the Committee on Education and Labor.

H.R. 4348. A bill to amend the Fair Labor Standards Act of 1938 to exclude agricultural employees from the minimum wage provisions of that act for 2 years; to the Committee on Education and Labor.

By Mr. WIDNALL:

H.R. 4349. A bill to amend the Housing and Urban Development Act of 1965 to increase from $200 to $500 million the amount of the annual appropriations authorized thereunder for grants for basic water and sewer facilities; to the Committee on Banking and Currency.

By Mr. BOB WILSON:

H.R. 4350. 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; to the Committee on Merchant Marine and Fisheries.

By Mr. BROYHILL of Virginia:

H.J. Res. 235. Joint resolution proposing an amendment to the Constitution of the United States granting representation in the Congress to the District of Columbia; to the Committee on the Judiciary.

By Mr. CASEY:

H.J. Res. 236. Joint resolution to create a delegation to a convention of North Atlantic nations; to the Committee on Foreign Affairs.

By Mr. CLEVELAND:

H.J. Res. 237. 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. ERLENBORN:

H.J. Res. 238. Joint resolution to authorize the President to proclaim the last week in October of each year as National Water Awareness Week; to the Committee on the Judiciary.

By Mr. GILBERT:

H.J. Res. 239. Joint resolution declaring the first Tuesday after the first Monday of November in each even-numbered year to be a legal public holiday; to the Committee on the Judiciary.

By Mr. HAGAN:

H.J. Res. 240. Joint resolution proposing an amendment of the Constitution of the United States permitting the offering of prayers and the reading of the Bible in public schools or other public bodies in the United States; to the Committee on the Judiciary.

By Mr. HANNA:

H.J. Res. 241. Joint resolution to request the President to negotiate with the Mexican Government for the purpose of setting up a joint United States-Mexican commission to investigate the flow of marihuana, narcotic drugs, and dangerous drugs between the United States and Mexico; to the Committee on Foreign Affairs.

By Mr. JARMAN:

H.J. Res. 242. Joint resolution authorizing the President to proclaim National CARIH Asthma Week; to the Committee on the Judiciary.

By Mr. ANNUNZIO:

H. Con. Res. 114. Concurrent resolution to express the sense of Congress against the persecution of persons by Soviet Russia because of their religion; to the Committee on Foreign Affairs.

By Mr. SAYLOR:

H. Con. Res. 115. Concurrent resolution expressing the sense of the Congress with respect to invoking the rights of article XXVIII of the General Agreement on Tariffs and Trade; to the Committee on Ways and Means.

By Mr. SCHEUER:

H. Con. Res. 116. Concurrent resolution establishing a Congressional Commission on the Role of Congress in Foreign Policy and Intelligence Activities; to the Committee on Rules.

H. Con. Res. 117. Concurrent resolution to express the sense of Congress against the persecution of persons by Soviet Russia because

of their religion; to the Committee on Foreign Affairs.

By Mr. WALDIE:

H. Con. Res. 118. Concurrent resolution to provide early appropriations for Federal educational programs; to the Committee on Rules.

By Mr. DELANEY:

H. Res. 193. Resolution creating a select committee to conduct an investigation and study of air pollution in the United States; to the Committee on Rules.

By Mr. EDWARDS of Alabama:

H. Res. 194. Resolution creating a select committee to conduct an investigation and study of the administration, operation, and enforcement of the Export Control Act of 1949, and related acts; to the Committee on Rules.

By Mr. ESHLEMAN:

H. Res. 195. Resolution amending the Rules of the House of Representatives to permit the presentation and recognition in the Hall of the House of holders of the Congressional Medal of Honor, and for other purposes; to the Committee on Rules.

By Mr. GILBERT:

H. Res. 196. Resolution amending the Rules of the House; to the Committee on Rules.

By Mr. HAGAN:

H. Res. 197. Resolution creating a Select Committee on Standards and Conduct; to the Committee on Rules.

By Mr. MACHEN:

H. Res. 198. Resolution relative to the Interstate and Foreign Commerce Committee making an investigation and study of certain policies of the Federal Communications Commission; to the Committee on Rules.

H. Res. 199. Resolution authorizing Members of the House of Representatives to employ during each summer one student congressional intern; to the Committee on House Administration.

MEMORIALS

Under clause 4 of rule XXII,

5. The SPEAKER presented a memorial of the Legislature of the State of Montana, relative to requesting Congress to restore to the State of Montana for expenditure the full amount of Federal funds authorized in the Federal Aid Highway Acts of 1964 and 1966, which was referred to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ADAMS:

H.R. 4351. A bill to provide for the free entry of a pipe organ for the use of St. Mark's Cathedral, Seattle, Wash., to the Committee on Ways and Means.

By Mr. ADAMS (by request):

H.R. 4352. A bill for the relief of Mrs. Sonia Pinto Querub and her minor son, Isaac Albert Pinto; to the Committee on the Judiciary.

By Mr. ADDABBO:

H.R. 4353. A bill for the relief of Lidia Di Bartolomeo; to the Committee on the Judiciary.

By Mr. BOLLING:

H.R. 4354. A bill for the relief of Antonio Escobedo-Romo; to the Committee on the Judiciary.

By Mr. BRADEMAS (by request):

H.R. 4355. A bill for the relief of Milena D. Ristanovic; to the Committee on the Judiciary.

By Mr. BRASCO:

H.R. 4356. A bill for the relief of Marco Ferraro; to the Committee on the Judiciary.

H.R. 4357. A bill for the relief of Gioacchino Cutaia; to the Committee on the Judiciary.

H.R. 4358. A bill for the relief of Bennedetto Di Maggio; to the Committee on the Judiciary.

H.R. 4359. A bill for the relief of Raffaelo Di Maggio; to the Committee on the Judiciary.

H.R. 4360. A bill for the relief of Guarino Zanotti; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia:

H.R. 4361. A bill for the relief of Yung Ja Chun; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia (by request):

H.R. 4362. A bill for the relief of Earl J. Krotzer; to the Committee on the Judiciary.

By Mr. CASEY:

H.R. 4363. A bill for the relief of George W. Payne and Jo Nam Payne; to the Committee on the Judiciary.

H.R. 4364. A bill for the relief of Markos P. Keloudis; to the Committee on the Judiciary.

By Mr. CELLER:

H.R. 4365. A bill for the relief of Sema Bronstein; to the Committee on the Judiciary.

H.R. 4366. A bill for the relief of Bernard L. Gomberg; to the Committee on the Judiciary.

H.R. 4367. A bill for the relief of Nachman Bench; to the Committee on the Judiciary.

By Mr. DEL CLAWSON:

H.R. 4368. A bill for the relief of John Barbarich; to the Committee on the Judiciary.

H.R. 4369. A bill for the relief of Kyung Hee Park Grady; to the Committee on the Judiciary.

H.R. 4370. A bill for the relief of Sandy Kyriacoula Georgopoulos and Anthony Georgopoulos; to the Committee on the Judiciary.

By Mr. CONABLE:

H.R. 4371. A bill for the relief of Mrs. Josephine C. Aquino Heindel; to the Committee on the Judiciary.

H.R. 4372. A bill for the relief of Mrs. Maria Curatolo; to the Committee on the Judiciary.

By Mr. DELANEY:

H.R. 4373. A bill for the relief of Filippo Badalamenti; to the Committee on the Judiciary.

By Mr. DELLENBACK:

H.R. 4374. A bill to remove a cloud on the title of certain real property in the State of Oregon owned by John Johnson; to the Committee on Interior and Insular Affairs.

By Mr. DOWNING:

H.R. 4375. A bill for the relief of Hampton Hardwood Corp. of Newport News, Va.; to the Committee on the Judiciary.

By Mr. DUNCAN:

H.R. 4376. A bill for the relief of Hamid Mowlana; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 4377. A bill for the relief of Vincenzo Armetta; to the Committee on the Judiciary.

H.R. 4378. A bill for the relief of Antonio d'Angelo; to the Committee on the Judiciary.

H.R. 4379. A bill for the relief of Konstantinos Angelou; to the Committee on the Judiciary.

H.R. 4380. A bill for the relief of George Georgiadis; to the Committee on the Judiciary.

H.R. 4381. A bill for the relief of John Marinis; to the Committee on the Judiciary.

H.R. 4382. A bill for the relief of Domenico Calderone; to the Committee on the Judiciary.

By Mr. GILBERT:

H.R. 4383. A bill for the relief of Rosa Kelly; to the Committee on the Judiciary.

By Mr. HANNA:

H.R. 4384. A bill for the relief of Lidia Maria Asencion; to the Committee on the Judiciary.

H.R. 4385. A bill for the relief of Sheng Tong and Sheng Mee; to the Committee on the Judiciary.

H.R. 4386. A bill for the relief of Visitacion Enriquez Maypa; to the Committee on the Judiciary.

H.R. 4387. A bill for the relief of Mrs. Kyung Nam Cho; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 4388. A bill for the relief of Dr. Mirjam Mathe; to the Committee on the Judiciary.

H.R. 4389. A bill for the relief of Mrs. Bronislava Zbrozek; to the Committee on the Judiciary.

H.R. 4390. A bill for the relief of Mrs. Aniela Musial; to the Committee on the Judiciary.

H.R. 4391. A bill for the relief of Maria Mysliewicz; to the Committee on the Judiciary.

H.R. 4392. A bill for the relief of Antonio Mario Russo and Mauro Giuseppe Russo; to the Committee on the Judiciary.

H.R. 4393. A bill for the relief of Mrs. Stefania Scislowicz; to the Committee on the Judiciary.

H.R. 4394. A bill for the relief of Miss Lola Williams; to the Committee on the Judiciary.

By Mrs. KELLY:

H.R. 4395. A bill for the relief of Mrs. Josphine Giron; to the Committee on the Judiciary.

By Mr. KUPFERMAN:

H.R. 4396. A bill for the relief of Nicholas Rizos; to the Committee on the Judiciary.

H.R. 4397. A bill for the relief of Dr. Sadashiv V. Phansalkar; to the Committee on the Judiciary.

H.R. 4398. A bill for the relief of Enni Rosa-Tezza; to the Committee on the Judiciary.

By Mr. KUPFERMAN (by request):

H.R. 4399. A bill for the relief of Chieh Yen; to the Committee on the Judiciary.

H.R. 4400. A bill for the relief of Natalie Ann Doloris Mary Sergenti (also known as Lee Carry, Ligeia Caravias, and Lygia Panagiotis Karavias); to the Committee on the Judiciary.

H.R. 4401. A bill for the relief of Alfredo I. Sison; to the Committee on the Judiciary.

H.R. 4402. A bill for the relief of Emmanuel Nartey; to the Committee on the Judiciary.

H.R. 4403. A bill for the relief of Gaetano Porcello and Gaetana Porcello; to the Committee on the Judiciary.

By Mr. McCORMACK:

H.R. 4404. A bill for the relief of Hubert Ashe; to the Committee on the Judiciary.

By Mr. MESKILL:

H.R. 4405. A bill for the relief of Albert C. Arduini; to the Committee on the Judiciary.

By Mr. MINSHALL:

H.R. 4406. A bill for the relief of Mr. Lothar A. Koeberer, his wife, Mrs. Agnes Koeberer, and his minor child, Agnes Koeberer; to the Committee on the Judiciary.

By Mr. MOORE:

H.R. 4407. A bill for the relief of Dr. Mohammed Nasir Shaikh; to the Committee on the Judiciary.

By Mr. NELSEN:

H.R. 4408. A bill for the relief of Dr. Orn Arnar; to the Committee on the Judiciary.

By Mr. O'NEILL of Massachusetts:

H.R. 4409. A bill for the relief of Gianfranco Magro; to the Committee on the Judiciary.

H.R. 4410. A bill for the relief of Vedat Fahreddin Arkay and Mohadder Arkay; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.R. 4411. A bill for the relief of Pierr Bolos; to the Committee on the Judiciary.

H.R. 4412. A bill for the relief of Mrs. Laura Pizzitola; to the Committee on the Judiciary.

H.R. 4413. A bill for the relief of Dr. Carmelita Teves Carriaga; to the Committee on the Judiciary.

H.R. 4414. A bill for the relief of Nikolaos Saindaris; to the Committee on the Judicary.

H.R. 4415. A bill for the relief of Evangelos Shismenos; to the Committee on the Judiciary.

H.R. 4416. A bill for the relief of Francisco Petrungaro; to the Committee on the Judiciary.

By Mr. REES:

H.R. 4417. A bill for the relief of James Yu-Wan Sun; to the Committee on the Judiciary.

By Mr. RIEGLE:

H.R. 4418. A bill for the relief of Dr. Francisco Bankuti and his wife, Ana Marta Esther Silbersdorff de Bankuti; to the Committee on the Judiciary.

By Mr. RONAN:

H.R. 4419. A bill for the relief of Barbara Zakrzewska; to the Committee on the Judiciary.

By Mr. ROSENTHAL:

H.R. 4420. A bill for the relief of Thomas M. Gilmore; to the Committee on the Judiciary.

H.R. 4421. A bill for the relief of Mrs. Marcella Bean; to the Committee on the Judiciary.

H.R. 4422. A bill for the relief of Giuseppe Patti; to the Committee on the Judiciary.

H.R. 4423. A bill for the relief of Mrs. Sara Darvish and her daughters, Frida, Zoya, and Violet; to the Committee on the Judiciary.

H.R. 4424. A bill for the relief of Mr. and Mrs. Shimon Beatus; to the Committee on the Judiciary.

H.R. 4425. A bill for the relief of Farid Selim Tawfik; to the Committee on the Judiciary.

H.R. 4426. A bill for the relief of Mr. and Mrs. Edward Namur and their two children, Joseph and Marie; to the Committee on the Judiciary.

H.R. 4427. A bill for the relief of Mrs. Ferdows Maddahi, her daughter, Ruth (Fahimeh), and her son, Fred (Faramars); to the Committee on the Judiciary.

H.R. 4428. A bill for the relief of Dr. Iluminada L. Stantos; to the Committee on the Judiciary.

H.R. 4429. A bill for the relief of Domenico Perrotta; to the Committee on the Judiciary.

H.R. 4430. A bill for the relief of Mr. Antonino Baiardi; to the Committee on the Judiciary.

H.R. 4431. A bill for the relief of Mrs. Ruth Garma Alony; to the Committee on the Judiciary.

H.R. 4432. A bill for the relief of Mr. and Mrs. Antonio Davi; to the Committee on the Judiciary.

H.R. 4433. A bill for the relief of Roger Stanley, and the successor partnership, Roger Stanley and Hal Irwin, doing business as the Roger Stanley Orchestra; to the Committee on the Judiciary.

H.R. 4434. A bill for the relief of Philip Antoun Morcos; to the Committee on the Judiciary.

By Mr. RUPPE:

H.R. 4435. A bill for the relief of Nazih Moussa Berri; to the Committee on the Judiciary.

By Mr. RYAN:

H.R. 4436. A bill for the relief of Adelaide Laura Roncati; to the Committee on the Judiciary.

By Mr. ST. ONGE:

H.R. 4437. A bill for the relief of Carmine A. Barletta; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 4438. A bill for the relief of Dr. Jinks Einstein Walter; to the Committee on the Judiciary.

H.R. 4439. A bill for the relief of Angel Saghbazarian; to the Committee on the Judiciary.

H.R. 4440. A bill for the relief of Viviane Rubin; to the Committee on the Judiciary.

By Mr. SMITH of California:

H.R. 4441. A bill for the relief of Deward E. Quarles; to the Committee on the Judiciary.

By Mr. CHARLES H. WILSON:

H.R. 4442. A bill for the relief of Southwest Hospital Foundation; to the Committee on the Judiciary.

By Mr. WOLFF:

H.R. 4443. A bill authorizing the President of the United States to award posthumously Congressional Medals of Honor to Lt. Col. Virgil I. (Gus) Grissom, Lt. Col. Edward H. White II, and Lt. Cmdr. Roger B. Chaffee; to the Committee on Armed Services.

By Mr. WOLFF (by request):

H.R. 4444. A bill for the relief of Elena Affo; to the Committee on the Judiciary.

By Mr. YATES (by request):

H.R. 4445. A bill for the relief of Aurex Corp.; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

20. By the SPEAKER: Petition of We, the People, Phoenix, Ariz., relative to supporting legislation which asks the President to withdraw from the United Nations' embargo of Rhodesia; to the Committee on Foreign Affairs.

21. Also, petition of the city of Buffalo, N.Y., relative to tax relief for homeowners; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

Fino Introduces Legislation To Pave Way for New York Lottery

EXTENSION OF REMARKS

OF

HON. PAUL A. FINO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1967

Mr. FINO. Mr. Speaker, today I am introducing legislation to first, permit lottery tickets to be mailed in the U.S. mails in States where they can be legally sold; and, second, exempt bets placed in State-run lotteries from the Federal wagering tax.

As things now stand, the imminent New York State lottery will be hindered by two aspects of Federal law. In the first place, while State-run sweepstakes are exempt from the Federal tax on wagering, State-run numbers lotteries are not. The first of my bills would exempt bets placed in State-run lotteries from the Federal tax on wagering.

My second bill would deal with another absurd situation. It is presently illegal to mail lottery tickets. This is stupid, because as the Post Office well knows, thousands are being mailed out of New Hampshire—where they can be legally sold—each year. And then there are the Irish sweepstakes. My second bill would allow lottery tickets to be mailed from States where they can be legally sold. This will avoid the situation whereby a substantial volume of mail from New York and New Hampshire is outlaw mail.

I have asked my 40 colleagues in the House of Representatives from New York, and also our two distinguished Senators, to join me in sponsoring this legislation.

Pacoima Memorial Lutheran Hospital Emerges From Tragedy

EXTENSION OF REMARKS

OF

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1967

Mr. CORMAN. Mr. Speaker, 10 years ago today a junior high school graduation exercise was brought to an abrupt halt by a bewildering boom and blackout.

Today, January 31, 1967, marks the 10th anniversary of the air crash over the Pacoima Junior High School playground, in my district in the San Fernando Valley. This tragic mid-air collision brought sudden death to three youngsters, Ronnie Brawn, Yvonne Eleanor, and Robert Callan, who only moments before were enjoying a class recess outdoors.

Out of the shadow of this tragedy has emerged the triumph that is Pacoima Memorial Lutheran Hospital. This great community health center serves as a memorial to those youngsters who died that day and further honors their broken bodies by embracing a concern for the whole of man—physical, mental, social, and spiritual.

In its 6 years, the hospital has met the around-the-clock emergency needs of the 32,466 persons in its area. It has developed special medical service departments, including a pulmonary function disease laboratory, a nuclear medicine department, inhalation therapy department, and a physical therapy department.

Pacoima Lutheran Memorial Hospital has focused government and community resources on all aspects of mental health care. Prevention and education, as well as treatment are major activities in its new mental health center.

The hospital has been serving the spiritual needs of its patients and personnel with its chaplain, O. W. Mieger, and, under a mental health staffing grant, is developing a program to educate and train the spiritual leaders of the community in mental health.

The staff of Pacoima Memorial Lutheran Hospital recognizes that the problem of sickness, disease, and accident is not self-contained. It has sought to understand the needs of the people of the community. This past summer the hospital had three health care students surveying the Pacoima community to determine the availability, accessibility, and acceptability of its services to the persons who need them.

The dark tragedy of a decade ago has brought the light of a great community health center to the people of the San Fernando Valley, and its future looks even brighter.

Tax-Sharing Legislation

EXTENSION OF REMARKS

OF

HON. E. Y. BERRY

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1967

Mr. BERRY. Mr. Speaker, I have introduced legislation which would provide for the sharing of Federal taxes with the States and their local political subdivisions. I am hopeful that the House can take favorable action on this proposal in the near future as it represents a new direction for America which was mandated by the voters last November 8.

The proposal would return 2.2 billion Federal dollars directly to State and local governments without Federal earmarking or control. The President's budget proposes an increase of more than $2 billion in existing Federal grant-in-aid programs for the next fiscal year and a major cutback in these proposed expansions could be the start for an effective tax-sharing plan.

The bill 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 and 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.

As a further explanation, I would like to insert at this point in the RECORD a detailed discussion of the bill's provisions which has been prepared by the initiator of this approach, the gentleman from New York [Mr. GOODELL], who, in my opinion, has come up with the finest new tax-sharing approach to meet the growing public problems of our State and local governments:

COUNCIL ON TAX SHARING

To avoid any possibility of Federal administrators imposing conditions, controls or excessive administrative paper work, 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% 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, etc.) divided by total personal income in the State.

DISTRIBUTION OF TAX SHARING TO STATE AND LOCAL GOVERNMENTS

A. 50% of the funds would go to the States for whatever purpose they wished, including State aid to political subdivisions. Another 5% could be used by the State to strengthen administration or could be added to the general fund at the State's sole discretion.

B. 45% 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.

The Tragedy on Launch Pad 34

EXTENSION OF REMARKS

OF

HON. JACK BRINKLEY

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1967

Mr. BRINKLEY. Mr. Speaker, an artist looks into the heavens and sees beauty; an astronaut looks skyward and sees mystery. The tragedy January 27 on launch pad 34 must redefine our purpose and confirm our intention of fully appreciating the beauty of the heavens and full exploration of their mysteries.

For the children and wives of Roger Chaffee, Virgil Grissom, and Edward White to do less would leave their tragic death without purpose. Their search for knowledge, thirst for achievement, devotion to duty and dedication to their country requires us to continue the search they started and win the goal they prized so highly—insight on the birth of our solar system.

National Student Council Week

EXTENSION OF REMARKS

OF

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1967

Mr. MINISH. Mr. Speaker, we are living in an age where the teenager has come to dominate our civilization. The American teenager represents one of the largest consumer markets and quite a sizable proportion of our population. American fashions have come to revolve around the teenage image and the adolescent has become a major target of news coverage.

Recently the press stories concerning the American teenager have been deprecating. One often reads how rebellious the American adolescent has become and how eager he is to express his nonconventionality. This is particularly emphasized in regard to a lessening of patriotism and a fadishness which seems to condone un-Americanism.

Whether or not it is true that our younger generation is trying to grow up too quickly and asserting themselves too strongly, they are, nevertheless, a force to be reckoned with. They are making their protests known and are demanding to be heard. I believe that they should be listened to, but I also believe that the worthwhile voices of the teenager are often muffled. Adolescents are of an age when they are coming into their independence and must display responsible leadership.

I can think of no better organization that attests to their maturity and dependability than the student councils in our schools. Today, almost every American secondary school has some form of student organization which is usually designated as the student council. Since the student council is a school organization elected by students to represent them, speak for them, and act for them, I believe that this is an excellent introduction to our American form of government by the people.

An effective student council is based on the democratic philosophy in which cooperation is encouraged. A high school student council body cannot succeed in an autocratic school in which the faculty and administration maintain a restricting control of the school. On the other hand, the student council will not be successful under a laissez faire policy, in which the students are allowed complete freedom without any adult help or supervision. A productive student council understands and respects the value of both faculty and student participation in school management.

I believe that we must encourage this understanding of the democratic philosophy so that these high school stu-

dents will become effective citizens of the future. The student councils of our American high schools need the recognition that they are contributing to the enlightenment of our society and this can best be accomplished by declaring that a week be established to honor them.

The students of South Orange Junior High School, South Orange, N.J., have undertaken a vigorous campaign to win this rightly deserved recognition of National Student Council Week and have enlisted the cooperation of their parents and such fine organizations as the South Orange Woman's Club, who has kindly written me in support of the project.

To any of our colleagues, Mr. Speaker, who may be pessimistic about today's youth and the future of our beloved country, I offer as antidotes the following commendable letters written to me last fall by students at South Orange Junior High School:

From Robert Freda:

I am president of the ninth grade at South Orange Junior High School. Our school president attended the Leadership Camp at Blairstown this summer and while he was there he learned about National Student Council Week. When he told me about this, I explained to him that I thought it was an excellent idea. I then asked him to bring this idea up in our school congress and have a committee formed with me as head to help this program become a reality.

My committee, the National Student Council Week Committee, has done a great deal to get the adults of our community to support the program. However, in another letter I will send you just what my committee has accomplished but since it has not finished its work yet, I will wait a while. This letter that you are reading now is just a message telling you that I think that N.S.C.W. is an excellent idea as an individual and also as a representative of my fellow classmates.

I realize that it will not be able to be brought up in Congress until next year, but I feel if enough people write to you now and express their support it may help in the passing of the bill. This is why I am writing you now.

I truly hope that Congress will pass this bill because it will be a great aid in the changing of the image of the teen-agers of today if the nation will recognize them as hard-working and conscientious students.

I thank you very much.

From Bernard Hellring, Jr.:

I am writing this as the president of South Orange Junior High School, which is the only junior high in South Orange, with an enrollment of over one thousand students. We would like you to support the request for a proclamation of a National Student Council Week. We would like you to help get this bill passed in Congress. You are probably bothered by many people who ask for all sorts of special days and weeks, but we really feel that ours has a worthwhile purpose, and we have received widespread adult support.

The purpose of the Week would be to further the effort of today's teenager to change his image and to show that the conscientious, hard-working students are the ones in the majority, not the hoodlums. The Week would do this by honoring that faction among the students. It would especially honor the school student councils, which are often responsible for healthy student attitudes, and it would promote the student council idea in schools which do not have one.

Recently we have contacted many clubs and organizations in South Orange, such as The Businessmen's Association, The Holy Name Society, Seton Hall University, The League of Women Voters, B'nai Brith and many others, and have already received the support of most of them.

The National Association of Student Councils adopted the program of support for the Week at a convention last year, a program which was started by the New Jersey Association of Student Councils. This year our school joined the rest of the New Jersey schools in working for the Week. Each year, Governor Hughes proclaims the last week in November New Jersey Student Council Week, and we would replace this statewide Week with the national one.

From Eileen Constantin:

I am in the ninth grade at South Orange Junior High School and as president of my homeroom I know how well our school government is run. Our school officers are working very hard to have a week set aside as National Student Week. The entire school is working together trying to get the support of our community and we would really like to get a law passed sometime this year while we (the ninth grade) are still in Junior High. We need your approval and influence to help us and if you possibly could get the law passed I know our school and many others would appreciate it very much. Students today work very hard and I believe there should be one week set aside recognizing the students of America. We are the future businessmen, doctors, lawyers, scientists, and presidents. Everyone talks about how important it is not to drop out of school and to get a college education. This is so true in the progressing world today, but these students that work all year and train for a profession should be acknowledged and praised for their efforts. If the importance of this act could be explained to Congress and they realized how much it means to us all maybe action could be taken to pass it quicker. Thank you very much for taking the time to read this.

From Linda Gittlin:

I am writing you as a representative of my homeroom, as you represent us. I feel that it is our privilege to ask a favor of you, and that is for your support for National Student Council Week. As you might already have heard, this event should take place in Essex County, in the last week of October.

National Student Council week is set aside to recognize all the students of our County, not only as hoodlums and vandals, but as the hard-working students most of them are. These are boys and girls working towards the time when they may enter college so that they may learn how to become good citizens, and be worthy of that title.

We would appreciate your support to promote this to a national basis.

I believe these fine young constituents are representative of the vast majority of American teenagers who are developing into responsible, enlightened adults. A National Student Council Week would focus attention upon the admirable qualities of our young citizens and would encourage an effective student government. It gave me great pleasure to introduce on the opening day of this Congress House Joint Resolution 5, requesting the President to proclaim the last week in October of every year as National Student Council Week. I am delighted to be joined in this cause by my distinguished colleague from the 10th District of New Jersey, the Honorable PETER W. RODINO, JR., who is the sponsor of an identical measure, House Joint Resolution 6. It is my earnest hope that other Members will interest themselves in this proposal and will lend their wholehearted support to House Joint Resolution 5 and House Joint Resolution 6, the text of which follows:

H.J. RES. 5

Joint resolution requesting the President to proclaim the last week in October of every year as National Student Council Week

Whereas the several States have had statewide student council weeks; and

Whereas the National Association of Student Councils in convention at Ann Arbor, Michigan, in June of 1963 approved the student council week project; and

Whereas the student council more than coordinates student activities and contributes to orderly administration of our secondary schools, but also fosters a sense of citizenship and provides a training ground for youngsters interested in participating in democratic government; and

Whereas the values acquired within the student council have great significance when carried over into adult life; and

Whereas the need for efficient and responsible government is even more urgent in these days of strife, it is especially fitting that student councils receive recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the last week in October of every year is designated as National Student Council Week, and the President of the United States is authorized and directed to issue annually a proclamation setting aside that week as a public occasion and inviting the people of the United States to observe that week with appropriate ceremonies.

Let Them Help You

EXTENSION OF REMARKS

OF

HON. E. S. JOHNNY WALKER

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1967

Mr. WALKER. Mr. Speaker, on January 24 my distinguished colleague and Senator from New Mexico, JOSEPH M. MONTOYA, addressed the plans for progress meeting in this city. The accent of the gathering was placed upon civil rights. Many of those in attendance were industrial and business leaders from all over the Nation.

Because of their presence, Senator MONTOYA sought in his address to accent practical methods of getting potentially frustrated young people from minority groups into the mainstream of American life.

The main pathways to follow, he emphasized, were technical and vocational education for those not continuing on to college, and cooperative education for the bright but economically underprivileged youth.

Because he stressed practical methods of self-help, I feel that he was able to further enlighten these men who make our society move. Rather than stand and shout into the wind, he quietly has put forth practical steps whereby a business or industry may hold out full opportunity and enhance its own profit picture as a result.

As you know, Mr. Speaker, the distinguished junior Senator from New Mexico

was my predecessor in this body. During his years in Congress, he has devoted himself to the study of the problems which confront our underprivileged across this Nation. He has established himself as the champion of so-called minority groups and has an intimate knowledge of the perplexity of their dilemma. I do not think his knowledge has been more conclusively or constructively shown than in his speech before this plan for progress meeting. Therefore, Mr. Speaker, I recommend it to my colleagues' reading, and I hope that not only they, but also the business and industrial leaders across this Nation, will give his thoughts the consideration I think they deserve. I hope these realistic steps may be of assistance to others who seek down-to-earth ways of aiding those who wish to share fully in the American dream.

Mr. Speaker, I insert the speech to be printed in the RECORD.

The speech follows:

LET THEM HELP YOU

Ladies and gentlemen: I have come here today not to speak in platitudes nor to say complimentary things. That is not the best way in the world to win an audience, I know. Of course, I do not mean to offend you. Rather I say that what we must consider here is a problem that goes to the roots of American life as deeply as the aspirations of any American minority group.

The American Negro was brought here against his will, enslaved, treated like a beast and finally ushered into a state of twilight freedom from which he is now graduating. The strictures and pains of that emergence are enormous and will continue to be so for a long time to come. Nevertheless, he shall emerge faster and faster until he obtains his full share of the wherewithal of the nation he has helped to build, defend and believes in.

But now I wish to spotlight another group of Americans, now numbering 6 to 9 million, which is on the verge of bursting upon our national scene with a full realization of what has been denied them in the past. I am proud to say they are my own people. The Spanish-speaking Americans of this country were here before the eastern part of this continent was settled. Their history, culture and heritage are proud, gracious and meaningful. Yet they have been ground into the dust and back alleys of this nation for hundreds of years. Now this is at an end! I say this once more! It is at an end!

I have called them "The Silent People." Why? Because they have labored silently in a million fields . . . have stood silently at a hundred thousand counters . . . have waited silently and patiently at a million back doors. Their hats are no longer in their hands. Their faces no longer contemplate the ground. They no longer are content to await what the fates or an established power structure decree for them. They look up . . . at life . . . at their fellows . . . at our tomorrows.

All are ablaze with new realizations. All have seen with their own eyes the struggle of others to be free. All have seen through our mass media a society they have helped to build, but in which they have not fully shared. They have seen their sweat . . . their strength . . . their agony . . . go to others, and have had to settle for scraps from our national table. They are no longer content with their previous status quo.

Now most are astir. They want. They need. They must have, and will not settle for less. How shameful that while I speak some of these people can do stoop labor (Have any of you gentlemen ever done a day's work of stoop labor in a field under a roasting sun?) in some areas of this nation and when they ask politely for a minimum wage of $1.25 per hour . . . are treated as if they have asked to use the family toothbrush.

I say these things to you in the fervent hope that you will see coming what I have foreseen for several years. Many of our boys have served in our armed forces . . . have gone overseas and returned to form G.I. Forum groups all over areas where the Spanish-speaking live. They have carried their message back to every town and village . . . each small and large slum. They have seen the wonders of this world in our nation and overseas. They have risen in a hundred meetings I have attended to ask questions never heard a few years ago.

Why do we not have better schools? Why do we not have higher wages? How come we live as we do? Why are we good enough to fight America's wars, yet come home to be denied equal opportunity?

These are embarrassing questions, gentlement. They go on and on. Why do we have to take some of the social insults that have been the order of the day for our elders? Why are there not more of our people in better paying jobs in industry and business? How can we better ourselves? Where are the schools? Roads? Medical facilities?

Our American dream dances before their eyes, enticing them on. It is their dream too, no? They have fought for it . . . worked for it . . . died for it. They have believed in it. It is the same dream you all believe in. Are they to be denied it?

Do any of you remember a few headlines that struck with such bitter force a few days before last Christmas? They concerned an Army sergeant by the name of Richard F. Campos, who died in Vietnam in action, and whose body lay unclaimed in the Oakland Army Terminal.

Or does the name of Danny Fernandez ring a bell? He came from Los Lunas, New Mexico, and died at the ripe old age of 21 because he chose to fall on an enemy hand grenade in order to preserve the lives of his comrades. I know his parents. They are very proud of the fact that he is to receive the Congressional Medal of Honor. Their awful loss is a shade more bearable because they believe as he did, in the principles this nation was founded upon, and for which he was serving.

Both were Spanish-Americans. Both died for all of us. Both sacrificed so we can sit here today. Neither would be able to earn $1.25 per hour doing stoop labor. Neither really had a chance to live. Would either of them have had any real opportunity had they lived? Would they have been discriminated against in any way?

I speak to you as an enlightened, understanding group of Americans who lead. I ask you to understand their desires and empathize with them. I ask you to understand hopes so many of these young people have that are so similar to those you undoubtedly had not so many years ago . . . dreams that motivate them as they do any young man and woman.

No one can deny that the doors of many an American industry and business have been closed to Spanish-speaking people in this nation. This has been changing for a number of years, but it must change still more and faster in the near future if mounting pressures are to be eased.

But before I make any suggestions to industry and business, let me dwell for a moment on civil rights.

Not only have Spanish-speaking people been deprived of equal opportunity, but the very guarantees due them under the Constitution have sometimes been adjourned, just as has been the case with Negroes and other groups who have suffered injustice. Names they have been called are already added to the too long list of our negative slang expressions. They have in some areas been beaten, clubbed, shot, imprisoned and deprived of their liberties. In a few areas of the country these overt deprivations are still all too frequent. It almost goes without saying that this will come to an end wherever it raises its ugly head.

But now let us get down to realities of everyday business and industrial life, for that is where so much will be decided. If American business and industry, that incredible team that works wonders every day, will extend a hand of opportunity, it will be clasped with eagerness and a will to work and succeed by young Spanish-speaking people who are emerging.

They want to be with you . . . not against you. They want to have a chance to enter the mainstream of our free enterprise system, earning their promotions or riches along with the rest of American youth. They want to be your skilled and semi-skilled workers as well as your managers and executives. Many a bright young mind growing up in Spanish-speaking communities can and will make money for your enterprises and stockholders if given a chance.

I have seen and talked with them . . . bright, eager and quick to learn. Ideas of work, education and self-help are infecting them in ever-increasing numbers. My personal crusade among my people is built around those words. Others are saying the same to uncounted thousands of them.

Let American business and industry take a deeper interest in programs that will enable them to contribute. Make it your business to understand the concept of cooperative education. This, as I am sure you are aware, is the concept allowing youngsters to alternate between off-campus work and on-campus study, thereby enabling many a young man and woman from economically underprivileged circumstances to earn a higher education while preparing for our world of work at the same time. Last year I cosponsored the first statewide conference on this subject at the University of New Mexico. The Ford and Kettering Foundations are assisting in this. When industry and business join us, our battle is more than half won. Think of the contribution these educated young people can make within and to your enterprises, rather than the thought of them sitting in festering frustration outside your gates.

The other half of this total effort is technical and vocational education that takes potential dropouts, dropouts, underemployed and persons with outdated skills, and reeducates or trains them in technical and vocational fields modern business and industry must utilize in order to function today.

Wherever I go among them I speak of these twin pathways to a full share of America's fruits. If this drive meets with cooperation from men and women like you, then we can open the safety valve wide, releasing pent up frustrations before they erupt in their ugliest forms.

American business and industry has grown to be the wonder and envy of our world on the principles of free enterprise and equal opportunity. Many pay lip service to them. But for a moment reflect upon these enormous enterprises owing their genesis, development and success to immigrants and poor young men who were given a chance and took it. I am sure many of these operations are represented in this audience now.

United States Steel, although put together by J. P. Morgan, had as its major segment Andrew Carnegie's organization. He was a penniless Scotch immigrant boy. Bank of America and the name of Gianinni are synonymous. Weyerhauser Lumber speaks for itself.

A certain department store in Tucson, Arizona, was started by a Jewish merchant whose name for the moment escapes me.

But think for a moment about how this nation was really built. Think of the 29 million immigrants who found here what had been denied them in their countries of origin. Ponder the fact that we have built the greatest nation on earth with people who were, as Emma Lazarus said in her poem . . . "The wretched refuse of your teeming shore."

America gave them all a chance. Where would the free world be today had this opportunity not been extended? We have built it upon the finest expression of man's spirit yet given voice. The words of our basic national documents surely must have meaning and vitality. Surely we have not become so blase as to yawn politely behind our hands when they are referred to. I, for one, believe in them passionately.

When we deny the meaning of those words, and with them all they imply, are we not denying the very essence of this republic? Give these young people a chance! Let this new generation of Spanish-speaking Americans earn what others have earned in our past . . . what your own people have earned. They will not let you down.

Give our free enterprise system a chance to show its vitality. Take them into your ranks and let them be exactly what they want to be . . . Americans who take pride in what they are and what they form an integral part of.

I have as much faith in you as I have in them. Otherwise, I would not be here.

The Right to Breathe

EXTENSION OF REMARKS

OF

HON. RICHARD T. HANNA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, January 31, 1967

Mr. HANNA. Mr. Speaker, "Los Angeles at 3:30 p.m.," is the caption of the picture on the cover of the January 27, issue of Time magazine. The picture, or lack of it, tells the story. The new Los Angeles Federal Building is the only structure that one can make out with any reasonable surety. From the picture you would never know that only two short blocks from the Federal Building stands the famous Los Angeles City Hall. At 3:30 p.m., on almost any given day in Los Angeles, the range of visibility is rarely greater than two city blocks.

If you live on the seacoast, or have a home in the mountains you can see a faint brown haze begin to etch itself against the blue sky that usually greets each southern California morning. By the end of the morning rush hour the faint haze has taken on the hue of a rich dense brown and has seeped into every crack and corner of the greater Los Angeles basin. Unless it rains, and as the city chamber of commerce boasts rain is rare, or unless a wind sweeps in from the ocean or desert, the 7 million residents of the area are treated to another day of breathing large portions of nitrogen dioxide, hydrocarbons, ozone, peroxyacyl nitrate, and a little oxygen.

The "right to breathe" in Los Angeles, and every other urban area in the Nation is becoming an increasingly perilous right to exercise. In their January 27, edition the editors of Time magazine devoted the lead article to the increasingly menacing specter of air pollution. The article was singularly impressive, and I would encourage every Member of Congress to take the necessary time to read it.

The article of course is part of a larger dialog on air pollution. Yesterday the President joined in the discussion, and while his proposals are not as hard hitting as I had hoped, they are significant.

The President's recommendation to Congress asking for the passage of the Air Quality Control Act of 1967 is a step forward, but only a small step. The act places its emphasis on establishing and enforcing maximum levels of industrial pollutant emissions. Regional air quality commissions would be established where they do not already exist and charged with enforcing the standards that control the emission of pollutants.

I would remind the President and the Congress that this proposal is not new. Some years ago the Los Angeles County Air Pollution Control District was established and given the needed strength to enforce its responsibilities. Today, Los Angeles' Air Pollution Control District runs the strictest and most extensive control program in the United States. The control board battled business and industrial leaders eventually overcoming their objections to regulations limiting the amount of pollutants released into the atmosphere. The control board banned the use of high pollutant fuels, the burning of junked cars, and burning household and industrial garbage. Thousands of violators of pollutant regulations were hailed into court by the control board.

Oil refineries in Los Angeles have developed new techniques in reducing the emission of sulfur pollutants and recycling other wasteful materials that would have ordinarily been dumped into the atmosphere. Los Angeles located power companies are required by statute to use low sulfur natural gas when available and fuels containing a minimum amount of sulfur when the natural gas is not available. Los Angeles industry, especially the oil refineries are considered to be the cleanest in the world.

Since 1964 cars sold in California have been required to be equipped with various types of smog control devices. The 1966 cars sold in California had to have equipment that reduced carbon monoxide by 50 percent and hydrocarbons by 65 percent. In 1970 stricter measures controlling car tailpipe emissions will go into effect.

All in all the Los Angeles County Air Pollution Control District spent close to $4 million in 1965 trying to win the battle against air pollution. This represents an expenditure equal to almost one-sixth of the present total Federal expenditure.

With the great financial investment made by Los Angeles, and with the most comprehensive air pollution control program in the Nation, Los Angeles is steadily losing the battle against smog. Some 13,730 tons of noxious waste are released daily into the Los Angeles sky to contaminate an already overburdened atmosphere. The 3.75 million area cars alone are responsible for 12,500 tons of the daily pollutants. Despite strict enforcement and periodic checks of smog control devices, the level of pollutants released from the exhaust of cars is continually rising. With 2 million more cars expected on Los Angeles highways by 1980, and more than 100 million cars on America's roads by 1975, President Johnson's warning that at the present rate of increased contamination, America can expect to be overwhelmed by a poisonous atmosphere in 10 years is startlingly vivid.

What the above suggests, Mr. Speaker, is that the President's approach, while encouraging, is too modest. Americans are choking their atmosphere with contaminants at the horrendous rate of 370,000 tons of pollutants daily. By 1975 we will be polluting the atmosphere at the incomprehensible rate of more than 1,500,000 tons annually.

Proposing measures for the rest of the Nation that Los Angeles has been using for years while the smog problem has become steadily more acute seems almost futile. Certainly the President's recommendations will meet part of the problem, but only a very small part.

There are two critical areas that should have been given more emphasis in President Johnson's message. First, he did not strike home hard enough the very critical roles that must be played at the local and State levels. While the Air Quality Act provides a framework for meaningful participation by the local levels of government, it seemingly allows little flexibility or room for initiative. Granted, the proposal is primarily designed to affect those areas where little or nothing is now being done, but what about the many local programs that have already been initiated?

The National Association of Counties has produced an excellent series of community action guides on air pollution designed to help its membership. The guides are very specific and provide a wide range of alternatives that would allow the local jurisdiction some flexibility in experimenting in order to determine the most effective programs.

Air pollution is not, and nor can we allow it to be an issue of concern only to the various levels of government. It is imperative that industry be one of the leading elements in meeting this problem. We should make it clear whenever we have the opportunity that success in cleaning our air can only be expected if all segments of the society cooperate and recognize their particular obligations.

The other area in which the President's message was weak was in what it offered, or more accurately, what it did not offer in the way of providing leadership for developing new and imaginative programs. The President made a curt reference to the fact that he intended increasing research funds by 50 percent. Nowhere was there an estimate of the kind of research program we will need. Even a 50-percent increase in research appears woefully inadequate in light of the increasing enormity of the problem. It is in this area of ingenuity where

leadership is most needed and appears most lacking.

Let me make perfectly clear, Mr. Speaker, that I am one of the many who welcomes what the President is proposing. These proposals are overdue. And it is precisely because this Nation has waited so long in focusing its full attention on the problem that the question of our pollution is now so critical. The problem requires infinitely more than the President has suggested.

Experts have estimated that anyone born in New York City since 1945 has breathed enough contaminated air to have smoked the equivalent of nine cigarettes a day during every day of his life. The richest, most technically advanced Nation in man's history must offer its citizens something better than that.

I see no room for compromise or delay on this issue. Each day of inaction brings us one day closer to a poisoned earth. Our resolve must be equal to the task, and the task that now confronts us deals with our very survival.

There can be no compromise or delay on our right to breathe. Without this right all other rights are rather meaningless.

HOUSE OF REPRESENTATIVES

WEDNESDAY, FEBRUARY 1, 1967

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

I will lift up mine eyes unto the hills, from whence cometh my help.—Psalm 121: 1.

Almighty God, our Heavenly Father, who are ever present in our world and with us always all our lives, grant unto us Thy spirit which will enable us to live this day with dignity, do our work with patience, and serve our country with complete devotion. Lift up before our eyes the standards of truth and love. May they lighten our path and may we be given courage to walk in that way for the good of our spirits, for the well-being of our country, and for the welfare of all mankind.

We commend to Thy wise and loving care those who walk in sorrow, those who have given their lives for our country. May we match their devotion with our dedication, their willingness to sacrifice with our readiness to serve our great Republic. In the Master's name we pray. Amen.

THE JOURNAL

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

VICTOR L. ANFUSO

Mr. RYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD, to revise and extend my remarks, and to include extraneous matter.

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

There was no objection.

Mr. RYAN. Mr. Speaker, Victor L. Anfuso's life might be said to personify the American dream. Born in Sicily, this son of an Italian shoemaker became a distinguished leader of our American democracy.

The death of our former colleague from New York last December brought to a close a distinguished record of service, not only to the constituents whom he represented, but to the entire Nation as well. His life and career began simply. After coming to this country at the age of 9, he worked as a shoeshine boy after school in order to help support his family. After graduating from Commercial High School in Brooklyn, he peddled fruit and vegetables from a pushcart and worked in his brother's furniture store. But he determined to pursue his education. After preparatory courses at Columbia University, he began attending Brooklyn Law School at night. He received his LL.B. in 1927, and was admitted to the New York bar in 1928.

The concern for the plight of his fellow man which was to characterize the record of his public service came to the fore in the early years of the depression. He was instrumental in organizing a Citizen's Welfare Association in Brooklyn, in order to help those that had been hit the hardest by our Nation's economic crisis. But he was not provincial; his concern enveloped all of mankind. He was the founder of the Italian Board of Guardians, an organization which concerns itself with children who are foreign born, children who are delinquent, or children who come from broken homes.

During the war, Victor Anfuso served his country in several capacities. From 1943–45 he served under Gen. William J. Donovan with the Office of Strategic Services in the Mediterranean theater. In recognition of his service during this period, he was later awarded the Distinguished Service Medal of the Veterans Association. Upon his return to the United States, he was appointed a special assistant to the Commissioner of Immigration and Naturalization. In that post he made an extensive study of this Nation's immigration policies and laws, particularly as they pertained to southern Europe. And in 1946, he was knighted by Pope Pius XII for his humanitarianism.

His congressional career began in 1950, with his election to the House of Representatives for the 82d Congress. He served on the Civil Service Committee, and was influential in obtaining a salary increase for postal workers in 1951.

He did not seek renomination in 1952, but turned his attention to his law practice, and his service to municipal affairs. One of the first acts of Mayor Robert Wagner was to appoint Mr. Anfuso as a magistrate in 1953. In 1954 he returned to Congress to represent the Eighth District in New York.

In 1955, he was appointed a member of the House Agriculture Committee, posts usually reserved for members from rural districts. Victor Anfuso saw in his assignment an opportunity to further the understanding between farmer and consumer and approached his work with enthusiasm.

At his instigation a consumers study subcommittee was set up in 1957 to study one of the major problems facing us today—the high cost of living. He was a member of the delegation that the United States sent to the United Nations Food and Agriculture Organization Conference in Rome in 1956. This Congressman whose district was trainyards, factories, and public housing tended well to the needs of the agricultural community and the consumer.

He was also a member of the Committee on Science and Astronautics, and chairman of the Subcommittee on International Cooperation and Security.

He was a congressional adviser to the U.S. Representatives on the United Nations Committee on Peaceful Uses of Outer Space, and also a member of the American delegation to the North Atlantic Treaty Organization Parliamentary Conferences in Paris.

It was my pleasure to serve with Representative Anfuso in the 87th Congress, which was to be his last. I enjoyed being a member of the same committee also. After the redistricting in 1962, when most of his district was combined with another, he stepped aside. In spite of the fact that shortly thereafter he was elected to the Supreme Court of the State of New York, a position he held until his death, he confided to a friend that he would always be a Congressman at heart.

Mr. Speaker, Victor Anfuso made it a point to always be available and responsive to his constituents. But his interests superseded the geographical limits of his district and encompassed all of this Nation. His contributions have been great, and we feel a loss in his absence. But the record he left behind him speaks eloquently of a public figure dedicated to justice, honor, and service, in the best traditions of America.

Mr. Speaker, I include at this point in the RECORD the obituary from the New York Times of December 30, 1966:

JUSTICE VICTOR L. ANFUSO DEAD; SERVED FIVE TERMS IN CONGRESS—AGRICULTURE SPECIALIST FROM BROOKLYN WAS ELECTED IN 1962 TO STATE SUPREME COURT

State Supreme Court Justice Victor L. Anfuso, an Italian immigrant who shined the shoes of some of the people he later represented in Congress, died of a heart attack late Wednesday night. He was 61 years old and lived at 25 Clark Street in Brooklyn.

Justice Anfuso, who served in the House of Representatives for five terms before his election to the Supreme Court in 1962, became ill while attending a private meeting at the Warwick Hotel.

The police of the West 54th Street station administered oxygen, but Justice Anfuso was pronounced dead about 35 minutes after he was stricken at 11:15 P.M.

Justice Anfuso, a baldish, heavyset man with a thin black mustache, was a Democrat who had been backed by the Liberal party in each of his Congressional campaigns.

VICTIM OF REDISTRICTING

In 1962, when the State Legislature's Congressional redistricting law combined most of his Eighth District with the 14th District, he agreed to step down in favor of another Democrat, John J. Rooney. But he left the House with a heavy heart.