HOUSE OF REPRESENTATIVES

TUESDAY, JULY 11, 1967

The House met at 12 o'clock noon.

Rev. Ross W. Dye, Church of Christ, Washington, D.C., offered the following prayer:

As the hart panteth after the water brooks, so panteth my soul after Thee, O God.—Psalm 42: 1.

Our Father, we pray that we may recognize our inadequacies and know that the only answer to our need is the living God. We invoke Thy guidance upon the Members of this body that they may frame wise and just laws designed to provide for the welfare of all citizens. Imbue each of us with not only the long view of history but also with an awareness of eternity. May we desire to be Thy servants, and grant us wisdom for our tasks. We pray that men and nations may lay aside their ancient hatreds and dwell in peace. Give us clear views of personal and national goals, and supply the strength that no just cause shall ultimately fail. In Christ's name we pray. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Geisler, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and joint resolutions of the House of the following titles:

On June 24, 1967:

H.R. 6133. An act to authorize appropriations for the saline water conversion program, to expand the program, and for other purposes;

H.R. 6431. An act to amend the public health laws relating to mental health to extend, expand, and improve them, and for other purposes; and

H.R. 9029. An act making appropriations for the Department of the Interior and related agencies for the fiscal year ending June 30, 1968, and for other purposes.

On June 26, 1967:

H.R. 1526. An act for the relief of Cecil A. Rhodes; and

H.R. 2048. An act for the relief of William John Masterton and Louis Vincent Nanne.

On June 28, 1967:

H.R. 834. An act to amend section 5 of the act of February 11, 1929, to remove the dollar limit on the authority of the Board of Commissioners of the District of Columbia to settle claims of the District of Columbia in escheat cases;

H.R. 4445. An act for the relief of Aurex Corp.;

H.R. 4717. An act to authorize the conveyance of certain lands owned by the United States to the State of Tennessee for the use of Memphis State University, Memphis, Tenn.; and

H.J. Res. 601. Joint resolution extending for 4 months the emergency provisions of the urban mass transportation program.

On June 29, 1967:

H.R. 4880. An act to extend the time within which certain requests may be filed under the Tariff Schedules Technical Amendments Act of 1965; and

H.R. 10943. An act to amend and extend title V of the Higher Education Act of 1965.

On June 30, 1967:

H.R. 5424. An act to authorize appropriations for procurement of vessels and aircraft and construction of shore and offshore establishments for the Coast Guard;

H.R. 10867. An act to increase the public debt limit set forth in section 21 of the Second Liberty Bond Act, and for other purposes; and

H.J. Res. 652. Joint resolution making continuing appropriations for the fiscal year 1968, and for other purposes.

On July 1, 1967:

H.R. 10730. An act to amend the Older Americans Act of 1965 so as to extend its provisions.

On July 3, 1967:

H.R. 5615. An act to continue until the close of June 30, 1969, the existing suspension of duties for metal scrap.

On July 7, 1967:

H.R. 1516. An act for the relief of Giuseppe Tocco;

H.R. 1703. An act for the relief of Angiolina Condello;

H.R. 1763. An act for the relief of Dr. Raul E. Bertran;

H.R. 1764. An act for the relief of Dr. Ernesto M. Campello;

H.R. 1765. An act for the relief of Dr. Ubaldo Gregorio Catasus-Rodriquez;

H.R. 3349. An act to continue until the close of September 30, 1967, the existing suspension of duties on certain forms of nickel;

H.R. 3523. An act for the relief of Chang-You Wu, M.D.;

H.R. 3652. An act to continue until the close of June 30, 1970, the existing suspension of duties on manganese ore (including ferruginous ore) and related products;

H.R. 4241. An act 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;

H.R. 4930. An act for the relief of Mr. Robert A. Owen;

H.R. 5702. An act to remove the 5-acre limitation on the amount of tobacco allotment acreage which may be leased;

H.R. 7501. An act making appropriations for the Treasury and Post Office Departments, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1968, and for other purposes; and

H.R. 8265. An act to amend the Agricultural Adjustment Act of 1938, as amended, to authorize the transfer of tobacco acreage allotments and acreage-poundage quotas.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 2762. An act for the relief of CWO Bernhard Vollmer, U.S. Navy (retired).

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 10368. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1966, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 10368) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1968, and for other purposes," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BARTLETT, Mr. PROXMIRE, Mr. YARBOROUGH, Mr. HAYDEN, Mr. KUCHEL, Mr. COTTON, and Mr. YOUNG of North Dakota to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 117. An act for the relief of Martha Blankenship; and

S. 1111. An act to authorize the Secretary of the Interior to construct, operate, and maintain the San Felipe division, Central Valley project, California, and for other purposes.

The message also announced that the Presiding Officer of the Senate, pursuant to Public Law 115, 78th Congress, entitled "An act to provide for the disposal of certain records of the U.S. Government," appointed Mr. MONRONEY and Mr. CARLSON members of the Joint Select Committee on the part of the Senate for the Disposition of Executive Papers referred to in the report of the Archivist of the United States numbered 68–1.

PELLY APPLAUDS HOUSE DISCUSSION OF PEACE PROPOSAL

Mr. PELLY. 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. PELLY. Mr. Speaker, in the past I have called for a full debate by this body on the question of the war in Vietnam. Yesterday we witnessed the closest thing to a debate on this issue when the gentleman from Massachusetts [Mr. MORSE] along with a number of our colleagues presented a policy of "staged deescalation" to end the Vietnam war.

On June 5 I raised the question before this House on whether or not constructive alternatives have been available and proposed within our Government and outside it at each stage in the escalation of the Vietnam conflict. All policies of Government need alternatives which can be readily available, and especially policies concerned with warfare. The gentlemen who spoke yesterday deserve the thanks of the Nation for coming forth with the constructive alternatives to a difficult situation. I was also happy to hear our distinguished majority leader [Mr. ALBERT] take an interest in the proposals put forth yesterday by our eight colleagues.

Along the same lines, Mr. Speaker, I was delighted that a number of Members of Congress spoke up against the intervention of the administration in the present rebellion in the Congo. The token intervention approval by the President was completely ill advised.

Mr. Speaker, a constituent of mine recently wrote:

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

Sons, fathers, brothers, husbands are dying today. Ask yourself why. Give yourself the answer—if you can. Let's have the "guts" to make up for our own mistakes—let's not make that unborn babe pay our bills, fight our wars, furnish our food and housing. Let's wipe the ingratiating grins off the faces of the warmongers and political spendthrifts who "paint the picture" with colors we have never seen.

Again, Mr. Speaker, I wish to applaud the Members of the House who took part in yesterday's discussion of a proposal to bring about peace. The House at long last is showing signs of constructive and constitutional responsibility in debating the Vietnam issue.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar day. The Clerk will call the first bill on the Consent Calendar.

EXTENDING THE LIFE OF THE COMMISSION ON POLITICAL ACTIVITY OF GOVERNMENT PERSONNEL

The Clerk called the bill (S. 853) to extend the life of the Commission on Political Activity of Government Personnel.

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

Mr. HALL. Mr. Speaker, reserving the right to object, on June 19 the extension of the life of this Commission on Political Activity was before the House, under the Consent Calendar, and certain questions were asked at that time. The information was not then available.

It was pointed out that the Commission on Political Activity had failed in an early start, because of the failure to appoint all of the Commissioners for nearly 3 months. Questions as to what progress had been made were not answered at that time.

Since that time, Mr. Speaker, the report has been made available. This is a simple extension in order to complete the business of the Commission. I understand the cost will be less than or at least no more than an additional $25,000.

I wonder if the distinguished chairman of the subcommittee of the Committee on the Judiciary would advise us further as to what progress has been made in the Commission's original aims and objectives, and whether it has made any progress.

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

Mr. HALL. I am glad to yield to the gentleman or to any other Member who has this information.

Mr. ASHMORE. I notice the gentleman who is a member of the Commission is present in the Chamber. I am sure he could give a better report as to what the Commission has done than I.

Mr. HALL. I appreciate the response of the gentleman from South Carolina.

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

Mr. HALL. I yield to the gentleman from Minnesota.

Mr. NELSEN. The committee, of course, has met and organized, and a staff has been engaged to carry on the work of the Commission.

Hearings have been held in various parts of the country.

We seek to determine whether or not there should be greater liberalization of the Hatch Act. Frankly, there is a disagreement in the committee to some degree as to what the objectives ought to be.

I feel, as a member of the Commission, that there should be some investigation of the violations of the Hatch Act in order to determine where the act should be tightened up, to eliminate political activity.

This seems to be glossed over, and I am very disappointed about that. However, there are areas where there needs to be some clarification as to penalties and other phases of the Hatch Act. I think that we will get things straightened out and finally come up with a good report. I have not attended all of the meetings myself but have attended enough so that I do feel we will bring this thing out in pretty good shape before we get done.

Mr. Speaker, I hope that the appropriation for this will be allowed.

Mr. HALL. Mr. Speaker, if I might ask the gentleman an additional question. I think, as per his last sentence, that he does hope this bill will be allowed for the limited extension of the Commission so that we can have further funding and additional staff and complete the writing of the report. What would you expect to happen as a result of the writing of the report? Would you expect the people in the military services, for example, to be encouraged to read beyond the first page of the existing Hatch Act which tells them what not to do and to read into the second and third pages which tells them what their rights are as citizens and their responsibilities thereunder?

Mr. NELSEN. My feelings are—and the hearings developed this—that the Federal employees and the military are unaware of what they can and what they cannot do under existing law. We have suggested to the Civil Service Commission that more information be made available to the Federal employees so that they know what they can and cannot do. I think this is important, but it has been pointed out to me that the Civil Service Commission has been limited in what they can do because of the limited appropriations available to them. I think there is some merit to that observation.

Mr. HALL. I will say further to the gentleman, Mr. Speaker, that I appreciate his responses and certainly appreciate his being on the Commission. I am very familiar with the work he has done in certain administrative agencies and departments where they "bug" the employees for political contributions, in direct violation of the Hatch Act. I hope that the Commission will further emphasize and develop, under his natural leadership and membership on this Commission, these phases. This might be emphasized as well as the rights of all the citizens and Government employees—or others—in exercising their franchise to select as well as elect good representatives in our representative republic.

Mr. NELSEN. Will the gentleman yield?

Mr. HALL. I will be glad to yield.

Mr. NELSEN. I would like to point out in the hearings early I made it very clear that I thought not only should we investigate the possibility of some liberalization in some areas, but I also felt it was necessary that we provide some enforcement machinery where there were violations. I also feel there should have been some thorough investigation as to violations so that we might understand the extent to which it has occurred. There have been fundraising dinners where Federal employees have been pressured to purchase tickets. Yet this seems to be sort of shoved aside and there seems to be a desire of some to look toward liberalization and not toward a tightening of the enforcement side. I hope before we are through we can get at it. I have asked that counsel be provided for some of these investigations. So far my request has not been honored.

Mr. HALL. Mr. Speaker, I would like to ask, in the opinion of the gentleman, if he believes that there will be proper coordination with this body's new Committee on Standards and Ethics, and the subcommittee of House of Representatives administration—as far as campaign funds, the declaration of intent, disclosure, and any other standards of ethics and conduct as far as the members of the Government and this Congress are concerned?

Mr. NELSEN. I am sure there will be. I must say in the Commission there are some very, very competent men and some outstanding persons. I think you will find on the Commission itself, whether they be Republican or Democrat, that there is a unanimity of feeling that moves in the direction I have suggested. I am sure when we are through we will be pleased with the report we have to offer.

Mr. HALL. Does the gentleman feel that the delay in the appointment of the Commission, originally, is what is primarily responsible for the need for an extension of time and additional moneys?

Mr. NELSEN. Without question that is true.

Mr. HALL. This is rather expensive, but in view of the statements of the gentleman and the reaction in the weeks since this first came up, I withdraw my reservation, Mr. Speaker.

Mr. NELSEN. Thank you.

Mr. GROSS. Mr. Speaker, further reserving the right to object, I should like to ask someone why, since President Johnson signed this legislation on October 3, 1966, the members of the Commission were not appointed until the following January 26? The bill plainly specified that the Commission should report within 1 year. In other words, on October 3 of this year. Can anyone shed any light on the intriguing question of why the President delayed from October 3, 1966, to January 26, 1967, to appoint members of the Commission?

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

Mr. GROSS. I yield to the gentleman from Minnesota.

Mr. NELSEN. I do not know that I can specifically answer the question, but I would like to point out to the gentle-

man from Iowa that it is my recollection the act was passed late in the session and actually I think that the time for reporting should have been at a different time. However, there was not enough time for a commission to get into operation in order to make a report within the limitations of the language of the act itself.

Mr. Speaker, I think that is about the best answer I could give to the gentleman from Iowa. However, it is my further opinion that there has also been some delay as to the appointment of a Commission. But, perhaps, we are as much in error on our side on this question as others are on the other side of the aisle, where the names have not been suggested to fill these positions.

Mr. GROSS. Well, there is not very much economy involved when the delay necessitates an additional expenditure of $25,000.

Mr. Speaker, this amount of money would supply a substantial amount of light at the White House.

Mr. NELSEN. Mr. Speaker, if the gentleman from Iowa will yield further, I would agree with the gentleman that we could buy a lot of electricity for $25,000.

Mr. GROSS. It seems very, very strange to me that the President of the United States could not appoint the members of this Commission during the time from October 3, 1966, until January 26, this year.

I wonder how much has been expended by this Commission to date? Does the gentleman have any idea as to how much has been expended by the Commission so far?

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

Mr. GROSS. Yes, I yield to the gentleman.

Mr. OLSEN. There has been obligated, as of July 1, $110,000.

Mr. GROSS. And, now, you want another $25,000 to complete this study. You will not be back here asking for more money as a result of the procrastination at the White House; is that correct?

Mr. OLSEN. Mr. Speaker, if the gentleman will yield further, we do not anticipate asking for a further extension.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection, but before doing so I submit for printing in the RECORD at this point an editorial from the July 5, 1967, issue of the Waterloo, Iowa, Courier which deals with the strange action of the Civil Service Commission and Department of Justice in the case of a Federal employee who was held to have violated the Hatch Act. I suggest that the Commission scrutinize the handling of this case.

The editorial follows:

JUSTICE DEPARTMENT FAILS TO BACK HATCH ACT VERDICT

A man by the name of Robert E. Hobart of Concord, N.H., is a member of the Postal Clerks Union and part-time secretary-treasurer of the New Hampshire AFL–CIO.

According to the union newspaper, "The Machinist," "As part of his duties for the state labor body, Hobart mailed out (during the 1964 campaign) a pamphlet, 'Right Wing Takes Over a Major Political Party.' The pamphlet included a report on right-wing activities at the Republican National Convention and was published by Group Research Reports, an organization which keeps tabs on extreme groups."

For this political activity, the Civil Service Commission suspended Hobart for 30 days for violation of the Hatch Act and as a result he lost $674.62 in pay. But the AFL–CIO associate counsel appealed to the Court of Claims on behalf of Hobart.

The Justice Department failed to defend the case in any way and Hobert was awarded back pay.

In answer to an inquiry from Rep. H. R. Gross, R., Iowa, Acting Assistant Attorney General Carl Eardley declared:

"The department's analysis of the litigation factors in the Hobart case produced the conclusions that it was not a typical Hatch Act case, that any defense would, of necessity, raise Constitutional issues, and that it would be a wholly unattractive test vehicle upon which to premise a major court battle over the Constitutionality of the Hatch Act. . ."

Chairman John W. Macy, Jr., of the U.S. Civil Service Commission, declared in a letter to Gross: "In short, a settlement of the case which cost the government less than $700 (repayment of 30 days' pay to Mr. Hobart), constituted the most considerate defense of the statute under the circumstances."

Thus, the Civil Service Commission, after finding Hobart guilty of violating the Hatch Act by administrative order, refused with the Justice Department to defend its position in court.

The whole concept of the Hatch Act is that civil servants are protected against political discharge and in return are denied the right to engage directly in partisan politics except for private discussions with friends and voting at elections.

It is the function of the Civil Service Commission and the Justice Department to enforce this concept of the law and they were, in our opinion, grossly negligent in refusing to defend the original administrative order.

The U.S. Supreme Court found the Hatch Act Constitutional in 1947; but it often reverses itself according to the personal views of the justices. But a reversal in this case would disastrously undermine the civil service concept and would soon result in government by the government rather than government by the people.

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

There being no objection, the Clerk read the bill, as follows:

S. 853

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 7(b) of the Act entitled "An Act to create a bipartisan commission to study Federal laws limiting political activity by officers and employees of Government", approved October 3, 1966 (80 Stat. 868), is amended to read as follows: "The Commission shall submit a comprehensive report of its activities and the results of its studies to the President and to the Congress on or before December 31, 1967, and upon the filing of the report, the Commission shall cease to exist."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

AMENDING SECTION 2733 OF TITLE 10, UNITED STATES CODE

The Clerk called the bill (H.R. 10482) to amend section 2733 of title 10, United States Code, to authorize the application of local law in determining the effect of claimant's contributory negligence, to clarify the procedure for appeal from certain claims determinations, and to limit the amount of attorney fees thereunder.

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

Mr. JOHNSON of Pennsylvania. Mr. Speaker, reserving the right to object, I would like to interrogate the gentleman from South Carolina [Mr. ASHMORE] as to the provisions of this bill.

Mr. Speaker, as I view this bill, at the present time under the Tort Claims Act, the doctrine of comparative negligence would apply only if a State has the doctrine of comparative negligence; is that true?

Mr. ASHMORE. Mr. Speaker, if the gentleman will yield, that is true. It is also what this bill, if enacted, would provide as to the Military Claims Act.

Mr. JOHNSON of Pennsylvania. So, what this bill provides is with respect to the liability of the Military Establishment for tort claims, and that in enforcing a claim, if a State has a doctrine of comparative negligence, you would pay based upon that doctrine; is that correct?

Mr. ASHMORE. That is correct.

Mr. JOHNSON of Pennsylvania. It is my judgment based upon a reading of the bill—or, rather, a reading of the report that you do not know what the additional cost will be involved by reason of, let us say, liberalizing our tort claims laws insofar as the Federal Government is concerned and insofar as our Military Establishment is concerned?

The gentleman does not know how much it would cost the Government if we so liberalized the law?

Mr. ASHMORE. Mr. Speaker, if the gentleman will yield further, I will state to the gentleman that there is no way, based upon our hearings and the information which we had presented to us, to predict what the estimated or the exact cost would be, because we do not know how many cases there will be, as a matter of fact. But it, primarily, provides for greater fairness toward all people who might have claims against the Government.

Mr. Speaker, I read from Report No. 377, page 6 thereof, the following:

Only clause (1) of the bill would have some increased budgetary impact.

A realistic estimate, however, is not possible as this proposal would apply only to accidents arising in areas where the doctrine of comparative negligence applies, and where the application of the Federal Tort Claims Act and the Foreign Claims Act is not involved. The bulk of the claims would be for property damage resulting from traffic accidents involving U.S. vehicles and private vehicles of U.S. nationals in foreign countries. In the past, the number and amounts of these claims have not been large—and of course we anticipate they would not be large in the future. Clause (2) would result in considerable savings to the Government in the cost of administration and processing of appeals.

It was the opinion of the subcommittee that the cost would not be very much more than what it is at the present time.

As we say in the report, and as you

and I realize, no one knows how many accidents are going to happen in some foreign land.

Mr. JOHNSON of Pennsylvania. Does the gentleman know how many States in the Union apply the doctrine of comparative negligence?

Mr. ASHMORE. I could not answer the gentleman's question.

Mr. JOHNSON of Pennsylvania. Does the committee have an answer in its files?

Mr. ASHMORE. I do not believe that we have the precise number. Some States, of course, have the doctrine of contributory negligence as a complete bar to a claim, and I believe that the doctrine of comparative negligence is followed in approximately 10 States.

Mr. JOHNSON of Pennsylvania. If this bill passes, will the Federal Government then involve its several departments in embracing the doctrine of comparative negligence fully and completely?

Mr. ASHMORE. I am sorry. Would the gentleman repeat his last question?

Mr. JOHNSON of Pennsylvania. Yes. I was just wondering: We apparently have the doctrine of comparative negligence in the ordinary Federal Tort Claims Act, and we will now be extending it to the military.

Mr. ASHMORE. That is correct.

Mr. JOHNSON of Pennsylvania. And inasmuch as it will apply to all military establishments, then I presume it will prevail abroad if we have an accident abroad?

Mr. ASHMORE. It would under this act; yes.

Mr. JOHNSON of Pennsylvania. Are there any other departments or any other parts of the Federal Government now where you have involved and do embrace the doctrine of comparative negligence?

Mr. ASHMORE. Not that I am aware of beyond those administering the statutes cited in the committee report.

Mr. JOHNSON of Pennsylvania. I would state to the gentleman from South Carolina the reason I am asking him the questions is that when I was in the Pennsylvania Legislature we considered adopting the rule of comparative negligence for our great State, and the evidence showed it would cost a tremendous amount of money to do away with the doctrine of contributory negligence and adopt the doctrine of comparative negligence.

However, if the gentleman says it is not going to cost the Federal Government very much money, I withdraw my reservation of objection.

Mr. ASHMORE. I am convinced it would not.

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

There being no objection, the Clerk read the bill, as follows:

H.R. 10482

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2733 of title 10, United States Code, is amended by—

(1) striking out the word "and" at the end of clause (4) of subsection (b) and inserting in place thereof "or, if so caused, allowed only to the extent that the law of the place where the act or omission complained of occurred would permit recovery from a private individual under like circumstances; and";

(2) striking out the period at the end of subsection (g) and inserting in place thereof the following: ", subject to appeal to the Secretary concerned, or his designee for that purpose."; and

(3) adding a new subsection (h) to read:

"(h) No attorney shall charge, demand, receive, or collect for services rendered, fees in excess of 10 per centum of any award or settlement under this section. Any person violating the provisions of this subsection shall, if recovery be had, be fined not more than $2,000, or imprisoned not more than one year, or both."

With the following committee amendment:

On page 2, lines 7 through 13, strike the language of lines 7 through 13 on page 2 of the bill.

The committee amendment was agreed to.

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

The title was amended so as to read: "A bill to amend section 2733 of title 10, United States Code, to authorize the application of local law in determining the effect of claimant's contributory negligence, and to clarify the procedure for appeal from certain claims determinations."

A motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

PERMISSION FOR SUBCOMMITTEE ON GENERAL EDUCATION OF THE COMMITTEE ON EDUCATION AND LABOR TO SIT DURING GENERAL DEBATE TODAY

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that the Subcommittee on General Education of the Committee on Education and Labor may be permitted to sit during general debate today.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

PERMISSION FOR COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE TO SIT DURING GENERAL DEBATE TODAY

Mr. STAGGERS. Mr. Speaker, I ask unanimous consent that the Committee on Interstate and Foreign Commerce may be permitted to sit during general debate this afternoon.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISAPPROVAL OF U.S. INVOLVEMENT IN THE CONGO

Mr. WYMAN. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. WYMAN. Mr. Speaker, while not a member of the Foreign Affairs Committee, I want to associate myself with those who are critical of President Johnson's sending of military planes and personnel to the Congo these last 2 days. I believe it is unwise to directly intervene in the tempestuous, unstable boiling pot of unsettled, restless, darkest Africa. The United States is already overextended. We ought not to invite further foreign involvements in this way at this time.

More particularly, this ought not to be done without the prior approval and authorization of the Congress of the United States. Telephone consultation with a few Senators is not enough. Congress is not a rubberstamp for any President, whatever his political party.

Although the conduct of foreign affairs is undeniably entrusted by the Constitution to the executive branch, when such conduct can lead to war by extensive predictable involvement of men and equipment it ought not to be undertaken without advance deliberation and approval of the Congress. Accordingly, I have today introduced a resolution of disapproval of this latest foreign involvement in the Congo. I would offer such a resolution whether the administration were Republican or Democrat. The United States can no longer afford the risk of one-man involvement in war of this entire Nation.

PRIVATE CALENDAR

The SPEAKER. This is the day set for the call of the Private Calendar.

The Clerk will call the first bill on the Private Calendar.

E. F. FORT ET AL.

The Clerk called the bill (H.R. 2661) for the relief of E. F. Fort, Cora Lee Fort Corbett, and W. R. Fort.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

DEMETRIOS KONSTANTINOS GEORGARAS

The Clerk called the bill (H.R. 1596) for the relief of Demetrios Konstantinos Georgaras (also known as James K. Georgaras).

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

PUGET SOUND PLYWOOD, INC., OF TACOMA, WASH.

The Clerk called the bill (H.R. 4949) for the relief of Puget Sound Plywood, Inc., of Tacoma, Wash.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

The SPEAKER. Is there objection to

the request of the gentleman from Missouri?

There was no objection.

ANTONINA RONDINELLI ASCI

The Clerk called the bill (H.R. 1564) for the relief of Antonina Rondinelli Asci.

There being no objection, the Clerk read the bill, as follows:

H.R. 1564

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of sections 203(a)(2) and 205 of the Immigration and Nationality Act, Miss Antonina Rondinelli Asci shall be held and considered to be the natural born daughter of Alfred A. and Francesca A. Asci, citizens of the United States: *Provided,* That the natural parents of the beneficiary shall not, by virtue of such parentage, be accorded any right, privilege, or status under the Immigration and Nationality Act.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

"That in the administration of the Immigration and Nationality Act, Antonina Rondinelli Asci may be classified as a child within the meaning of section 101(b)(1)(F) of the Act, upon approval of a petition filed in her behalf by Mr. and Mrs. Alfred A. Asci, citizens of the United States, pursuant to section 204 of the Act: *Provided,* That the brothers or sisters of the beneficiary shall not, by virtue of such relationship, be accorded any right, privilege or status under the Immigration and Nationality Act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CARLOS ROGELIO FLORES-VASQUEZ

The Clerk called the bill (H.R. 2036) for the relief of Carlos Rogelio Flores-Vasquez.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MRS. INGE HEMMERSBACH HILTON

The Clerk called the bill (H.R. 6096) for the relief of Mrs. Inge Hemmersbach Hilton.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

CAPT. REY D. BALDWIN

The Clerk called the bill (S. 95) for the relief of Capt. Rey D. Baldwin.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

JESSE C. JOHNSON

The Clerk called the bill (S. 324) for the relief of Jesse C. Johnson.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MRS. MARY T. BROOKS

The Clerk called the bill (S. 371) for the relief of Mrs. Mary T. Brooks.

There being no objection, the Clerk read the bill, as follows:

S. 371

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Public Printer is authorized and directed to pay out of the revolving fund of the Government Printing Office the sum of $742.40, representing salary due Mrs. Mary T. Brooks, an employee of the Government Printing Office, for the period January 13, 1966, through February 26, 1966, when she was separated from her employment due to the erroneous notification by the Civil Service Commission of approval of her application for disability retirement. After tax withholding, payment of group life and health insurance premiums, and deductions of amounts due the Civil Service Retirement and Disability Fund, the balance of the amount hereby appropriated shall be paid to Mrs. Brooks in full settlement of any and all claims against the United States arising out of her erroneous separation, and the period January 13, 1966, through February 26, 1966, shall be deemed a period of creditable Federal service by Mrs. Brooks for retirement and related purposes. The Public Printer is further authorized and directed to pay out of the cited revolving fund the agency contributions for retirement, life insurance, and health benefits purposes which would have been required by law had Mrs. Brooks been in paid employment during the period of her erroneous separation.

(b) No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. CHIN SHEE SHIU

The Clerk called the bill (S. 636) for the relief of Mrs. Chin Shee Shiu.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

T. SGT. ANTHONY J. CORSO

The Clerk called the bill (S. 650) for the relief of T. Sgt. Anthony J. Corso, U.S. Air Force (retired).

There being no objection, the Clerk read the bill, as follows:

S. 650

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Technical Sergeant Anthony J. Corso, United States Air Force (retired), is hereby relieved of all liability for repayment to the United States of the sum of $468.86, representing the amount of overpayments of basic pay received by the said Technical Sergeant Anthony J. Corso, for the period between April 1, 1950, and January 7, 1963, as a result of administrative error. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Technical Sergeant Anthony J. Corso, referred to in the first section of this Act, the sum of any amount received or withheld from him on account of the overpayments referred to in the first section of this Act.

AMENDMENT OFFERED BY MR. ASHMORE

Mr. ASHMORE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHMORE: On page 2, line 8, insert:

"No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CERTAIN EMPLOYEES OF PUGET SOUND NAVAL SHIPYARD

The Clerk called the bill (S. 652) for the relief of certain employees of the Puget Sound Naval Shipyard.

There being no objection, the Clerk read the bill, as follows:

S. 652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That each of the following named persons is relieved of liability to the United States in the amount which appears beside his name:

Rita L. Burdick, $604.00; Frederick R. Bixler, $910.07; Rolland A. Bastrom, $105.60; R. C. Boyce, $593.71.

Each such amount is the amount of overpayments, arising out of an administrative error, of his salary as a civilian employee of the Puget Sound Naval Shipyard during the years 1962, 1963, 1964, and 1965. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this section.

SEC. 2. (a) The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appro-

priated, to each person named in the first section of this Act an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, with respect to his indebtedness to the United States specified in such section.

(b) No part of the amount appropriated in subsection (a) of this section for the payment of any one claim in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with such claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this subsection shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES H. THURSTON

The Clerk called the bill (S. 819) for the relief of Charles H. Thurston.

There being no objection, the Clerk read the bill, as follows:

S. 819

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Charles H. Thurston of Macon, Georgia, is hereby relieved of all liability for repayment to the United States of the sum of $905.08, representing overpayments of salary which he received as an employee of the Department of the Air Force at Robins Air Force Base, Georgia, for the period from September 3, 1963, through July 17, 1965, such overpayments having been made as a result of administrative error in determining the rate of basic compensation to which the said Charles H. Thurston was entitled when he was changed from grade GS-9 to grade GS-7, effective September 3, 1963, due to the abolishment of his former position. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Charles H. Thurston the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

WARREN F. COLEMAN, JR.

The Clerk called the bill (S. 985) for the relief of Warren F. Coleman, Jr.

There being no objection, the Clerk read the bill, as follows:

S. 985

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Warren F. Coleman, Junior, an employee of the Department of the Air Force, is hereby relieved of all liability for repayment to the United States the sum of $1,253.07, representing the amount of overpayments of salary received by the said Warren F. Coleman, Junior, for the period from July 10, 1955, through February 24, 1962, as a result of administrative error. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Warren F. Coleman, Junior, referred to in the first section of this Act, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act.

AMENDMENT OFFERED BY MR. ASHMORE

Mr. ASHMORE. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ASHMORE: On page 2, line 8, insert:

"No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALTON R. CONNER

The Clerk called the bill (S. 1045) for the relief of Alton R. Conner.

There being no objection, the Clerk read the bill, as follows:

S. 1045

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Alton R. Conner, of Warner Robins, Georgia, is hereby relieved of all liability for repayment to the United States of the sum of $736.46, representing overpayments of salary which he received as an employee of the Department of the Air Force at Warner Robins Air Force Base, Georgia, for the period from June 8, 1958, through February 23, 1963, such overpayments having been made as a result of administrative error. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, full credit shall be given for the amount for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Alton R. Conner, the sum of any amounts received or withheld from him on account of the overpayments referred to in the first section of this Act. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THOMAS M. SCANLON

The Clerk called the bill (H.R. 1537) for the relief of Thomas M. Scanlon.

There being no objection, the Clerk read the bill, as follows:

H.R. 1537

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Thomas M. Scanlon, of 1131 Chalet Avenue, New Carlisle, Ohio, is relieved of liability to the United States in the amount of $268, representing the balance of a salary advance which the United States Air Force failed to withhold from his pay and allowances at his direction prior to his discharge. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

OMER PENNER

The Clerk called the bill (H.R. 1653) for the relief of Omer Penner.

There being no objection, the Clerk read the bill, as follows:

H.R. 1653

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of the war claims fund, to Omer Penner, 1924 Cabrillo Street, San Francisco, California, the amount certified to him under section 2 of this Act. The payment of such sum shall be in full settlement of all claims of Omer Penner against the United States for detention benefits under section 5(a) through 5(e) of the War Claims Act of 1948, as amended by the War Claims Act Amendments of 1954: *Provided,* That no part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

SEC. 2. The Foreign Claims Settlement Commission shall promptly determine and certify to the Secretary of the Treasury the amount which would have been payable to Omer Penner as detention benefits under section 5(a) through 5(e) of the War Claims Act of 1948, as amended by the War Claims Act Amendments of 1954, if Omer Penner had filed a claim therefor within the period prescribed by law.

With the following committee amendment:

On page 2, line 1, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLARA B. HYSSONG

The Clerk called the bill (H.R. 1655) for the relief of Clara B. Hyssong.

Mr. ASHMORE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

FRANK I. MELLIN, JR.

The Clerk called the bill (H.R. 1674) for the relief of Frank I. Mellin, Jr.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MRS. LESSIE EDWARDS

The Clerk called the bill (H.R. 1680) for the relief of Mrs. Lessie Edwards.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

OUR LADY OF PILLAR CATHOLIC CHURCH, SANTA ANA, CALIF.

The Clerk called the bill (H.R. 1894) for the relief of Our Lady of Pillar Catholic Church in Santa Ana, Calif.

There being no objection, the Clerk read the bill, as follows:

H.R. 1894

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Our Lady of Pillar Catholic Church in Santa Ana, California, is relieved of liability to the United States in the amount of $505.80, representing its liability to the United States because of an inadvertent violation of a restriction regarding the use of donated property which Our Lady of Pillar Catholic Church received under the Federal Property and Administrative Services Act of 1949. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this section.

SEC. 2. No part of the amount appropriated in the first section of this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 2, line 5, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHILDREN OF MRS. DORIS E. WARREN

The Clerk called the bill (H.R. 2454) for the relief of the children of Mrs. Doris E. Warren.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

COMDR. ALBERT G. BERRY, JR.

The Clerk called the bill (H.R. 2757) for the relief of Comdr. Albert G. Berry, Jr.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

IKE IGNAC KLEIN

The Clerk called the bill (H.R. 3474) to require the Foreign Claims Settlement Commission to determine the amount and validity of the claim of Ike Ignac Klein against the Government of Hungary, and for other purposes.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

MAURITZ A. STERNER

The Clerk called the bill (H.R. 3865) for the relief of Mauritz A. Sterner.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

T. MICHAEL SMITH

The Clerk called the bill (H.R. 4015) for the relief of T. Michael Smith.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

TO CONVEY PROPERTY IN PENNSYLVANIA

The Clerk called the bill (H.R. 4833) to provide for the conveyance of certain real property of the United States situated in the State of Pennsylvania.

There being no objection, the Clerk read the bill, as follows:

H.R. 4833

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Attorney General is authorized and directed to convey to Mr. Ralph J. Litchard, rural delivery numbered 1, Montgomery, Pennsylvania, all right, title, and interest of the United States in and to that portion of the 0.262 acre tract of land described in section 2 of this Act and owned by the United States on the date of enactment of this Act, upon payment to the United States by or on behalf of Ralph J. Litchard of the fair market value of the United States portion (as determined by the Attorney General).

SEC. 2. The 0.262 acre tract of land referred to in the first section of this Act is described as follows: Beginning at a point along the western side of United States Route 15 approximately 10 miles south of the city of Williamsport, Pennsylvania, and is bordered on the south by land of Ralph J. Litchard and on the west and north by land of United States Bureau of Prisons. Land markings begin at an iron pipe on the western right-of-way line on Route 15; said iron pipe being opposite the first culvert under Route 15, north of Litchard's Motel; thence from iron pipe marking north twenty-seven degrees thirty minutes east a distance of 129.75 feet to a second iron pipe marking; thence north sixty-nine degrees thirty-one minutes west a distance of 175.85 feet to a third iron pipe marking; thence south thirty-one degrees fifty minutes east a distance of 199.80 feet to the first iron pipe marking the place of beginning on Route 15, adjacent to Litchard's Motel property. This property described contains 0.262 acre, presently belonging to the Northeast United States Federal Prison Camp.

With the following committee amendment:

On page 2, after line 21, add a new section as follows:

"SEC. 3. In conveying the tract hereinbefore referred to, the Attorney General may vary from the description stated: *Provided,* That the total area actually conveyed by him shall not exceed 0.500 acre (½ acre)."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. HAZEL M. LAFRANCE

The Clerk called the bill (H.R. 5025) to confer jurisdiction on the U.S. Court of Claims to hear, determine, and render judgment on certain claims of Mrs. Hazel M. LaFrance against the United States.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ALBERT P. MORELL

The Clerk called the bill (H.R. 5967) for the relief of Albert P. Morell.

There being no objection, the Clerk read the bill, as follows:

H.R. 5967

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, the sum

of $954.67 to Albert P. Morell, of Dunmore, Pennsylvania, in full settlement of his claims for funeral and burial expenses rendered in connection with the funeral of the late Nunziata Lalli which were not paid due to the fact that the principal assets of the decedent consisting of three $1,000 and two $500 series E savings bonds were made payable upon death to the United States and were not, therefore, available for the payment of necessary and proper funeral and burial expenses. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

Strike all after the enacting clause and insert:

"That the Secretary of the Treasury is authorized and directed upon receipt of the United States savings bonds of series E totaling $4,000 (face value), numbered D-32876574-E, D-30831656-E, M-30623497-E, M-30623498-E, and M-30623499-E, outstanding on the books of the Treasury Department, registered in the name of Nunziato Lalli, 610 North Washington Avenue, Scranton, Pennsylvania, payable on death to the Treasurer or the Treasury Department of the United States, or upon receipt of evidence satisfactory to him establishing their loss, together with evidence of the death of Nunziato Lalli, so that redemption of the bonds is effected, to apply the proceeds, or so much thereof as may be necessary, to pay not in excess of the sum of $954.67 to Albert P. Morell of Dunmore, Pennsylvania, to the extent judicially determined, or otherwise established to the satisfaction of the Secretary, in full settlement of his claims with respect to funeral and burial services rendered in connection with the funeral of the late Nunziato Lalli which were not paid due to the fact that the principal assets of the decedent consisted of the aforedescribed bonds, and were not, therefore, available for the payment of necessary and proper funeral and burial expenses. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SWIFF-TRAIN CO.

The Clerk called the bill (H.R. 6004) for the relief of Swiff-Train Co.

Mr. CONTE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

FRED W. KOLB, JR.

The Clerk called the bill (H.R. 6189) for the relief of Fred W. Kolb, Jr.

Mr. ASHMORE. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

JOHN A. DANISCH

The Clerk called the bill (H.R. 6324) for the relief of John A. Danisch.

There being no objection, the Clerk read the bill, as follows:

H.R. 6324

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Civil Service Retirement Act of July 31, 1956, as amended (70 Stat. 743, Eighty-fourth Congress), the period of time served by John A. Danisch with the Intergovernmental Committee for European Migration (I.C.E.M.), a public international organization, from April 15, 1952, to February 9, 1954, shall be held and considered to be creditable Federal service for retirement purposes.

With the following committee amendments:

On page 1, lines 6 and 7; strike "Intergovernmental Committee for European Migration (I.C.E.M.)" and insert "Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME)".

On page 2 line 1, strike "creditable Federal service" and insert "leave without pay from Federal employment".

On page 2 after line 2, add new section 2, as follows:

"SEC. 2. The limitations of section 8348(g) of title 5, United States Code, shall not apply with respect to benefits payable on the basis of the provisions of this Act."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JOHN E. COPLIN

The Clerk called the bill (H.R. 6452) for the relief of John E. Coplin.

There being no objection, the Clerk read the bills, as follows:

H.R. 6452

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any limitation of time with respect to application for, or payment of, reimbursement of expenses incident to the shipment of Federal employees' household effects incident to change of duty station, the claim of John E. Coplin, an employee of the Department of Agriculture, for shipment of his household effects from Philadelphia, Pennsylvania, to Chicago, Illinois, shall be deemed to have been timely filed and shall be considered and acted upon in accordance with applicable law and regulations if such claim is filed within one year after the date of enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ALGONAC MANUFACTURING CO. AND JOHN A. MAXWELL

The Clerk called the bill (H.R. 6462) granting jurisdiction to the Court of Claims to render judgment on certain claims of the Algonac Manufacturing Co. and John A. Maxwell against the United States.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

JESSE W. STUTTS, JR.

The Clerk called the bill (H.R. 6663) for the relief of Jesse W. Stutts, Jr.

There being no objection, the Clerk read the bill, as follows:

H.R. 6663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Jesse W. Stutts, Junior, is relieved of liability to pay to the United States the sum of $1,294.40, representing the aggregate amount of overpayment of compensation received by him during the period beginning April 8, 1963, and ending May 29, 1965, both dates inclusive, as an employee of the Department of the Army at Redstone Arsenal, Alabama, due to an administrative error which occurred without fault on his part. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for the amount for which liability is relieved by this section.

SEC. 2. The Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Jesse W. Stutts, Junior, the sum certified to the Secretary of the Treasury by the Secretary of the Army as the aggregate of amounts paid to the United States by Jesse W. Stutts, Junior (including amounts withheld by the United States from amounts otherwise due him), on account of the liability for which relief is granted by the first section of this Act. No part of the amount appropriated in this section in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this section shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 2, line 12, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SLATOR C. BLACKISTON, JR.

The Clerk called the bill (H.R. 6862) for the relief of Slator C. Blackiston, Jr.

There being no objection, the Clerk read the bill, as follows:

H.R. 6862

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay out of any money in the Treasury not otherwise appropriated, to Slator C. Blackiston, Junior, an employee of the Foreign Service of the United States, the sum of $9,515.73 in full satisfaction of his claim against the United States for compensation for personal property lost while performing his official duties. No part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. EMANUEL MARCUS

The Clerk called the bill (H.R. 7599) for the relief of Dr. Emanuel Marcus.

Mr. HALL. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

RICHARD ALAN WHITE

The Clerk called the bill (H.R. 7811) for the relief of Richard Alan White.

There being no objection, the Clerk read the bill, as follows:

H.R. 7811

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of subchapter III (relating to civil service retirement) of chapter 83 of title 5, United States Code, Richard Alan White shall be held and considered to be the adopted son of Benny R. White, deceased former employee of the Rural Electrification Administration, United States Department of Agriculture. No benefits shall accrue by reason of the enactment of this Act for any period prior to the date of enactment of this Act.

SEC. 2. Section 8348(g) of title 5, United States Code, shall not apply with respect to annuity benefits resulting from the enactment of this Act.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CHARLES WAVERLY WATSON, JR.

The Clerk called the bill (H.R. 8091) for the relief of Charles Waverly Watson, Jr.

Mr. GROSS. Mr Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

EDDIE GARMAN

The Clerk called the bill (H.R. 8485) for the relief of Eddie Garman.

There being no objection, the Clerk read the bill, as follows:

H.R. 8485

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to Eddie Garman, of Mill Creek, Pennsylvania, the sum of $897.30. The payment of such sum shall be in full settlement of all claims of the said Eddie Garman for a death gratuity payment on account of the death of his brother, who was killed in action in Korea on September 19, 1951, while serving in the Army. The payment of such claim by the Secretary of the Army is barred by the provisions of the Act of October 9, 1940 (31 U.S.C. 71a), which imposes a ten-year limitation of time on the payment of claims against the United States. No part of the amount appropriated in this Act in excess of 10 per centum thereof shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

With the following committee amendment:

On page 2, line 4, strike "in excess of 10 per centum thereof".

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

VICTOR L. ASHLEY

The Clerk called the bill (H.R. 10414) for the relief of Victor L. Ashley.

There being no objection, the Clerk read the bill, as follows:

H.R. 10414

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Victor L. Ashley, of Green Cove Springs, Florida, is relieved of liability to the United States in the amount of $3,708.80, representing an overpayment of compensation from January 27, 1957, through October 1, 1961, received by him while employed with the Florida group, Atlantic Reserve Fleet, Green Cove Springs, Florida. In the audit and settlement of the accounts of any certifying or disbursing officer of the United States, credit shall be given for amounts for which liability is relieved by this Act.

SEC. 2. The Secretary of the Treasury is hereby authorized and directed to pay, out of any money in the Treasury not otherwise appropriated, to the said Victor L. Ashley an amount equal to the aggregate of the amounts paid by him, or withheld from sums otherwise due him, in complete or partial satisfaction of the liability to the United States specified in the first section of this Act: *Provided,* That no part of the amount appropriated in this Act shall be paid or delivered to or received by any agent or attorney on account of services rendered in connection with this claim, and the same shall be unlawful, any contract to the contrary notwithstanding. Any person violating the provisions of this Act shall be deemed guilty of a misdemeanor and upon conviction thereof shall be fined in any sum not exceeding $1,000.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ATHANASIA ARGERE

The Clerk called the bill (S. 39) for the relief of Athanasia Argere.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

DR. OTON SOCARRAZ

The Clerk called the bill (S. 60) for the relief of Dr. Oton Socarraz.

There being no objection, the Clerk read the bill, as follows:

S. 60

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Oton Socarraz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of April 13, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JUAN RAMON DIAZ ZAYAS BAZAN

The Clerk called the bill (S. 67) for the relief of Dr. Juan Ramon Diaz Zayas Bazan.

There being no objection, the Clerk read the bill, as follows:

S. 67

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Juan Ramon Diaz Zayas Bazan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 16, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. ALBERTO FERNANDEZ-BRAVO Y AMAT

The Clerk called the bill (S. 132) for the relief of Dr. Alberto Fernandez-Bravo y Amat.

There being no objection, the Clerk read the bill, as follows:

S. 132

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Alberto Fernandez-Bravo y Amat shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 3, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. CESAR A. MENA

The Clerk called the bill (S. 164) for the relief of Dr. Cesar A. Mena.

There being no objection, the Clerk read the bill, as follows:

S. 164

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Cesar A. Mena shall be held and considered to have been lawfully admitted to the United States for permanent residence as of September 11, 1960.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MARIA JORDAN FERRANDO

The Clerk called the bill (S. 168) for the relief of Maria Jordan Ferrando.

There being no objection, the Clerk read the bill, as follows:

S. 168

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, in the administration of the Immigration and Nationality Act, as amended, Maria Jordan Ferrando shall be held and considered to be the parent of Mrs. Victoria Trabue, a citizen of the United States, within the meaning of section 201(b) of the said Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROSA ANNA GENOVESE

The Clerk called the bill (S. 256) for the relief of Rosa Anna Genovese.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

ROSA AGOSTINO

The Clerk called the bill (S. 280) for the relief of Rosa Agostino.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that this bill be passed over without prejudice.

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

There was no objection.

DR. CARLOS VICTOR DE LA CONCEPCION GARCIA

The Clerk called the bill (S. 327) for the relief of Dr. Carlos Victor De La Concepcion Garcia.

There being no objection, the Clerk read the bill, as follows:

S. 327

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Carlos Victor De La Concepcion Garcia shall be held and considered to have been lawfully admitted to the United States for permanent residence as of June 1, 1962.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. JESUS L. LASTRA

The Clerk called the bill (S. 462) for the relief of Dr. Jesus L. Lastra.

There being no objection, the Clerk read the bill, as follows:

S. 462

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Jesus L. Lastra shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 6, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. GUILLERMO N. HERNANDEZ, JR.

The Clerk called the bill (S. 464) for the relief of Dr. Guillermo N. Hernandez, Jr.

There being no objection, the Clerk read the bill, as follows:

S. 464

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Guillermo N. Hernandez, Junior, shall be held and considered to have been lawfully admitted to the United States for permanent residence as of May 31, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. MARIO GUILLERMO MARTINEZ

The Clerk called the bill (S. 465) for the relief of Dr. Mario Guillermo Martinez.

There being no objection, the Clerk read the bill, as follows:

S. 465

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Mario Guillermo Martinez shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 17, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. MANUEL A. ZUNIGA

The Clerk called the bill (S. 499) for the relief of Dr. Manuel A. Zuniga.

There being no objection, the Clerk read the bill, as follows:

S. 499

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Manuel A. Zuniga shall be held and considered to have been lawfully admitted to the United States for permanent residence as of August 18, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DOREEN DELMEGE WILLIS

The Clerk called the bill (S. 904) for the relief of Doreen Delmege Willis.

There being no objection, the Clerk read the bill, as follows:

S. 904

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, notwithstanding the provisions of the Immigration and Nationality Act, the periods of time Doreen Delmege Willis has resided and was physically present in the United States or any State since August 2, 1952, shall be held and considered as compliance with the residence and physical presence requirement of section 316 of said Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

LUIS TAPIA DAVILA

The Clerk called the bill (S. 906) for the relief of Luis Tapia Davila.

There being no objection, the Clerk read the bill, as follows:

S. 906

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Luis Tapia Davila shall be held and considered to have been lawfully admitted to the United States for permanent residence as of November 12, 1960.

With the following committee amendment:

On page 1, line 3, after the word "That", insert the following: ", for the purposes of the Immigration and Nationality Act".

The committee amendment was agreed to.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. ESTHER YOLANDA LAUZARDO

The Clerk called the bill (S. 996) for the relief of Dr. Esther Yolanda Lauzardo.

There being no objection, the Clerk read the bill, as follows:

S. 996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Esther Yolanda Lauzardo shall be held and considered to have been lawfully admitted to the United States

for permanent residence as of August 21, 1960.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

DR. AMPARO CASTRO

The Clerk called the bill (S. 118) for the relief of Dr. Amparo Castro.

There being no objection, the Clerk read the bill, as follows:

S. 118

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Doctor Amparo Castro shall be held and considered to have been lawfully admitted to the United States for permanent residence as of May 1, 1958.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

SETSUKO WILSON (NEE HIRANAKA)

The Clerk called the bill (S. 534) for the relief of Setsuko Wilson (nee Hiranaka).

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

HYE SUK PAENG AND MI KUNG PAENG (PATRICIA ANN)

The Clerk called the bill (S. 822) for the relief of Hye Suk Paeng and Mi Kung Paeng (Patricia Ann).

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

DR. FLORIBERTO S. PUENTE

The Clerk called the bill (S. 1278) for the relief of Dr. Floriberto S. Puente.

There being no objection, the Clerk read the bill, as follows:

S. 1278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Doctor Floriberto S. Puente shall be held and considered to have been lawfully admitted to the United States for permanent residence as of July 3, 1961.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ELISABETA HORWATH

The Clerk called the bill (H.R. 2465) for the relief of Elisabeta Horwath.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

RAMIRO VELASQUEZ HUERTA

The Clerk called the bill (H.R. 3497) for the relief of Ramiro Velasquez Huerta.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

TERESINA FARA

The Clerk called the bill (H.R. 4159) for the relief of Teresina Fara.

Mr. HALL. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

DR. JOHN E. YANNAKAKIS

The Clerk called the bill (H.R. 4538) for the relief of Dr. John E. Yannakakis.

There being no objection, the Clerk read the bill, as follows:

H.R. 4538

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, John E. Yannakakis, doctor of medicine, shall be held and considered to have complied with the requirements of section 316 of that Act as they relate to residence and physical presence.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

ROBERTO MARTIN DEL CAMPO

The Clerk called the bill (H.R. 5216) for the relief of Roberto Martin Del Campo.

Mr. EDWARDS of Alabama. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

DR. BERNARDINO D. MARCELO

The Clerk called the bill (H.R. 5996) for the relief of Dr. Bernardino D. Marcello.

There being no objection, the Clerk read the bill, as follows:

H.R. 5996

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That for the purposes of the Immigration and Nationality Act, Doctor Bernardino D. Marcelo shall be held and considered to have been lawfully admitted for permanent residence as of December 28, 1956.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

JAN DROBOT

The Clerk called the bill (H.R. 8254) for the relief of Jan Drobot.

Mr. TALCOTT. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

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

There was no objection.

FEDERICO DE LA CRUZ-MUNOZ

The Clerk called the bill (H.R. 9080) for the relief of Federico de la Cruz-Munoz.

There being no objection, the Clerk read the bill, as follows:

H.R. 9080

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Federico de la Cruz-Munoz shall be held and considered to have been lawfully admitted to the United States for permanent residence as of March 28, 1960.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

MRS. DEMETRIA MESSANA BARONE

The Clerk called the bill (H.R. 1820) for the relief of Mrs. Demetria Messana Barone.

There being no objection, the Clerk read the bill, as follows:

H.R. 1820

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, for the purposes of the Immigration and Nationality Act, Mrs. Demetria Messana Barone shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this Act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following: "That, the Attorney General is authorized and directed to cancel any outstanding orders and warrants of deportation, warrants of arrest, and bond, which may have issued in the case of Mrs. Demetria Messana Barone. From and after the date of the enactment of this Act, the said Mrs. Demetria Messana Barone shall not again be subject to deportation by reason of the same facts upon which such deportation proceedings were commenced or any such warrants and orders have issued."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the further call of the Private Calendar be dispensed with.

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

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

ANNUAL REPORT OF COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Banking and Currency:

To the Congress of the United States:

I am pleased to transmit to the Congress the annual report of the Commodity Credit Corporation for fiscal year 1966.

This report shows clearly the progress that is being made toward our goal of economic equality for rural America.

Farm surpluses have virtually been eliminated. With the removal of this threat to farm prices, farm income has been strengthened.

Yet the elimination of surpluses poses a new dilemma:

On the one hand, national and world needs demand a high level of production of food and fiber. With populations soaring and the margin of food supplies growing thinner in many areas of the world, we cannot gamble on the possibility of inadequate stocks.

On the other hand, farmers who produce supplies in excess of immediate requirements as a national precaution, cannot be expected to bear the cost themselves through depressed farm prices and income.

To increase price protection for farmers in these new circumstances, the Commodity Credit Corporation has recently expanded its price-support loan program.

The price-support loan program has long provided farmers protection against commodity price reductions. Under the program, farmers are able to obtain loans at harvesttime, enabling them to withhold their products from the markets until later in the marketing season when prices are more favorable. Loans for this purpose totaled nearly $2 billion in fiscal 1966.

The expansion of the price-support loan program will permit more farmers to keep commodities off the market beyond the current crop season. The commodities will continue to be owned by the farmers, with the Government paying the storage costs as part of the Nation's price for maintaining adequate reserves.

By thus drawing further upon the resources of the Commodity Credit Corporation to meet changing conditions, this Nation will be taking another important step toward economic equality for the American farmer.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *July 11, 1967.*

TWELFTH ANNUAL REPORT OF BOARD OF ACTUARIES FOR RETIRED SERVICEMAN'S FAMILY PROTECTION PLAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States, which was read and, together with the accompanying papers, referred to the Committee on Armed Services:

To the Congress of the United States:

I am pleased to transmit the 12th Annual Report of the Board of Actuaries for the Retired Serviceman's Family Protection Plan.

This plan, which was adopted in 1953, allows retired servicemen to elect reduced pay so that their widows and children can receive survivor benefits. At the end of 1965, the year covered by this report, more than 67,000 retired servicemen were participating in this program and about 5,000 families were receiving its benefits.

I commend this report to your attention.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *July 11, 1967.*

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. COLMER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

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

There was no objection.

CALL OF THE HOUSE

Mr. HALEY. 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. 162]

Adair	Flood	Meeds
Ashley	Foley	Miller, Calif.
Baring	Friedel	Monagan
Berry	Grover	Moore
Bevill	Hagan	Moorhead
Blackburn	Hansen, Idaho	Morgan
Brock	Hansen, Wash.	Moss
Burton, Utah	Hathaway	Murphy, N.Y.
Clawson, Del	Hébert	O'Hara, Mich.
Collier	Hungate	O'Konski
Conable	Karth	O'Neal, Ga.
Daddario	King, Calif.	Pepper
Dent	Kyl	Purcell
Diggs	Leggett	Rees
Dingell	McClure	Reifel
Dwyer	McDade	Reinecke
Feighan	McEwen	Reuss
Fino	Martin	Rostenkowski
St Germain	Stephens	Watson
St. Onge	Taft	Wilson, Charles H.
Shipley	Tuck	
Smith, N.Y.	Tunney	

The SPEAKER pro tempore (Mr. ALBERT). On this rollcall 370 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENSION OF THE U.S. CIVIL RIGHTS COMMISSION

Mr. CELLER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 10805) to extend the life of the Civil Rights Commission.

The Clerk read as follows:

H.R. 10805

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 104(b) of the Civil Rights Act of 1957, as amended (78 Stat. 251; 42 U.S.C. 1975c (b)), is further amended by deleting the words "January 31, 1968", and substituting therefor the words "January 31, 1973".

The SPEAKER pro tempore. Is a second demanded?

Mr. McCULLOCH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from New York [Mr. CELLER] will be recognized for 20 minutes, and the gentleman from Ohio [Mr. McCULLOCH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New York [Mr. CELLER].

Mr. CELLER. Mr. Speaker, this bill, H.R. 10805, extends the existence of the U.S. Civil Rights Commission for a period of 5 years, which is from January 31, 1968, to January 31, 1973. In his recent message, the President has recommended the extension of the Commission for 5 years. The Department of Justice has likewise supported the extension of the Commission.

The U.S. Commission on Civil Rights is an independent, bipartisan agency which, on the recommendation of then President Eisenhower, was first established in 1957 and then extended by the Congress at various times. It is not a law-enforcement or prosecuting agency; it acts primarily and solely as a factfinding and research agency. In 1964, Congress expanded the scope of its duties to serve as a clearinghouse for information on the problem of civil rights throughout the Nation. The members of the Commission are all distinguished, dedicated gentlemen, all devoted to maintenance of civil rights.

In each of the States, including the District of Columbia, there are advisory committees to assist the Commission in gathering and disseminating information about civil rights problems. It has conducted conferences on local as well as on a national basis on many problems affecting civil rights. In the past, most of the work of the Commission has been centered on what was the major problem in the field of civil rights—that in the South. However, it is now planned to

broaden its work, and I may say it has already started to broaden it to the problems which exist in other parts of this country. For example, hearings have been held by the Commission in many cities throughout the Nation—in New York, Chicago, Washington, New Orleans, and Boston.

The Commission has now undertaken studies on a variety of new issues which require this extension. The program in the past has emphasized the denial of civil rights to Negroes in the South, but currently the Commission has launched a similar program of factfinding and research into the urban civil rights problems, with emphasis on the North. It has broadened its scope beyond just the hardcore civil rights problems so as to include examinations of the more complex problems of civil rights and possible solutions.

The Commission has undertaken the examination of the problems faced by the American Indian and the Mexican-American in the denial of civil rights. These are areas of civil rights which need to be examined and assessed in order to point up the need for legislation.

The Commission performs a very useful function as the only independent agency which can examine the impact of the various Federal programs and Federal activity affecting the problem of civil rights. It has studied on a local and State level the activities in federally assisted programs, thus, appraising the Federal laws and policies in order to be determined whether they are being effectively implemented.

The reports of the Commission have been widely published and circulated and have received the approval of most of the experts in this field.

This bill will in no way affect the basic authority which prior legislation has conferred on the Commission. It is specifically authorized to investigate complaints that citizens are being denied their right to vote by reason of their race, religion, color, or national origin. It is authorized to investigate allegations of vote fraud, to study and collect information concerning legal developments constituting a denial of equal protection of the laws because of race, color, religion, or national origin, including the administration of justice, to appraise the laws and policies of the Federal Government with respect to the denial of equal protection of the laws, and, finally, to serve as a national clearinghouse for civil rights legislation.

Despite the fact that the Commission's limited authorization—normally for 2 years—has in the past presented it with the problem of maintaining continuity of its program and its staff, the Commission has performed its work and performed it well. I believe that it should be relieved of the problem of attempting to maintain an adequate staff and a long-range, effective program. This bill is designed to do that very thing.

As I have stated earlier, there are many problems which need to be analyzed and appraised. The enactment of this bill will do that very thing. It is the only agency in our Government which can do it and, therefore, I believe this legislation should be enacted.

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

Mr. CELLER. I yield to the gentleman from Iowa.

Mr. GROSS. I have been very much intrigued in reading the report accompanying the bill to note that 99 percent of the report is dedicated to a departmental report. Does the committee have no views on this legislation that ought to be stated in this report? I tell the gentleman frankly that I have never seen a report quite like it. The panel report refers to a gentleman by the name of William L. Taylor, who is not otherwise identified. Who is William L. Taylor?

Mr. CELLER. I will say to the gentleman that William L. Taylor is the staff director. In addition thereto, the statements made in the report reflect the views of the committee. The vote in the committee was unanimous. There was no dissenting vote with reference to this bill. We feel that the bill is very meritorious. The Commission has been established in a Republican administration and has carried on through a Democratic administration. It is a purely bipartisan agency, and I do hope the gentleman from Iowa will consider it in that light.

Mr. GROSS. If the gentleman will yield further, I would have appreciated something in the report attempting to justify the continuance of this Commission. I see nothing in the report to justify a continuance at a cost of some $2,600,000 a year except a self-serving statement on the part of a member of the staff of the Commission.

Mr. CELLER. The gentleman was probably inattentive to what I said in my statement, which gave some idea of what the Commission is doing. If the gentleman would want me to, I would be very glad to give him a copy of my statement. In addition to that, the President of the United States in his message covered the subject rather well and pervasively. If the gentleman will look at the President's message, which is the House document, he will see some very cogent reasons why we should extend the life of this Commission.

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

Mr. CELLER. Yes, I yield further to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, in my opinion, based upon what I can read—and, certainly, I cannot obtain any information from this report, on the basis of reading a report that is written by a staff member of the Commission itself—I say again that it is self-serving.

Mr. Speaker, if this Commission has accomplished anything by way of stopping riots, by way of doing anything to protect the civil rights of all the people of this country, I know nothing about it. In my opinion the Commission is an aggregation of payroll straphangers.

Mr. CELLER. That may be the gentleman's opinion. But it is an opinion that is not shared by the rank and file of the people of this Nation. The President does not share that point of view; the Department of Justice does not share that point of view; the members of the Committee on the Judiciary do not share that point of view and I would further state to the gentleman from Iowa it is my opinion that a preponderant number of the Members of this House will not share that point of view.

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

Mr. CELLER. I yield to the gentleman from Mississippi.

Mr. ABERNETHY. I thank the gentleman from New York for yielding.

I noticed in the press over the past weekend that this Commission is having a difficult time keeping members and personnel; that there has been quite a number of resignations of directors and members of the Commission itself. Also that there has been a tremendous number of resignations and quite a turnover in the personnel of the Commission.

Can the gentleman from New York give us any information as to the reason for this?

Mr. CELLER. The period heretofore of extension was only for 2 years and it made it difficult for the Commission to maintain good personnel, and it made it very difficult to recruit new personnel which had to be paid. It is for that reason that we are asking that the extension be for a period beyond the 2 years as recommended by the President; namely, 5 years.

Mr. ABERNETHY. Mr. Speaker, if the gentleman from New York will yield further, I gathered from that press report that the Commission was facing a great difficulty in finding something to do; that it was having to make work for itself with little or no work suggested for it by people around the country; and, that they were having all kinds of problems in finding new fields of so-called rights violations, thus indicating it is serving a useless function.

Mr. CELLER. It is my opinion that the gentleman would find that they primarily addressed themselves to situations in the South. They are now spreading into other sections of the country and particularly into the North and into a number of metropolitan areas of the North which need the attention of such a Commission as this.

Mr. ABERNETHY. Mr. Speaker, if the gentleman will yield further, the press report indicated that these people went out of their way to locate civil rights violations, and that it was just simply difficult for the Commission to find something to do. I think that is about the situation.

Mr. CELLER. The hearings held before the Appropriations Committee seemed to indicate a vast number of complaints with reference to voting, covering almost every State of the Union.

The gentleman from Mississippi will find that information on page 269 of the hearings which were held before the Subcommittee on Appropriations for the Departments of Justice and Commerce, the judiciary and related agencies for fiscal year 1968.

Mr. ABERNETHY. Mr. Speaker, if the gentleman will yield further, does this Commission have any authority to look into the riots that have been visited upon the country, the destruction of property and the violation of local laws and so on that have been incidental to these riots?

Mr. CELLER. I should think that it has that authority where there is involved a denial of civil rights.

Mr. ABERNETHY. Could we expect

that they might look into those situations?

Mr. CELLER. I do not know whether we could expect anything like that or not. I do not know whether they intend to do that or whether they expect to work for the Director in other fields. I cannot say. But the inquiry the gentleman has made is a very sound one.

Mr. ABERNETHY. There is really not a genuine need for the continuance of this Commission, is there? Is it not a most useless and unnecessary thing?

Mr. CELLER. I believe there is, because there is a continuing deprivation of civil rights in the North, in the West, and in the East, not only in the part of the country the gentleman comes from, but in my own part also, I can assure the gentleman.

Mr. ABERNETHY. I thank the gentleman for yielding.

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

Mr. CELLER. I yield to the gentleman from Florida.

Mr. CRAMER. I thank the gentleman for yielding.

Mr. Speaker, I note in the committee report on page 2 in item 2, under No. 1, Commission Functions, that it says: "Investigate allegations of vote fraud."

I assume that that refers to the power to investigate under section 104, paragraph 5, which the Commission has under the 1957 act to investigate allegations made in writing under oath or affirmation that citizens of the United States are unlawfully being prevented from or being denied the right to vote, or to have their vote counted in any national elections involving the election of Members of the Senate or the House or other Federal elections, and so forth. I assume that that is what section 2 refers to?

Mr. CELLER. I believe the gentleman should add further that it was at the gentleman's suggestion that the amendment was offered and agreed to successfully. It is the gentleman's amendment.

Mr. CRAMER. I thank the gentleman for that observation. However, my continuing interest is in inquiring whether or not the gentleman has any information as to whether that has been effectuated, and in fact whether the Commission is going to go into further vote fraud cases as directed by the Congress—and this of course relates to vote fraud and the right of everyone to vote, and have their votes properly counted, meaning people in the majority as well as in the minority.

Mr. CELLER. I can say in answer to the inquiry of the gentleman that there have been over 1,139 complaints of vote fraud on the basis of voting rights coming from practically every State in the Union. Apparently the Commission has addressed itself to some of these complaints. Some of these complaints were sworn to and some were not sworn to. They cover general irregularities concerning voting, particularly in civil rights. Now, I cannot give the gentleman information as to how far the Commission went or how deeply they went into this particular question, but apparently they are addressing themselves to it.

The SPEAKER pro tempore (Mr. ALBERT). The gentleman from New York has consumed 16 minutes; the gentleman has 4 minutes remaining.

Mr. CELLER. I thank the Speaker for directing my attention to that fact.

Mr. McCULLOCH. Mr. Speaker, I rise in support of this legislation and also, of course, the motion to suspend the rules.

As the chairman of the Committee on the Judiciary has reported, this legislation was initially recommended in the Eisenhower administration, and the life of the Commission has been extended four times. Regretfully, there were some interims between the extensions of the life of the Commission by reason of the slow action of the Congress. It is hoped that this legislation will be passed today, and by an overwhelming vote, so that the Commission and the employees will fully realize that this Commission has the support of the House of Representatives.

Mr. Speaker, from the very beginning of the Commission the members thereof were people of great ability and great standing in this country. Today, the Chairman of the Commission is Dr. John A. Hannah, president of Michigan State University. The Vice President is Eugene C. Patterson, an official with the Atlanta Constitution.

Dr. Theodore M. Hesburgh, president of the University of Notre Dame, is a member of the Commission and has been a member of the Commission for most of the time since its inception.

Dr. Erwin N. Griswold, Harvard University Law School, is a member of this Commission.

Robert S. Rankin, professor of political science at Duke University, is a member of this Commission.

Mrs. Frankie Muse Freeman, an official of the St. Louis Housing Authority, is a member of this Commission.

Mr. Speaker, it has been asked: What has the Commission done? I am pleased to report to the House of Representatives that numerous studies have been made by the Commission in various parts of the country including the State of Ohio and particularly in Cleveland, Ohio. We now have some information as to why we had the riots in Cleveland that were so disastrous to the people up there.

One of my colleagues will speak at some length on these reports and will bring some of the tangible evidence to the House for its view and I shall not dwell upon it longer.

Finally, Mr. Speaker, I think the overwhelming evidence furnished by this Commission and by the staff since 1957 shows that it has been performing a useful public service every day of its life and that its life should be extended for 5 years.

As a matter of fact, Mr. Speaker, I think it should be a permanent Commission, because the problem of civil rights is a continuing one.

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

Mr. McCULLOCH. I yield to the gentleman for one question.

Mr. WAGGONNER. I wonder if the gentleman would care to tell the House, since he will only yield for one question—what the studies of the Civil Rights Commission finally say were the causes of the riots in his native State of Ohio?

Mr. McCULLOCH. I am sorry I did not understand the gentleman's question.

Mr. WAGGONNER. Would the gentleman mind telling the House, since the Civil Rights Commission has now conducted an investigation of a sort into the problems of civil rights in Cleveland and in Ohio, what they have found the cause of the demonstrations and riots and violence in Cleveland to be?

Mr. McCULLOCH. Of course, the official findings on the immediate causes of those riots are contained in the report of the grand jury which investigated that case.

In addition to those findings, the Civil Rights Commission found that we had neglected the education of some of the youth in Cleveland and that we did not satisfy the housing needs of the people there.

Mr. WAGGONNER. Would the gentleman yield for just one further question?

Mr. McCULLOCH. In further answer to the gentleman's question, it has been suggested by an alert staff member that the Cleveland riots had as their immediate cause professional agitators who were sent there from other States in the Union.

Let me quote briefly from the grand jury report:

"It was established before the jury that the leaders of the W.E.B. DuBois Club and the Communist Youth Party, with interchangeable officers and virtually identical concepts, *arrived in Cleveland only a few days before the Hough area disorders*. They took up residence at 1844 East 81st Street, only a short distance from the central point of origin of the Hough area troubles.

"These men, *who came from Chicago, New York and Brooklyn*, were Mike Bayer, otherwise known as Mike Davidow, Daniel Mack, Ronald Lucas and Steve Shreeter. They were seen constantly together. They made swift contact with the JFK (Jomo Freedom Kenyata House, headquarters for the rioters) House leadership, and with Phil Bart of Middlehurst Road, Cleveland Heights, Ohio, and his wife, Connie, who, the evidence showed, are the leaders of the Communist Party throughout the Ohio Valley district, including Cleveland."

Hard on the heels of this report, the UPI quoted Stokely Carmichael from New York as saying, "In Cleveland they're building stores with no windows—all brick. I don't know what they think they'll accomplish. It just means we have to move from Molotov cocktails to dynamite."

Mr. WAGGONNER. Does the gentleman mean the same type of agitators who have been going into the South have been going into Cleveland?

Mr. McCULLOCH. I do not know the names of all the people who have been going into the South. I am speaking only as to what the record shows up there. In any event, whether they go into the South or not, when they are violating the law, they should be punished. When they are interfering with the rights of citizens of this country and using the highways and the streets and the byways to do so and when they are engaging in riots in violation of the law, they should be punished.

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

Mr. McCULLOCH. I yield to the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding and for stating his thoughts on this situation which does concern all the Members of this House of Representatives.

The U.S. Civil Rights Commission, has not nor ever will be able to come up with the precise reasons for the riots in the distinguished gentleman's State or in my State or anywhere else. A reading of the transcript of the Cleveland hearings of the Commission in April 1966 reveals that the Commission's investigation found serious problems of inadequate housing, education, job opportunities, health and welfare programs, and a very poor state of police-community relations. In fact, these serious problems seem to have been the precipitating factors in the riots in the Hough area which occurred a few months after the Commission's Cleveland hearings.

None of the many investigations by the Civil Rights Commission throughout America has ever found that the riots which so trouble us all actually were caused by professional agitators sent there from other States of the Union. It would be a wonderful thing, I suppose, if that were true, because it would then be so easy to eliminate these riots. But the riots are not caused by malevolent travelers who go from place to place but are instead caused by the system of degradation and discrimination that occurs in so many places throughout America.

The U.S. Commission on Civil Rights has done an excellent service for America by exploring and analyzing the true causes of these riots and bringing them to the attention of the Congress and the American people. As long as we focus on the statements and activities of a few colorful and flamboyant figures as the causes, these riots will certainly continue. Only if we focus on the true causes do we have any hope of developing effective answers and solutions.

I think it would certainly be helpful if the American people and the Congress would begin to appreciate the extreme sense of frustration that is felt in the ghettos of America which is the basic and underlying cause of these riots.

As the gentleman from Ohio has so correctly pointed out these riots are caused by the serious problems that have existed—and over several generations—in the racial ghettos of America of slum housing, unemployment, poor education, totally inadequate welfare programs, and the whole system of racial discrimination. These interrelated set of problems have resulted in poverty being inherited from one generation to the next. The riots are caused by the great and increasing frustration and despair felt by millions of Americans who are trapped in this inherited poverty and degradation.

The Commission on Civil Rights has always taken the true and constructive approach of analyzing the basic causes of these riots as the only effective answer. This is just part of the Commission's overall vital and important role in focusing the attention of America on the problems of civil rights which the gentlemen from Ohio so correctly stated are continuing problems.

I want to strongly second and support the statement of the distinguished ranking Republican member of the Judiciary Committee, that the Civil Rights Commission should be made a permanent agency of our Government. I very much regret that the Judiciary Committee was not able to bring out a bill to this House which would have given the Commission permanent status.

I doubt that any Member of this House is ready to assure us that the problem of assuring equal opportunity to every American will be solved this year, next year, or even in the 5 years for which this Commission's life is being extended.

Mr. McCULLOCH. Mr. Speaker, I wish to thank the gentleman from Michigan [Mr. CONYERS], our colleague on the Judiciary Committee, for his contribution.

I yield 2 minutes to the gentleman from Illinois [Mr. McCLORY].

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding. I just want to support the gentleman from Ohio in his statement and to state that in my opinion the Civil Rights Commission is a most useful agency in connection with the long-range problem of civil rights. It would be a mistake for this body not to recognize that civil rights problems will be with us for a long time. We need the Civil Rights Commission as a forum before which civil rights problems can be brought, where they can be discussed, and where reliable, factual information can be gathered for the benefit of the Nation, and particularly for the benefit of the Congress.

From the committee meetings, from the report, and from the statements that have been made on the floor today I would conclude that this is the most useful agency which we can have in connection with the problem of civil rights.

Mr. McCULLOCH. Mr. Speaker, I should like to address a question to the gentleman from Illinois. Is it not a fact that some of the most effective legislation which the Judiciary Committee has approved and the Congress has passed came from recommendations made by the Commission, such as the Voting Rights Act of 1965?

Mr. McCLORY. That is my understanding.

Mr. McCULLOCH. Mr. Speaker, I yield 4 minutes to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS of Maryland. Mr. Speaker, I thank the gentleman for yielding this time to me. The distinguished gentleman from Ohio, the ranking Republican member of the Judiciary Committee, has long been identified with legislation which has helped to establish and to continue the life of the Civil Rights Commission. So I am particularly happy to be associated with him in supporting this legislation today. I would be happier, as I am sure he would be happier, if this were a bill which would make the Civil Rights Commission a permanent Commission. But I think that we can support the bill in good conscience today, in view of the fact that this is a substantial extension of the life of the Commission, and that after the expiration of 5 years of new life which we will provide, there will be a further opportunity to make it a permanent Commission.

I say that it ought to be a permanent Commission because it deals with the civil rights of everyone. Because of the nature of the problems that have plagued our society in the last few years there is the tendency to believe that civil rights are solely connected with racial tensions. But this is not so.

As my distinguished colleague from Florida mentioned a few moments ago, there are civil rights related to the right to vote. That is a civil rights problem. It has nothing to do with race as such, or it need have nothing to do with race. This should be a problem with which the Commission should concern itself.

Civil rights are rights that every American has. They are rights to do something—the right to be educated, the right to vote, the right to be represented in this House, and many other civil rights which all of us have. They do not necessarily have a racial connotation. But civil rights are rights which every American has. These are rights which the Commission is constantly supervising. The purpose of the Commission is to find facts.

I believe the Commission has done a superb job of finding facts. In the course of its existence, it has published some very distinguished reports. They are reports which cover broad areas. They are reports which committee counsel has at the table. They are reports which have been of great help to the Judiciary Committee in the discharge of its legislative responsibilities.

Again, these reports are not related solely to the rights of one group of Americans, but to the rights of all Americans. As our society grows—and, I hope, improves and prospers—different kinds of civil rights problems may be presented from those which are in the forefront today. This is why I believe we need a continuing Civil Rights Commission, one that will watch over these rights and one that will relate to Congress the problems of the day so that we can legislate effectively in these areas.

At this point I would like to offer an article that appeared in this morning's Washington Post. The article is as follows:

U.S. RIGHTS UNIT CITES POLITICAL BIAS IN SOUTH

(By David S. Broder)

A year-long investigation by the Federal Civil Rights Commission has found evidence of "numerous incidents" of discrimination against Negroes by both political parties in the South, a Commission official said yesterday.

William L. Taylor, the Commission's staff director disclosed in an interview the preliminary results of its investigation of political practices in Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, South Carolina and Tennessee.

"Problems of discrimination of one kind or another were found in most of the states," he said.

The most widespread complaints were directed at both Democratic and Republican parties, Taylor said. These concerned the absence of Negroes among the official primary and general election-day poll workers and the failure of local party officials to give

adequate notice and publicity to party caucuses and conventions.

DIRECTED AT DEMOCRATS

Aside from these general problems, Taylor said, specific complaints about exclusion of Negroes from party processes were directed almost exclusively against the Democrats, still dominant at the local level in the eight states the Commission investigated.

The only allegation of discrimination against a Republican official concerned the action by county GOP committee in one state which rejected a Negro candidate's filing papers for the State Legislature. The county committee's action was reversed by the State Republican executive committee in that instance, Taylor said.

But Taylor said there were "numerous incidents," ranging from direct intimidation to subtle forms of discrimination, involving complaints against local and state Democratic officials in the eight Southern States.

A special equal rights committee of the Democratic National Committee is scheduled to meet here Wednesday to discuss guarantees against discrimination in the selection of delegates to the 1968 national convention.

FORMED IN 1964

The special committee was formed in the aftermath of the 1964 convention controversy over the predominantly Negro Mississippi Freedom Democratic Party's challenge to the seating of the Mississippi delegation. It has a mandate from the 1964 convention to "assure that voters in (every) state, regardless of race, color, creed or national origin, have the opportunity to participate fully in party affairs . . ."

Gov. Richard J. Hughes (D-N.J.) took over chairmanship of the committee earlier this year after the death of its original chairman, former Gov. David L. Lawrence of Pennsylvania. The committee is expected to begin drawing up guidelines Wednesday for specific standards that the state parties will have to meet in order to have their delegates accepted in 1968.

Taylor said the Commission investigation findings would be made available, on request, to officials of both Republican and Democratic parties. The Republican party has no specific rule on non-discrimination and no panel comparable to the Hughes committee.

According to the staff director, the Civil Rights Commission launched its investigation after receiving several complaints that newly registered Negro voters and would-be Negro candidates were finding discrimination from party officials in the South in their effort to join party activities.

Taylor noted that the Voting Rights Act of 1965, which led to a spurt in Negro registration in Southern states, extended its guarantees against discrimination to "all action necessary to make a vote effective in any primary, special, or general election . . . with respect to candidates for public or party office."

Investigators for the Commission, under general counsel Howard Glickstein and attorney Frank Parker, interviewed Negro complainants, civil rights leaders and officials of both parties in 30 counties in the eight states during the past 12 months, Taylor said.

The staff's findings and recommendations will be submitted to the Commission and then reported sometime next fall, Taylor said. There are no current plans for public hearings in the South.

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

Mr. MATHIAS of Maryland. I yield to my friend from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

As the gentleman from Maryland probably knows, there was a riot in Waterloo, Iowa, my home city, during the last weekend, reportedly because of an invasion of professional agitators from Detroit, Mich.

Since the gentleman is so sold on the Commission's ability to dispense rights to others regardless of race, creed, color, or other condition of servitude, what are the rights of the merchants and others whose properties were the targets of Molotov cocktails, rocks, and other devices for destruction? What are their rights?

Mr. MATHIAS of Maryland. Mr. Speaker, I would say to my distinguished friend from Iowa that his constituents of Waterloo, Iowa, have very basic rights in this situation, rights that I believe will be better protected if we have the Civil Rights Commission looking into instances of disturbances, looking into the reasons behind these riots, bringing to the attention of the Congress the problems that exist. If there are wrongs being perpetrated, the Commission will find out what they are.

I believe the gentleman from Iowa will agree with me that if we can surface these problems, if we can see who is at fault, and what is at fault, and if we can discern the answers, there will be fewer riots in Waterloo, Iowa.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. McCULLOCH. Mr. Speaker, I yield an additional minute to the gentleman from Maryland.

Mr. Speaker, will the gentleman yield?

Mr. MATHIAS of Maryland. I yield to the gentleman from Ohio.

Mr. McCULLOCH. Mr. Speaker, I should like to give a partial answer to the question of my colleague from Iowa.

Of course, those unlawful acts—if any there were in Waterloo—and I am not denying them; I am saying if there were unlawful acts in Waterloo, they are proscribed by the laws of the State of Iowa. Complaints may be filed against the transgressors or, if they be certain offenses, the transgressors may be indicted by the grand jury if the facts warrant indictment, and they may be brought to trial.

Furthermore, I am happy to say to my friend from Iowa, there is likely to come onto the floor for debate and vote this week the antiriot legislation, which passed this body in 1966, which would proscribe the movement of people in and out of interstate commerce in fomenting and inciting and organizing riots.

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

Mr. McCULLOCH. Mr. Speaker, I yield for one question.

Mr. GROSS. Mr. Speaker, if we are to depend on State law in the State of Iowa—and I hope the reliance will be upon the State law, for God help the people of my State if they must rely on the Federal arm of government—if we are going to do that, then why have a Civil Rights Commission, the only accomplishment of which has been to spend several millions of dollars?

Mr. McCULLOCH. Mr. Speaker, I yielded for one question, and my answer to the question of my good friend from Iowa is the same answer that goes for the legislation that proscribed automobile theft in interstate commerce, interstate activities in prostitution, and in kidnaping, and the like.

Furthermore, in few if any Federal laws have we assumed jurisdiction, at the loss of any State. It is supplemental legislation.

If Iowa, Ohio, or Louisiana should fail to enforce criminal laws, such failure would be primarily the fault of the officials and the citizens of those respective States.

Mr. CELLER. Mr. Speaker, I yield 1 minute to the gentleman from California [Mr. CORMAN].

Mr. CORMAN. Mr. Speaker, I rise in support of H.R. 10805.

The gentleman from Iowa just alluded to "condition of servitude" in discussing the fields of concern of the Civil Rights Commission.

I am pleased to report that the 13th amendment to the Constitution has ended that particular problem, and the Commission does not have to grapple with it.

The U.S. Commission on Civil Rights is an independent, bipartisan agency established by the Congress under the Civil Rights Act of 1957. The Department of Justice earlier this year reaffirmed "the valuable contribution of the Commission to our understanding of racial problems in diverse areas," and strongly urged the importance of permitting the Commission to continue its work.

The Commission's sole function, from the beginning, has been to find facts—to identify the areas where inequities exist and equal opportunity is denied, and to report these facts to the President, the Congress, and the Nation. It is not charged with enforcement powers of civil rights laws.

In 1964, we extended the Commission until January 1968. Because of this additional grant of time, the Commission has been able to undertake a variety of studies that would not have otherwise been possible. The Commission has been able to plan for long-range projects and more comprehensive programs. The 5-year extension, as provided in this legislation, will enable the Commission to continue to its optimum worth.

I urge passage of H.R. 10805 as being in the best interest of the Nation.

Mr. CELLER. Mr. Speaker, I yield 2 minutes to the gentleman from Louisiana [Mr. WAGGONNER].

Mr. WAGGONNER. Mr. Speaker, I should like to ask a question or two of the chairman of the committee on the report, which is, as the gentleman from Iowa says, largely a personal opinion of a single staff member of the Civil Rights Commission.

Dealing with one of the reports, which the Commission during its existence has issued, there is listed the report on "Racial Isolation in Public Schools in 1967."

Is this not the particular report wherein the Civil Rights Commission chose to recommend reform of the school systems of northern Virginia, Maryland, and the District of Columbia, and recommended a reorganization of these schools and busing students between two

sovereign States and the District of Columbia to achieve their version of racial balance in schools?

Mr. CELLER. I cannot answer that question, because I do not recall exactly what were the recommendations. I have the volume here. Given time, probably I could answer.

I am sorry I cannot give the gentleman an adequate answer at the moment.

Mr. WAGGONNER. Can the gentleman recall one instance of a study or a report which has been issued by the Civil Rights Commission which was not predicated upon race? We speak of other civil rights, but has the Civil Rights Commission issued a report on any other basis?

Mr. CELLER. I do not know of any. I can say this, though, in reply to the gentleman's question: there was a report on law enforcement with reference to civil rights, called the "Report on Equal Protection in the South." I know the gentleman is familiar with that. That certainly impinged very directly on civil rights and constitutional rights, beyond question.

Mr. WAGGONNER. The gentleman in his initial statement set forth the possibility that in the future work of the Commission it would conduct particular investigations in the North. Does this constitute an admission on the part of the Civil Rights Commission and others who are concerned that there is a need because of existing discrimination for the Civil Rights Commission to expand its activities out of the South?

Mr. CELLER. I would be the last man in the world to say there is no discrimination based on race, color, or creed in the North. I would say we have that discrimination in my own bailiwick, Brooklyn, N.Y., in New York State, and in many other States of the North. Certainly the Civil Rights Commission should direct attention to it.

Mr. McCULLOCH. Mr. Speaker, I should like to say, in answer to the question of the gentleman from Louisiana, that the U.S. Commission on Civil Rights made a study and issued a report in 1966 entitled "Children in Need."

"Children in Need." That has no reference to race, as such, but to poverty.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. MACGREGOR].

Mr. MACGREGOR. Mr. Speaker, it is unusual in this body when every member of a subcommittee joins in sponsoring the same item of legislation. H.R. 10805, the bill to extend the life of the Civil Rights Commission for 5 years, is sponsored by all seven of the Democrats and by all six of the Republicans serving on Subcommittee No. 5 of the House Committee on the Judiciary. As we approach a vote on this matter it is important to understand the limited authority and powers of the Civil Rights Commission, because, as the chairman of the Committee on the Judiciary just said, primarily it is a factfinding body. This is a body that seeks to facilitate the transmission of information on a problem or a series of problems or a whole family or area of problems of vital concern to all Americans, regardless of the color of their skin or the circumstances of their birth. It also makes recommendations. Those recommendations in and of themselves will not affect the school system of northern Virginia. Those recommendations in and of themselves will not solve the problem of riots in Waterloo, Iowa, or anywhere else. But Mr. Speaker, if Congress has a serious weakness today it lies in having an insufficient factual foundation of knowledge on current problems so as to legislate intelligently. No one in this body need accept any of the recommendations or conclusions of the Civil Rights Commission. Each of us, however, can benefit from the factfinding function of this committee, headed as it is by such a distinguished educator and administrator as the president of Michigan State University and including in its membership Father Hesburgh of Notre Dame University and the other distinguished members listed by the able gentleman from Ohio [Mr. McCULLOCH].

Mr. MATHIAS of Maryland. Mr. Speaker, will the gentleman yield?

Mr. MACGREGOR. I yield to the gentleman from Maryland.

Mr. MATHIAS of Maryland. I just want to call the attention of the House to the sheer weight of the volumes that have been produced in recent months and years by the Civil Rights Commission.

The SPEAKER. The time of the gentleman has expired.

Mr. CELLER. Mr. Speaker, I yield the gentleman 1 additional minute.

Mr. MACGREGOR. I yield further to the gentleman from Maryland [Mr. MATHIAS].

Mr. MATHIAS of Maryland. I thank the gentleman for yielding.

I would like to point out these volumes include reports on education, employment, housing, justice, a general report on civil rights, the hearings in Cleveland, Ohio, the hearings on the administration of justice, the report on law enforcement, the report on public education and on racial isolation in public schools, just to name a few outstanding examples of the factfinding function of the Commission.

I think our friend from Iowa expects too much of this Commission. What it does is find facts.

Mr. MACGREGOR. I am glad that the gentleman from Maryland mentioned the reports with respect to the State of Ohio, because this reminds me of the fact that the Civil Rights Commission has in turn spawned citizen advisory committees in virtually all of our States. Much of its work in Ohio recently is a direct result of the initiative of the citizens advisory committee of that State.

Mr. ABBITT. Mr. Speaker, when the Civil Rights Commission was created in 1957, it was proposed as a temporary organization which would cease to exist "60 days after the submission of its final report." The final report was to be submitted "not later than 2 years from the date of the enactment of this act." Ten years later, the Civil Rights Commission is still with us and is supposed to submit its final report not later than January 31, 1968. The Civil Rights Commission complains that it cannot maintain a competent staff unless it is given a 5-year extension instead of the shorter term extensions previously granted. This in itself demonstrates that the Civil Rights Commission has no intention of ever submitting a final report. Thus what starts out as temporary becomes permanent as far as Federal creations are concerned. Dissenting members of the Judiciary Committee warned of this in 1957, and I supported their contentions.

If this Commission deserved continuation, I would propose an amendment to make it permanent. However, it should never have been permitted to continue so long. The most significant recent accomplishment of the Civil Rights Commission is the publication of the results of a yearlong study entitled "Racial Isolation in the Public Schools," a document so radical in its recommendations that the White House and even Federal education czar Harold Howe II have followed a hands-off policy.

Among other things proposed by the Civil Right Commission in this study was the enactment of a Federal statute requiring uniformly across the country the elimination of racial imbalance, which they define as any school having more than 50 percent of its students with nonwhite skin. Communities without enough white students in the area presumably would have to bus them in to fullfill percentage racial requirements. The long range proposal to overcome racial imbalance is to require that sites selected for low-rent Federal housing projects be chosen and rentals made on a basis which will bring about the proper racial mixture. Even urban renewal projects must follow this line to win approval. In other words, the answer to our problems, according to the Commission, lies in racism—the forcing of people to reside and attend school because of the color of their skin.

I wonder how the Civil Rights Commission missed altogether the complaints of Negro parents now being reported by the press against the elimination of predominantly Negro schools?

By extending the life of the Civil Rights Commission, we are promised that more projects of this type can be undertaken. I can say without a moment's hesitation that anything too radical for the White House and Commissioner Howe is definitely too radical for me, and I, for one, do not wish to finance any more such projects. I was recently forced by a sense of responsibility to vote for an increase in the debt ceiling caused by continuous waste and overspending of the peoples' money. I think the RECORD will show that I did not help create this financially unsound situation which the increased debt ceiling represents. To continue this Commission is, in itself, unjustifiable; to finance such radical mischief without a national debt hanging over us would be inexcusable; but to pay for this rot when we must raise the debt ceiling, lay out more than $14 billion in interest on the national debt, and are asked to raise taxes is unconscionable, irrational, and deserving of the condemnation of every taxpayer in the country.

For 1968, the House allowance for the Civil Rights Commission is $2,650,000 for the support of the Commission and its 153 employees. This works out to an expenditure of $17,320 salary and expenses to keep each staff member on the job. Considering the work done, one dollar could not be justified.

Members may tell their constituents that they are looking for ways to reduce Federal spending. Here is an opportunity to vote a constructive "no" and live up to those statements about economy that pour forth from our offices.

Let the Civil Rights Commission submit its final report by January 31, 1968, as the present law requires, and let us be done with this unsound crowd.

Mr. FEIGHAN. Mr. Speaker, this bill, H.R. 10805, which extends the existence of the Civil Rights Commission from January 31, 1968 to January 31, 1973, merits the approval of this House.

The President, in his message relative to racial discrimination, has recommended the extension of the Commission for an additional 5 years, as has the Department of Justice.

The U.S. Commission on Civil Rights, as we all know, is an independent, bipartisan agency which was established by Congress in 1957. Its existence has been extended from time to time by the Congress. There should be no doubt in anyone's mind that the existence of the Commission on a periodic basis has given rise to problems, such as hiring of personnel and planning. In 1964, the Congress extended the term of the Commission. It has been able to undertake studies on a variety of issues and to plan long-range projects, while in the past the Commission's program was one of factfinding and reporting of the denial of civil rights on the part of Negroes, particularly in the South. At present, the same program has been launched into the civil rights problems in the North. The Commission has been able to broaden its program beyond the scope of the basic civil rights problems, such as denial of the right to vote, discrimination in housing, and school segregation. There are many problems today in the field of civil rights which require the extension of the Commission. I emphasize that its principal function remains only to find facts and report to the President and the Congress. There is no law enforcement authority granted to the Commission.

The Commission is the only agency within our governmental structure which operates independently to study and analyze the impact of the various programs which the Government has undertaken. It is in a position to determine whether or not the policy contained in these programs is being effectively implemented on all levels—Federal, State, and local. It works closely with its State advisory committees. It cooperates and has close liaison with the various Federal departments administering programs.

In the past, the Commission's work has dealt principally with the issue of the denial of civil rights of Negroes, but presently it is about to consider the civil rights problems of other minority groups. The American Indian, and the Mexican-American are subject to denial of civil rights and there is a great need for study to be done in these fields. The need here is for an independent, factfinding body, which the Commission is, in order to determine objectively what the facts are and to recommend what needs to be done. There is no agency in the Federal Government other than this Commission which can perform this necessary work. If this Congress is to legislate effectively, we need facts. The Commission is the agency which can submit these facts. Therefore, I recommend to this body favorable consideration of this legislation.

Mr. WILLIAMS of Mississippi. Mr. Speaker, we are considering a bill to extend for 5 years an agency which, in my opinion, is useless. It has become the propaganda mouthpiece of militant civil rightists.

In city after city, the Commission has held hearings which have distorted the true picture of racial relations. It affords twisted minds the opportunity of achieving the greatest amount of publicity. Irresponsible and reckless charges are made without the Commission making any effort to control such outbursts.

The Civil Rights Commission is costing the American taxpayers over $2½ million each year. The prime goal of the Commission now appears to be bringing about racial balance in public schools. The Chairman of the Commission made this astounding statement to the Committee on Appropriations:

> We consider long range that we will never really have as good education for negroes as for whites until we have a greater degree of racial balance than we have now.

Thus, the Chairman of the Civil Rights Commission parrots the line taken by militant civil rights activists who constantly insult the intelligence of American Negroes by declaring they are incapable of acquiring knowledge unless they sit by a white child.

The House would perform a great public service, give the taxpayers a break, and improve racial relations by defeating this bill.

The SPEAKER pro tempore (Mr. ALBERT). All time has expired.

The question is on the motion of the gentleman from New York [Mr. CELLER] that the House suspend the rules and pass the bill H.R. 10805.

Mr. CELLER. Mr. Speaker, I make the point of order that a quorum is not present.

Mr. WAGGONNER. Mr. Speaker, a parliamentary inquiry.

Mr. CELLER. Mr. Speaker, I ask unanimous consent that I may be permitted to withdraw my point of order.

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

There was no objection.

Mr. CELLER. Mr. Speaker, on that motion I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 284, nays 89, not voting 59, as follows:

[Roll No. 163]

YEAS—284

Adams
Addabbo
Albert
Anderson, Ill.
Anderson, Tenn.
Andrews, N. Dak.
Annunzio
Arends
Ashley
Aspinall
Ayres
Bates
Battin
Bell
Betts
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bolton
Bow
Brademas
Brasco
Bray
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burke, Mass.
Burton, Calif.
Bush
Button
Byrne, Pa.
Byrnes, Wis.
Cahill
Carey
Carter
Casey
Cederberg
Celler
Chamberlain
Clancy
Clark
Clausen, Don H.
Cohelan
Conte
Conyers
Corbett
Corman
Cowger
Culver
Cunningham
Curtis
Daddario
Daniels
Davis, Wis.
Dawson
de la Garza
Delaney
Dellenback
Denney
Derwinski
Devine
Dole
Donohue
Dow
Dulski
Dwyer
Eckhardt
Edmondson
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fallon
Farbstein
Fascell
Findley
Fino
Foley
Ford, Gerald R.
Ford, William D.
Fraser
Frelinghuysen
Fulton, Pa.
Fulton, Tenn.
Gallagher
Garmatz
Giaimo
Gibbons
Gilbert
Gonzalez
Goodell
Goodling
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Halleck
Halpern
Hamilton
Hanley
Hanna
Harrison
Harsha
Harvey
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holifield
Holland
Horton
Hosmer
Howard
Hull
Hunt
Hutchinson
Ichord
Irwin
Jacobs
Joelson
Johnson, Calif.
Johnson, Pa.
Karsten
Kastenmeier
Kazen
Kee
Keith
Kelly
King, N.Y.
Kirwan
Kleppe
Kluczynski
Kupferman
Kyros
Laird
Langen
Latta
Leggett
Lipscomb
Lloyd
Long, Md.
McCarthy
McClory
McCulloch
McDonald, Mich.
McEwen
McFall
Macdonald, Mass.
MacGregor
Machen
Madden
Mailliard
Mathias, Calif.
Mathias, Md.
Matsunaga
May
Mayne
Meskill
Michel
Miller, Ohio
Minish
Mink
Minshall
Mize
Morris, N. Mex.
Morse, Mass.
Morton
Mosher
Multer
Murphy, Ill.
Myers
Natcher
Nedzi
Nelsen
Nix
O'Hara, Ill.
O'Hara, Mich.
Olsen
Ottinger
Patten
Pelly
Perkins
Pettis
Philbin
Pickle
Pike
Pirnie
Pollock
Price, Ill.
Pucinski
Quie
Railsback
Randall
Rees
Reid, Ill.
Reid, N.Y.
Resnick
Rhodes, Ariz.
Rhodes, Pa.
Riegle
Robison
Rodino
Rogers, Colo.
Ronan
Rooney, N.Y.
Rooney, Pa.
Rosenthal
Roth
Roudebush
Roush
Roybal
Rumsfeld
Ruppe
Ryan
Saylor
Schadeberg
Scherle
Scheuer
Schneebeli
Schweiker
Schwengel
Shriver
Sisk
Skubitz
Slack
Smith, Calif.
Smith, Iowa
Springer
Stafford
Stanton
Steed
Steiger, Ariz.
Steiger, Wis.
Stratton
Stubblefield
Sullivan
Taft
Talcott
Teague, Calif.
Tenzer
Thompson, N.J.
Thomson, Wis.
Udall
Tiernan
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waldie
Walker
Watkins
Watts
Whalen
Whalley
White
Widnall
Wiggins
Williams, Pa.
Wilson, Bob
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Young
Zablocki
Zion
Zwach

NAYS—89

Abbitt
Abernethy
Andrews, Ala.
Ashbrook
Ashmore
Belcher
Bennett
Bevill
Blackburn
Blanton
Brinkley
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson
Cabell
Colmer
Cramer
Davis, Ga.
Dickinson
Dorn
Dowdy
Downing

Duncan	Jonas	Quillen
Edwards, Ala.	Jones, Ala.	Rarick
Edwards, La.	Jones, Mo.	Rivers
Everett	Jones, N.C.	Roberts
Fisher	Kornegay	Rogers, Fla.
Flynt	Kuykendall	Satterfield
Fountain	Landrum	Scott
Fuqua	Lennon	Selden
Galifianakis	Long, La.	Sikes
Gardner	McMillan	Smith, Okla.
Gathings	Mahon	Snyder
Gettys	Marsh	Stuckey
Gross	Mills	Taylor
Gurney	Montgomery	Teague, Tex.
Haley	Nichols	Thompson, Ga.
Hall	Passman	Utt
Hammer-schmidt	Patman	Waggonner
	Poage	Wampler
Hardy	Poff	Whitener
Henderson	Pool	Whitten
Herlong	Price, Tex.	Williams, Miss.
Jarman	Pryor	Willis

NOT VOTING—59

Adair	Hansen, Wash.	O'Neal, Ga.
Baring	Hathaway	O'Neill, Mass.
Barrett	Hébert	Pepper
Berry	Hungate	Purcell
Brock	Karth	Reifel
Burton, Utah	King, Calif.	Reinecke
Clawson, Del	Kyl	Reuss
Cleveland	Lukens	Rostenkowski
Collier	McClure	Sandman
Conable	McDade	St Germain
Dent	Martin	St. Onge
Diggs	Meeds	Shipley
Dingell	Miller, Calif.	Smith, N.Y.
Feighan	Monagan	Staggers
Flood	Moore	Stephens
Friedel	Moorhead	Tuck
Grover	Morgan	Tunney
Gude	Moss	Watson
Hagan	Murphy, N.Y.	Wilson, Charles H.
Hansen, Idaho	O'Konski	

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. O'Neill of Massachusetts and Mr. St. Onge for, with Mr. Hébert against.

Mr. King of California and Mr. Dent for, with Mr. O'Neal of Georgia against.

Mr. Barrett and Mr. Miller of California for, with Mr. Tuck against.

Mr. Feighan and Mr. Murphy of New York for, with Mr. Hagan against.

Mr. Moore and Mr. Conable for, with Mr. Watson against.

Until further notice:

Mr. Hungate with Mr. Martin.
Mr. Monagan with Mr. Grover.
Mr. Friedel with Mr. Halpern.
Mr. Charles H. Wilson with Mr. Reinecke.
Mr. Karth with Mr. Hansen of Idaho.
Mr. Dingell with Mr. Berry.
Mr. Rostenkowski with Mr. Collier.
Mr. Shipley with Mr. Del Clawson.
Mr. Reuss with Mr. Burton of Utah.
Mr. St Germain with Mr. Cleveland.
Mr. Morgan with Mr. McDade.
Mr. Moorhead with Mr. Smith of New York.
Mr. Flood with Mr. Brock.
Mr. Hathaway with Mr. Sandman.
Mr. Purcell with Mr. Adair.
Mr. Moss with Mr. Reifel.
Mr. Staggers with Mr. O'Konski.
Mr. Diggs with Mr. Meeds.
Mr. Baring with Mr. Lukens.
Mr. Tunney with Mr. McClory.
Mr. Pepper with Mr. Kyl.
Mr. Stephens with Mrs. Hansen of Washington.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. ROGERS of Colorado. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

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

There was no objection.

IMPROVEMENT IN BENEFITS AND FINANCIAL STRUCTURE OF FEDERAL EMPLOYEES' INSURANCE PROGRAM

Mr. DULSKI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11089) to amend title 5, United States Code, to provide additional group life insurance and accidental death and dismemberment insurance for Federal employees, and to strengthen the financial condition of the employees' life insurance fund.

The Clerk read as follows:

H.R. 11089

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8704(a) of title 5, United States Code, is amended to read as follows:

"(a) An employee eligible for insurance is entitled to be insured for an amount of group life insurance plus an equal amount of group accidental death and dismemberment insurance, in accordance with the following schedule; which schedule shall be automatically extended correspondingly whenever the rate of annual pay assigned by section 5313 of this title to positions of level II of the Executive Schedule is increased:

"If annual pay is—		The amount of group life insurance is—	The amount of group accidental death and dismemberment insurance is—
Greater than—	But not greater than—		
0	$750	$1,000	$1,000
$750	1,500	2,000	2,000
1,500	2,250	3,000	3,000
2,250	3,000	4,000	4,000
3,000	3,750	5,000	5,000
3,750	4,500	6,000	6,000
4,500	5,250	7,000	7,000
5,250	6,000	8,000	8,000
6,000	6,750	9,000	9,000
6,750	7,500	10,000	10,000
7,500	8,250	11,000	11,000
8,250	9,000	12,000	12,000
9,000	9,750	13,000	13,000
9,750	10,500	14,000	14,000
10,500	11,250	15,000	15,000
11,250	12,000	16,000	16,000
12,000	12,750	17,000	17,000
12,750	13,500	18,000	18,000
13,500	14,250	19,000	19,000
14,250	15,000	20,000	20,000
15,000	15,750	21,000	21,000
15,750	16,500	22,000	22,000
16,500	17,250	23,000	23,000
17,250	18,000	24,000	24,000
18,000	18,750	25,000	25,000
18,750	19,500	26,000	26,000
19,500	20,250	27,000	27,000
20,250	21,000	28,000	28,000
21,000	21,750	29,000	29,000
21,750	22,500	30,000	30,000
22,500	23,250	31,000	31,000
23,250	24,000	32,000	32,000
24,000	24,750	33,000	33,000
24,750	25,500	34,000	34,000
25,500	26,250	35,000	35,000
26,250	27,000	36,000	36,000
27,000	27,750	37,000	37,000
27,750	28,500	38,000	38,000
28,500	29,250	39,000	39,000
29,250		40,000	40,000".

(b) Section 8707 of title 5, United States Code, is amended to read as follows:

"§ 8707. Employee deductions; withholding

"During each period in which an employee is insured under a policy of insurance purchased by the Civil Service Commission under section 8709 of this title, there shall be withheld from the pay of the employee his share of the cost of his group life insurance and accidental death and dismemberment insurance. The amount withheld shall be at the rate, adjusted to the nearest half cent, of 60 per centum of the level cost of each $1,000 of insurance, as determined by the Commission. The amount withheld from an employee paid on other than a biweekly basis is determined at a proportional rule adjusted to the nearest half cent.".

(c) Section 8708(a) of title 5, United States Code, is amended to read as follows:

"(a) For each period in which an employee is insured under a policy of insurance purchased by the Civil Service Commission under section 8709 of this title, a sum equal to two-thirds the amount which is withheld from the pay of the employee under section 8707 of this title shall be contributed from the appropriation or fund which is used to pay him.".

SEC. 2. The amendments made by this Act shall take effect on the first day of the first pay period which begins on or after the sixtieth day following the date of enactment of this Act, but shall have no effect in the case of any employee who died, was finally separated, or retired before such date of enactment. In the case of an employee who dies or retires during the period beginning on the date of enactment of this Act and ending immediately before the effective date of such amendments, the amount of insurance shall be determined as if such amendments were in effect during such period.

The SPEAKER. Is a second demanded?

Mr. CORBETT. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from New York [Mr. DULSKI] is recognized for 20 minutes.

Mr. DULSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 11089 provides a long-overdue modernization of the Government employees' life insurance program. The program was established by Public Law 598 of the 83d Congress, approved August 17, 1954. There has been no substantial change in the program for nearly 13 years.

H.R. 11089 makes three major changes. It replaces the outdated $20,000 maximum of insurance, set in 1954, with a $40,000 maximum. It grants every employee insurance equal to 1⅓ times his annual salary carried to the next higher thousand dollars. And it provides for financing the full level cost of the program, with premiums shared by employees and the Government on a 60–40 basis. Presently, employees pay two-thirds, and the Government pays one-third of fixed-rate contributions which fall about 8 cents per thousand dollars biweekly short of covering the full level cost.

Mr. Speaker, our Subcommittee on Retirement Insurance, and Health Benefits—and particularly the subcommittee chairman, the distinguished gentleman from New Jersey [Mr. DANIELS]—are to be highly commended for their fine work in developing this excellent bill and bringing it before the House.

Mr. Speaker, I yield 10 minutes to the chairman of the subcommittee, the gentleman from New Jersey [Mr. DANIELS].

Mr. DANIELS. Mr. Speaker, H.R.

11089, the bill under consideration, serves two vital purposes by incorporating important changes in the Federal employees' group life insurance program. First, it provides improvement in the insurance protection of all Federal employees by increasing present coverage at least 33⅓ percent. Second, it not only provides for full funding of the proposed benefits by the employees and the Government, but for sharing the full costs of the presently underfinanced program as well.

The Government life insurance program is one upon which 2½ million Federal employees and several more millions of their family members depend heavily for the major part of their total insurance protection. The number and scope of bills that have been introduced on the subject demonstrate the keen interest of Members of Congress in the progress of the program's 13-year history. In fact, both the House and Senate last year demonstrated their concern for the inadequacies existing, and deficiencies being incurred, in the program by unanimously adopting a measure which provided greater benefits, at a higher price tag, than the proposal recommended by the Committee on Post Office and Civil Service today. H.R. 6926 of the 89th Congress, passed by the Congress without a dissenting vote, differed from H.R. 11089 by providing an additional $2,000 of insurance not subject to reduction after retirement.

Most of us recall, I am sure, that the President attributed his disapproval of that bill to the inflationary dangers then present in the economy, and the high costs entailed to both the employees and the Government. The total cost of the vetoed bill would have come to about $196 million, $105 million of which would have been paid by employees, and $91 million of which would have involved additional Government expenditures to the program.

To overcome these objections, the committee has agreed to a modification that reduces the total annual cost by almost $90 million, while providing a progressive and attractive plan and fully financing all present and proposed costs. Since enactment in 1954 of an insurance program for Federal employees on a cost-sharing basis, coverage equal to the next higher thousand dollars approximating an employee's annual salary has been provided. Maximum coverage geared to the top salary levels existing in 1954 has been limited to $20,000. The maximum premium authorized upon enactment has been consistently charged—25 cents biweekly to the employees and 12½ cents to the Government, totaling 37½ cents for each thousand dollars of coverage.

Free insurance coverage is available to retiring employees under certain conditions. Such coverage reduces, however, by 2 percent per month beginning upon retirement or at age 65, whichever occurs later. Minimum protection equal to 25 percent of the original face value is reached 38 months after the postretirement reduction begins.

The maximum 37½ cents biweekly premium authorized by law has been charged since the program's creation. Although such premium had been contemplated to be sufficient to pay the level costs of the benefits, several relatively minor amendments to the law, without any increase in premiums, have increased the program's costs. These amendments encompassed lowering the requirements for free coverage after retirement from 15 years to 12 years; the crediting of military service toward such service requirements and a change whereby active employees over age 65 continue to be covered by the full face value of their policies. The rise in actuarial determinations that the level costs currently require a total premium of at least 45½ cents rather than 37½ cents, is attributable, principally, to these past liberalizations.

Evidence developed by the committee during public hearings in the 89th Congress, and again in the 90th Congress, indicates that insurance programs offered workers by employers in the private sector have progressed far beyond the Federal program, which has been largely unchanged since its inception. It is shown that the cost-sharing for life insurance programs in private industry has improved markedly, some industries paying all of the premiums and most sharing at least one-half.

While H.R. 11089 does not go as far as some measures would contemplate, nor to the extent employees and their representative organizations have urged, it is the unanimous judgment of the committee that a reasonable increase in life insurance coverage is highly desirable and prudently wise. The bill under consideration accomplishes a dual objective by extending greater protection for lower paid employees who can least afford to provide adequate insurance entirely at their own expense, and by furnishing appropriate coverage for higher level employees where recruitment and retention in Government service are most essential. It further modernizes the program by updating its maximum coverage which, in the opinion of the committee and the administration, is totally unrealistic in relation to current salary levels.

Although there is considerable sentiment to require equal sharing of premium costs, comparable to the minimal practice in private enterprise today, it is the consensus of the committee that the program's cost-sharing ratio be modernized from a 2-to-1 basis to a 3-to-2 basis—the employees' share to be increased from 25 cents to 27½ cents, and the Government's share to be increased from 12½ cents to 18⅓ cents per thousand. I wish to point up the fact that the employees will continue to pay the major portion—60 percent—of the total insurance premium. The bill removes the present statutory limitation of 25 cents per thousand and authorizes the Civil Service Commission to adjust premium rates in the event future actuarial determinations indicate increases as necessary to fully cover the level costs of the benefits.

Failure to provide for payment of premiums to cover the level costs of the benefits has resulted in annual deficiencies of $40 million. Experience has evidenced that failure of the Government to assure adequate financing of trust funds similar to the employees' life insurance fund inevitably leads to serious trouble. I have only to invite your attention to the fact that the history of the Government's contributions to the civil service retirement fund, has been one of "too little and too late." That kind of history, which presently causes a serious threat to its financial integrity, must not be repeated in the employees' life insurance program. The bill fulfills the present and future financial needs of this program.

H.R. 11089 will accomplish these objectives:

First, it fills, to a reasonable degree, the inadequacies of protection by increasing each employee's coverage by at least 33⅓ percent;

Second, it extends such coverage to persons earning up to $30,000 and provides for automatic adjustment of the insurance schedule at such time as upper level salary schedules might be further extended;

Third, it overcomes the program's financial deficiencies by requiring full funding of the level costs of the benefits by a revised cost-sharing ratio.

Mr. Speaker, it is the consensus of the Committee on Post Office and Civil Service that H.R. 11089 offers answers to the objectives of a progressive program that is meaningful and essential to its financial needs, and one which serves the best interests of both the employees and the Government. Mr. Speaker, I urge the Members of this body to wholeheartedly support the bill H.R. 11089, as it is unanimously reported by the Committee on Post Office and Civil Service.

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

Mr. DANIELS. I shall be happy to yield to the distinguished gentleman from Montana.

Mr. OLSEN. For a Member of Congress with reference to the reductions, it is 2 percent per month until it reaches 25 percent?

Mr. DANIELS. Not only for a Member of Congress, but for all Federal employees.

The bill under consideration provides for reductions after the age of 65 or retirement, whichever occurs later. The policy reduces at the rate of 2 percent per month, and 38 months later the policy will have reduced by 75 percent of the principal sum, leaving a balance of 25 percent of insurance in force.

Under the existing insurance program Members are entitled to $20,000 of life insurance. After retirement, it would reduce to a basic level of $5,000. Under the proposed bill each Member would have no less than $10,000.

Mr. OLSEN. And, Mr. Speaker, if the gentleman will yield further, with respect to other employees, what is the improvement proposed?

Mr. DANIELS. What is the improvement with reference to other employees?

Mr. OLSEN. Yes. Is it the same 25 percent of the total?

Mr. DANIELS. The same formula applies to all Federal employees. The policy would reduce at the rate of 2 percent a month for the period of 38 months, to 25 percent of the principal sum.

Mr. OLSEN. Twenty-five percent; yes.

Mr. DANIELS. Yes, leaving a balance of 25 percent of the principal sum.

Mr. OLSEN. I thank the gentleman.

Mr. DANIELS. Mr. Speaker, I ask unanimous consent that the gentleman from Pennsylvania [Mr. NIX] may extend his remarks at this point in the RECORD.

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

There was no objection.

Mr. NIX. Mr. Speaker, I am pleased to rise in support of H.R. 11089, a bill amending the benefits and financing structure of the group life insurance plan available to the employees of the United States, which has been reported to the House unanimously by the Committee on Post Office and Civil Service and its Subcommittee on Retirement, Insurance, and Health Benefits and cosponsored by 20 of its Members.

The present program insures each employee in an amount equal to the highest thousand dollars exceeding his annual salary, up to a maximum of $20,000. The employee pays $6.50 for each thousand dollars of coverage per year, or two-thirds of the cost. The employing agency contributes $3.25 each year per thousand, or one-third of the cost.

After retirement on disability or on an immediate annuity upon completion of at least 12 years' service, the insurance is provided on a cost-free depreciating basis, the value of the policy eventually declining to 25 percent of its original face value. Accordingly, an employee whose salary is $7,200 is insured for an amount of $8,000, which subsequently depreciates to $2,000 after retirement.

H.R. 11089 proposes increasing such an employee's coverage, predicated upon each $750 or part thereof of salary, to $10,000. The minimum amount of post-retirement coverage would be accordingly increased to $2,500. The employee would continue to pay the major share of the premium, approximately $7.15 for each thousand dollars of coverage each year, and the Government approximately $4.72.

Testimony presented to the subcommittee, during its hearings on H.R. 464, recommended modifying the postretirement reduction from 2 percent to 1 percent each month, and revising the maximum amount of depreciation from 75 percent to 50 percent of full value. Several organizations urged the inclusion of previously retired employees, with particular respect to extending to them the irreducible $2,000 additional unit of coverage contemplated in the introduced bill.

Being cognizant of the needs of the Government's faithful retirees and their survivors, the committee gave thorough and sympathetic consideration to such proposals. Providing active employees with $2,000 of unreducing coverage would have entailed a Government cost of $35 million annually, and was deleted from the pending measure to enhance the prospect of final approval. To extend the deleted provision to 400,000 deserving annuitants would have entailed an additional Government cost of $800 million. The budgetary realities of today simply precluded the committee from incorporating such a proposal in H.R. 11089.

Mr. Speaker, the bill under consideration does not go as far as some proponents would desire. However, it is a reasonable measure, one which is financially sound, and a definite step toward a progressively ideal life insurance program. I urge its wholehearted adoption.

Mr. CORBETT. Mr. Speaker, I yield 1 minute to the gentleman from Virginia [Mr. SCOTT].

Mr. SCOTT. I appreciate the gentleman yielding to me. Let me say, Mr. Speaker, that my name does not appear as a cosponsor of this bill, even though I do support it, and I was given that opportunity, but I did not cosponsor the bill because I have some reservations about two of the provisions of the bill.

One is the ratio by which the cost is divided by the Government and the employees. I would prefer to see a 50–50 sharing basis. I would also prefer to see a $30,000 maximum on the amount of insurance rather than the $40,000.

But, Mr. Speaker, this is a good bill and I urge that it be adopted by the House.

Mr. CORBETT. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, back in the year 1954 I sponsored and floor managed the legislation under which this life insurance program came into being. The law has been very slightly changed since that time and it is now obviously quite out of date because of inflation, because of changes in the salary structure, and the like.

This bill, as reported by the Committee on Post Office and Civil Service, does correct many of the inadequate features of the system and by providing a new method for funding it, it is our confident prediction that the program will be self-sustaining—and that it will be a very wholesome thing.

Second, we believe that increasing the maximum amount of insurance available to $40,000 is in keeping with the increased salaries that are paid not only in the Congress but to many of those in the executive branch.

This bill which really could be titled a bill for the relief and security of widows and children is a very wholesome bill, and I hope it passes unanimously as it did in the committee. I hope that because we have retailored it to meet the President's objection to the bill that passed last year that the President will see fit to sign it into law and that we will have for our employees a life insurance program that is more modern and up to date and more in keeping with practices in private industry.

I recognize that this bill does not do everything that some of us would like to see done in this program, but those features, if they ever are enacted into law, will have to wait for another amendment.

So, Mr. Speaker, I again urge that we pass this bill and move it along to the day when it will be the law and all of our employees will be enjoying its many benefits.

Mr. Speaker, I reserve the balance of my time.

Mr. DULSKI. Mr. Speaker, I yield 3 minutes to the gentleman from Montana [Mr. OLSEN].

Mr. OLSEN. Mr. Speaker, I rise in support of the bill, H.R. 11089, which I am privileged to cosponsor.

I want to commend the chairman of the full committee, the gentleman from New York [Mr. DULSKI] as well as the chairman of our subcommittee, the gentleman from New Jersey [Mr. DANIELS] on what has been an excellent job of investigation and negotiation on the subject of what can be done economically and without great expense to the taxpayers in the way of improving the life insurance of Federal employees.

Like our friend, the gentleman from Virginia [Mr. SCOTT] I think we could have had or should have had a greater participation on the part of the employer, but it just would be too expensive at this time.

Mr. Speaker, I rise in support of H.R. 11089, which I am privileged to cosponsor, a bill providing needed improvements in the life insurance program of the Federal work force, while strengthening the financial condition of the employees' life insurance fund.

I wish, first of all, to commend the gentleman from New Jersey, the chairman of the Subcommittee on Retirement, Insurance, and Health Benefits, for his diligence and dedication in seeking to obtain advances in the field of employee benefits and for his continuous concern for the financial soundness of this program that is of such vital importance to all Federal workers and their families. I commend the committee's acting unanimously and responsibly in bringing before the House a measure that keeps faith with our employees, and one which I feel is in the interest of the United States.

Since enactment of the Federal Employees' Group Life Insurance Act of 1954, this program has consistently furnished coverage equal to the employee's annual salary, plus an equal amount of accidental death and dismemberment insurance. It has consistently limited coverage, anachronistically, to the maximum salary ceilings in effect 13 years ago. It has been equally consistent in failing to authorize premiums sufficient to cover the full costs of the benefits payable—a failure which incurs an annual deficit in the insurance fund of $40 million.

During the 13-year history of the program, the premium sharing of life insurance programs in the private economy has progressed significantly. Reliable Government surveys disclose that many industries provide its work force cost-free life insurance protection, while the vast majority pay at least one-half the premiums. The subcommittee, during its public hearings on the subject, developed evidence that the insurance benefits offered to workers by model employers in private enterprise have improved markedly, while no relative or significant advances have been made in the Federal program with respect to career employees since its inception.

H.R. 11089 modernizes the program, to a reasonable extent, by providing one-third more insurance during an employee's service, and a slightly greater

death benefit payable after retirement. This is a small, but significant, step forward.

While existing reserves have been adequate to pay the increasing costs of the coverage, the costs will eventually increase to the point that a substantial increase will be necessary to pay the premiums required to soundly finance the benefits. The committee proposes avoiding this eventuality by revising the cost-sharing from its present 2-to-1 ratio to a 3-to-2 ratio, increasing the Government's contribution from 33 percent to 40 percent of the total premium. Although it revises the employee's share from 66 percent to 60 percent, still requiring the employee to pay the major portion of the cost, it does not attain the minimal ideal 50–50 sharing practice prevalent in the private sector. It is noteworthy that a provision is included authorizing the Civil Service Commission to establish and revise, on a 60–40 basis, the rate of contributions to meet the actual level costs of the program, when deemed necessary.

I urge, Mr. Speaker, the unanimous adoption of H.R. 11089.

Mr. BUTTON. Mr. Speaker, I would like to express my support for H.R. 11089. The increased insurance coverage provided by this bill will be a great help to the families of Federal employees, especially those with lower incomes. It is these employees who can least afford to buy insurance privately or put back substantial savings for their families to live on in the event of their death. These improved benefits will help lift—at least partially—the burden of providing for a family at a time when increased living costs cause problems enough.

It is also heartening that the cost-sharing of this insurance has been adjusted from a 2-to-1 employee-Government ratio to a 3-to-2 ratio. While encouraging, this, in my opinion, is still not as it should be. The Government should follow the lead set by many private industry insurance plans, in which the company assumes the entire cost of the insurance. While I consider the adjustment made by this bill a good sign and a start in the direction of a better cost-sharing plan, I believe we should continue to work toward at least a 1-to-1 ratio of cost sharing.

In addition, I would like to have seen a provision covering rate of reduction of the value of this insurance. Presently, Mr. Speaker, the rate beginning at age 65 or retirement is 2 percent per month to a floor of 25 percent of face value, a bill introduced by Congressman OLSEN, H.R. 3380, would change this to a 1 percent per month rate of reduction to a floor of 50 percent of face value. This measure is presently pending in our committee, but since it is so closely related, I would like to express my support for it at this time.

Mr. Speaker, we are all aware that a bill similar to H.R. 11089 was passed by the Congress last year only to be vetoed by the President. The grounds for this veto were that it would be an inflationary measure. It is my view that the veto did very little toward stemming the flow of inflation, but it did make the families of Federal employees potentially greater victims of inflation for another year. Now we, the Congress, have the opportunity to correct that by passing this legislation.

Mr. HAMILTON. Mr. Speaker, H.R. 11089 is a bill to amend title 5, United States Code, to provide additional group life insurance and accidental death and dismemberment insurance for Federal employees and to strengthen the financial condition of the employees' life insurance fund. Today this bill, favorably reported with amendment by the Post Office and Civil Service Committee, is scheduled for consideration by the House under suspension of the rules.

H.R. 11089 would make several major changes in the financing and in the amount of benefits an individual is entitled to receive. Specifically it would:

(1) require the Government and employees to share the full cost of the insurance program by authorizing an increase in the employee and agency contributory rates.

(2) change the cost-sharing ratio by raising the Government's contribution rate from 33⅓% to 40% of the total premium, and by lowering the employee's rate from 66⅔% to 60% of the premium.

(3) provide at least 33% more protection for employees at all salary levels.

Essentially H.R. 11089 is identical in purpose to the provisions of H.R. 6926, 89th Congress, with the exception of the elimination of one provision. This measure passed both Houses, but was vetoed by the President statedly because of its cost. In an effort to reduce the price tag of the proposed legislation, the committee deleted the most costly provision, that provision which provided an additional unit of $2,000 insurance which would not reduce after retirement. By eliminating this provision the committee was able to lower the cost to the Government of the proposed legislation from $91 million to $56 million—a reduction of $35 million.

The need to improve the financing of the existing program is urgent. Current benefits are presently underfinanced; a $40 million annual deficit is being incurred. The present contributory rates set by the Federal Employees' Compensation Act of 1954 are too low to cover the actual continuing cost of the insurance. They are too low primarily because minor progressive revisions since 1954 have increased the program's costs without concurrently increasing the contributory rates. By allowing the Commission to set rates at a level which would cover the actual cost of the benefits provided, the proposed legislation would put the program on a self-sustaining basis.

The proposed liberalization of the amount of benefits to which an employee is entitled under the program is long overdue. Statistics compiled by the Subcommittee on Retirement, Insurance, and Health Benefits, during its public hearings on H.R. 464, show that insurance programs offered workers by employers in private industry have improved markedly, while no significant amendments have been made in the Federal program with respect to career employees since the program's inception in 1954. In addition to being a step toward comparability with the private sector, the proposed increase in coverage would give more protection and security to lower echelon employees who can least afford private insurance as well as help to recruit and retain higher level employees whose services are essential to administrative excellence.

H.R. 11089, as proposed, would render the Federal Government's Insurance Program for its employees more sound, more equitable, and more progressive. I strongly urge each of you to support this bill.

Mr. MATSUNAGA. Mr. Speaker, I rise in support of H.R. 11089, a bill which would provide needed improvement in the life insurance protection of Federal employees.

I introduced a measure similar to the legislation we are now considering, except that my bill, H.R. 7849, would extend to presently retired Federal employees the benefit of an additional $2,000 worth of life insurance which would not be subject to the monthly reduction provisions. Our Committee on Post Office and Civil Service, however, has deleted this provision—the costliest item—in order to report a measure which would be more receptive to the administration's program.

The deletion of the provision for $2,000 irreducible life insurance coverage would reduce the cost of the bill now on the floor to $56 million. This is a substantial reduction from the $91 million price tag of the 1966 bill which was vetoed by the President. H.R. 11089, therefore, pegs the cost of these needed life insurance improvements in the vicinity of the midpoint between the administration proposal which would cost $13.4 million and the $91 million which the 1966 bill would have cost the Government. Because I feel strongly that the group life insurance program for our Federal employees ought to be immediately strengthened in order to have it compare favorably with insurance programs offered workers by employers in the private sector, I urge a favorable vote for H.R. 11089.

Mr. DULSKI. Mr. Speaker, I have no further requests for time.

Mr. CORBETT. Mr. Speaker, I yield back the balance of my time.

Mr. DULSKI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MATSUNAGA). The question is on the motion of the gentleman from New York that the House suspend the rules and pass the bill H.R. 11089.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. DULSKI. Mr. Speaker, I ask that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed.

The SPEAKER pro tempore. Without objection, it is ordered.

There was no objection.

ACQUISITION OF CAREER STATUS BY CERTAIN TEMPORARY GOVERNMENT EMPLOYEES

Mr. DULSKI. Mr. Speaker, I move to suspend the rules and pass the bill (S.

1320) to provide for the acquisition of career status by certain temporary employees of the Federal Government, and for other purposes, as amended.

The Clerk read as follows:

S. 1320

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter I of chapter 33 of title 5, United States Code, is amended by inserting immediately after section 3304 the following new section:

"§ 3304a. Competitive service; career appointment after three years' temporary service

"(a) Except as provided by subsection (b), and subject to subsection (c), of this section an individual serving in a position in the competitive service under an indefinite appointment or a temporary appointment pending establishment of a register (other than an individual serving in GS-16, GS-17, or GS-18) acquires competitive status and is entitled to have his appointment converted to a career appointment, when—

"(1) he completes, without a break in service of more than thirty days, a total of at least three years of service in such a position;

"(2) he passes a suitable unassembled, noncompetitive examination;

"(3) the appointing authority (A) recommends to the Civil Service Commission that the appointment be converted to a career appointment, and (B) certifies to the Commission that the work performance of the individual for the past twelve months has been satisfactory; and

"(4) he meets current Commission qualification requirements for the position, and is otherwise eligible for career appointment.

"(b) An individual serving in a position in the competitive service in the postal field service under a temporary appointment without a definite time limitation (other than an individual serving in a postmaster or rural carrier position) acquires competitive status and is entitled to have his appointment concerted to a career appointment, when—

"(1) he completes, without a break in service of more than thirty days, at least three years of service in such a position during each of which he has been paid for at least seven hundred hours of work;

"(2) he passes a suitable unassembled, noncompetitive examination;

"(3) the appointing authority (A) recommends to the Civil Service Commission that the appointment be converted to a career appointment and (B) certifies to the Commission (i) that the work performance of the individual for the past twelve months has been satisfactory and (ii) that straight time hours as determined by the past twelve months' experience of career substitutes on the rolls on the date of the certification will not be reduced solely because of the conversion; and

"(4) he meets current Commission qualification requirements for the position, and is otherwise eligible for career appointment.

Section 3302 of title 39 does not apply with respect to the operation of this subsection.

"(c) In computing years of service under subsections (a)(1) and (b)(1) of this section for an individual who leaves a position in the competitive service to enter the armed forces and is reemployed in such a position within one-hundred and twenty days after separation under honorable conditions, the period from the date he leaves his position to the date he is reemployed is included.

"(d) The appointment of an individual who does not pass a suitable unassembled, noncompetitive examination under subsection (a)(2) of this section, who is not recommended for conversion to career appointment under subsection (a)(3) of this section, or who fails to qualify under subsection (a)(4) of this section, shall be terminated not later than ninety days after he has completed the three-year period referred to in subsection (a)(1) of this section.

"(e) The Commission may prescribe regulations necessary for the administration of this section.".

(b) The analysis of subchapter I of chapter 33 of title 5, United States Code, is amended by adding the following new item immediately below item 3304:

"3304a. Competitive service; career appointment after three years' temporary service.".

SEC. 2. The first sentence of section 1310(a) of the Supplemental Appropriation Act, 1952 (65 Stat. 757), as amended, is amended to read as follows:

"The Civil Service Commission and the heads of the executive departments, agencies, and corporations shall make full use of their authority to require that initial appointments to positions in and outside the competitive service shall be made on other than a permanent basis: *Provided,* That any position vacated by a permanent employee called to military service or transferred to a national defense agency shall not be filled except on a temporary or indefinite basis.".

SEC. 3. (a) This section and section 2 of this Act shall become effective on the date of enactment of this Act.

(b) The first section of this Act shall become effective on the one hundred and twentieth day following the date of enactment of this Act. In the case of an individual who, prior to such effective date, shall have completed the three-year period referred to in section 3304a(d) of title 5, United States Code, as enacted by the first section of this Act, the date of such completion shall be deemed to be such effective date.

The SPEAKER. Is a second demanded?

Mr. BROYHILL of North Carolina. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. DULSKI. Mr. Speaker, I yield as much time as he may consume to the gentleman from North Carolina [Mr. HENDERSON].

Mr. HENDERSON. Mr. Speaker, I rise in support of S. 1320, as amended, to provide for the acquisition of career status for certain temporary employees of the Federal Government and for other purposes.

S. 1320, as amended, which was unanimously voted out of the House Committee on Post Office and Civil Service on June 17, offers a timely solution to a personnel administrative problem in the Federal Government; namely, the appropriate appointment arrangements for employees who have served for an extended period in a temporary status without prospects of regular status or benefits.

The purposes of S. 1320, with the committee amendments, are twofold:

First, to make it possible for certain Federal employees, including employees in the postal field service, to acquire competitive status and to have their appointments converted to career appointments.

Second, to remove the permanent statutory ceiling on the number of permanent Federal employees.

Under existing civil service regulations, appointing officers in Federal agencies can employ a person in a temporary capacity for a permanent position when a suitable civil service register of eligible candidates is not available. Such an employee continues on the job until an examination is held, a register established, and an appointment is made on a permanent basis. Sometimes a special register cannot be justified in the immediate future.

The Manpower and Civil Service Subcommittee in late 1966, working with the Civil Service Commission, developed data indicating that there were some 19,000 Federal personnel working in permanent positions but without career status through no fault of their own. When hired, the Government did not have registers covering these positions. Of the 19,000, the subcommittee found that some 8,000 had been working in the same jobs for 3 years or longer. In fact, over 4,200 had been working for 5 years or more without status.

Federal Government personnel, working as TAPERS, face the following personnel administrative problems:

First. No retirement privileges under the civil service retirement system;

Second. They can be separated at any time by the employing authority;

Third. No appeal rights under Civil Service Commission regulations;

Fourth. In case of a reduction in force the only employees with lower retention credits are those serving in limited temporary appointments;

Fifth. Limited promotional opportunities within the agency;

Sixth. They cannot transfer under the TAPER appointment to another job; and

Seventh. They are not covered by the Universal Military Training and Service Act.

The legislation before the House today will correct these personnel problems.

The first section of S. 1320, as amended, will entitle employees, except those in the postal field service, who are serving in positions of the competitive service under a temporary appointment pending the establishment of a register, to acquire a career status. An employee's appointment can be converted to a career appointment, when he meets all of the specified conditions. Individuals in supergrade positions are excluded. The conditions which must be met are:

First. The employee completes a total of at least 3 years' service in his position without a break in service of more than 30 days;

Second. He passes a suitable, unassembled, noncompetitive examination;

Third. The appointing authority recommends to the Civil Service Commission the conversion of the appointment to a career appointment, and certifies to the Commission that the work performance of the individual for the past 12 months has been satisfactory; and

Fourth. That he meets Commission qualification requirements for the position and is otherwise eligible for a career appointment.

Subsection (b) of section 1 relates to an individual serving in a position in the competitive service in the postal field service working under a temporary ap-

pointment without a definite time limitation, and authorizes conversion of such temporary appointments to career appointments for such individuals. The standards to be met are substantially the same, as I detailed above, except that the period of service must be at least 3 years during each of which the employee has been paid for at least 700 hours of work and that the straight time hours of work of the other employees in that office will not be reduced solely because of the conversion. Postmasters and rural carriers are excluded.

Section 2 of the bill amends section 1310(a) of the Supplemental Appropriation Act, 1952, commonly referred to as the Whitten amendment, to delete the reference to the numerical ceiling on permanent appointments. The remaining provisions of this section would not be affected. These include: restrictions on rapid promotions, overgrading of positions and veterans' rights. By lifting the personnel ceilings, we are recognizing the unprecedented growth that has taken place in our economy, in our population, and the services to be provided.

The committee members have noted over the years that Federal employee ceiling restrictions have forced management officials in several agencies to resort to the use of either combat-trained military or contractor personnel to perform work historically and successfully done by civil service employees. Many times the alternatives are more expensive.

In recommending this change, the committee members do not consider the removal of the ceiling as a lack of interest on their part in controlling or limiting civilian employment but as a recognition of the need to consider the total labor costs to get the job done. Likewise, the Manpower and Civil Service Subcommittee plans to continue to review the changing employment patterns in the Federal Government in light of work to be performed and the promotional opportunities of the Government employees called to active military duty. If conditions again warrant a ceiling the subcommittee will initiate legislation to that end.

It must be reiterated, the other provisions of the Whitten amendment—namely, restrictions on rapid promotions, overgrading of positions, and veterans' rights—are not only maintained but are as necessary today as in 1952.

Mr. Speaker, the legislation we have before us today has been strongly endorsed by administration spokesmen, including the Chairman of the Civil Service Commission and the Postmaster General, and by numerous employee group leaders—leaders representing both postal employees as well as employees in other departments and agencies of the Federal Government.

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

Mr. HENDERSON. I yield to the gentleman from Montana, one of my colleagues on the committee.

Mr. OLSEN. Speaker, I rise in support of S. 1320 and also commend the gentleman from North Carolina in the well [Mr. HENDERSON] for the excellent job and for the exhaustive examination into the many problems in this bill. I believe it will make Federal service more attractive to people now employed by the Federal Government, and I hope it will continue to make the Federal service more attractive to them, and attract others to Federal service. I commend the gentleman very highly on the superb job. I cannot more highly endorse this bill. I hope the Members will vote for it unanimously.

Mr. HENDERSON. I thank the gentleman from Montana for his support.

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

Mr. HENDERSON. I am delighted to yield to the gentleman from Missouri.

Mr. HALL. I should like to add my compliments to the gentleman from North Carolina, the chairman of this distinguished subcommittee, for the action has always taken in behalf of our valued Government employees, and especially for the study he has made with regard to all matters pertaining to manpower in the civil service or the postal service, and its proper utilization, which is a direct responsibility of this Congress. As I understand the bill before us today, would it eliminate the competitive examination feature in order to establish a register for all those who had had temporary employment for 3 years?

Mr. HENDERSON. It would provide for an unassembled noncompetitive examination, which is not the usual competitive examination.

I would point out to the gentleman that the purpose of the competitive examination is to determine whether or not an applicant can do a job, and if he is the most qualified applicant.

As the distinguished Chairman of the Civil Service Commission testified before our subcommittee, the best test is the fact that the man has been performing the job for the 3-year period, and satisfactorily. It must be certified by the agency that his work has been satisfactory for the last 12 months, before he can be considered for conversion.

Mr. HALL. I understand the four stipulations. I believe they are valid. In fact, I had certain functions as a personnel officer at a time during World War II when this would have been very desirable from the point of view of the executive department.

Does the gentleman not feel that we are getting to the place we are allowing agencies and the administration and the executive branch in particular to make decisions which perhaps should be made by the Congress?

Mr. HENDERSON. Except for one thing with regard to this particular area. We are insisting that the Civil Service Commission speed up its examining process. We have been assured that by the consolidation of examining boards over the Nation there should be a lesser need for temporary appointments in the first instance.

I am sure the gentleman would agree that while there have been reasons for these TAPER appointments, that is not the best way to get the best employees in Federal service.

Mr. HALL. I certainly do agree. I am not for increasing temporary appointments. On the other hand, I hate to see, as the Chairman of the Civil Service Commission said, just another one-time cleanup.

Actually, what this amounts to is a channeling into permanent service of all of those who have served well, or whom someone certifies as having served well for a period of 3 years.

Mr. HENDERSON. I could not agree with the gentleman more.

I believe the very fact that the committee is here today with this legislation demonstrates that we feel Congress should keep oversight in this area, rather than to have coverage by Executive order, as has been the case in the two most recent instances.

If necessary, Congress ought to know why, and ought to investigate, as we have done in this case, and present the matter before the full Congress, as we do, for action today.

Mr. HALL. Once the legislation is passed they will not have to come back to Congress, unless we rescind this action.

Mr. HENDERSON. The gentleman is correct. But it is the clear intent of the subcommittee, in its report, that if the administration is not continued as we believe it should be, they will have to come back at least before our subcommittee, to assure us, and to give us the reasons why it has not been administered as we understand it should be.

Mr. HALL. I appreciate the legislative record.

Am I correctly advised that maintenance employees of all Federal buildings must be veterans now, by law?

Mr. HENDERSON. I am not certain.

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

Mr. HENDERSON. I am happy to yield to the gentleman from New York.

Mr. DULSKI. Examinations are limited to them.

Mr. HALL. In other words, that is true for maintenance employees of all Federal buildings, not just U.S. post offices?

Mr. DULSKI. For all Federal buildings.

Mr. HALL. The examinations and the establishment of a register are limited to veterans; is that correct?

Mr. DULSKI. Yes. They have the preference.

Mr. HALL. Is it not true, with this preference, assuming they pass an examination with 70 points, they will not only be given veterans' preference, of 5 or 10 percent, depending upon service-connected disability, but will be put at the head of the list? Is that correct?

Mr. DULSKI. That is correct.

Mr. HALL. Is it not also true they may draw their retirement benefits from the military at the same time they are earning in this new capacity, after an appointment from the register?

Mr. DULSKI. Subject to the Dual Compensation Act.

Mr. HALL. That is right, but the Dual Compensation Act excludes these people in particular. I can give you instance after instance where this is happening and where up to 33⅓ percent of the disabled veterans are off duty as new civil service appointees with preference given all the time.

If the gentleman will yield further, my

question is this: I simply want to make a legislative record and point out to the distinguished committee that I wonder if we are not coming to the time and place where maintenance involves not only broom pushers and people who mop down and clean up in the Federal buildings at the end of the day but also people who are involved in maintenance of machinery as we become more and more automated. They are maintenance employees, but I wonder if we are not getting to the point where we should give serious consideration to this. I want to mention that as a member of the Committee on Armed Services I am very keenly interested in veterans preferences. I doubt very much if they should draw both retirement, which is tax free, for physical disability and their new civil service preferential appointment on full pay. I know if they will be off 15, 20, or 33 percent of the time and they are not maintenance employees other than custodians, that we are coming to the time and the place where we should give serious consideration in the subcommittee and in the full committee to their particular utilization.

Mr. HENDERSON. Mr. Speaker, before I yield to the distinguished chairman, there is a comment that I would like to make to the gentleman from Missouri in response. I want to say that we are fortunate the chairman of our full committee also serves on the Veterans' Affairs Committee. That is why I thought I would yield to him, because this is a matter which is within the jurisdiction of that committee.

Specifically with regard to your comments on the Dual Compensation Act, I might point out to the gentleman that we have divergent views. A very distinguished member of the Committee on Armed Services approached me the other day saying that the Dual Compensation Act should be liberalized so employees covered by the act could draw more of their retired military pay as well as the full pay benefits. This has been before our subcommittee. The Dual Compensation Act was handled by the subcommittee. We recognize it is a problem, but at this time and as a part of this legislation we are not prepared to take it up.

Mr. HALL. Yes. I understand that, but I did want to get this before the committee. I appreciate the gentleman's reassurance and am sure that we can disagree without being disagreeable. This does not eliminate the Whitten amendment?

Mr. HENDERSON. You are absolutely correct.

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

Mr. HENDERSON. I am delighted to yield to the distinguished minority member of the committee.

Mr. GROSS. I think that the gentleman from Missouri [Mr. HALL] raised a very interesting point. I think this is something that the committee ought to go into. I am very much for the veterans' preference, but I think here is a situation which, as he says, is growing with regard to the matter of numbers of maintenance personnel involved. I think the Post Office and Civil Service Committee ought to take a look at it from the standpoint of personnel and the utilization of manpower in the Federal Government. It may be that jurisdiction belongs in the Veterans' Affairs Committee. I do not know. I do think that the Post Office and Civil Service Committee ought to have a look at this situation.

Mr. HENDERSON. I am very much appreciative of the gentleman's contribution to this legislation. I think we could agree that the point the gentleman from Missouri made with regard to the increased level of maintenance people on the maintenance of postal equipment is a matter that our full committee or one of the subcommittees has gone into this year. All of these problems are oftentimes interrelated.

But again, Mr. Speaker, I wish to urge the adoption of the Senate bill as amended.

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

Mr. HENDERSON. I am delighted to yield to the gentleman from Virginia.

Mr. SCOTT. I would like to ask the distinguished chairman of the subcommittee the number of people that will be affected by this legislation and if he knows the length of time some of them have been in the Government service under temporary appointment.

Mr. HENDERSON. Well, we know that in 1966, at the time we did the study with the Civil Service Commission, there were over 19,000. Of that group there are over 4,200 who have served over the 3-year period and who are certified in this bill now pending before us today with respect to the length of service. There is a sizable number that have been in service over 10 or 12 years and, certainly, we feel that if they have performed in a temporary status satisfactorily to the Government that there is a point at which they should be entitled to a career status.

Mr. SCOTT. Mr. Speaker, if the gentleman will yield further, I want to say that I am sure the distinguished chairman shares my concern for the welfare of all Government employees. It is my further opinion that this is a situation which represents a matter that undoubtedly needs correction and study.

Mr. Speaker, I am wholeheartedly in favor of the proposal.

Mr. HENDERSON. The distinguished gentleman, a member of our committee, obviously knows of the benefits provided hereunder for our various Federal employees, but for the benefit of all the Members of the House, I would point out that our study revealed that these temporaries are scattered all over the United States, and the need for this legislation not only exists in the centers where they have such heavy Federal employment, but in other areas as well.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I take this time for the purpose of asking the gentleman from North Carolina [Mr. HENDERSON] if the gentleman knows that the legislation includes authority for these temporary employees in the postal field service to acquire competitive career status, provided they meet the standards laid down under this legislation.

We discussed in the committee, however, certain problems that may occur when these conversions take place. I think there are problems now, particularly in areas where we are faced with surplus career regular and substitute clerks in the mobile service because of the curtailment and discontinuation of railway postal units. I note that this problem was alluded to in our report. I wonder if the gentleman from North Carolina [Mr. HENDERSON] could give us any information as to just what rights these employees have? Would the enactment of this legislation in any way take away their rights of finding jobs at post offices near their present homes?

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

Mr. BROYHILL of North Carolina. I shall be delighted to yield.

Mr. HENDERSON. Mr. Speaker, I certainly shall answer the question propounded by the distinguished gentleman from North Carolina [Mr. BROYHILL]. But, first, I would like to say that the contributions which the gentleman has made to the subcommittee's deliberations this year, and particularly in the consideration of this legislation, have been most important. I wish to commend the gentleman for his diligence and very fine assistance.

Specifically, with reference to the gentleman's interrogation in respect to post office employees, it was the interest of the gentleman from North Carolina who has yielded to me in this area that brought about specific language in the bill with respect to substitute clerks and how they might be affected. In that instance we were able to come up with language which we thought should be contained in the legislation.

Mr. Speaker, in answer to the specific request of the gentleman from North Carolina [Mr. BROYHILL] with reference to the continuance of the mobile units and the shifting of those people back into the postal service, we were not so successful as reflected by the language as contained in the bill. However, on page 6 of the report the gentleman will find that we included some very strong language to this effect:

> The committee has been assured by representatives of the Post Office Department that every effort will be exerted to protect the rights, and to give all possible assistance to the mobile clerks who are now facing reassignment because of the discontinuance of the mobile units.

And, Mr. Speaker, I might say in further answer to the inquiry of the gentleman from North Carolina [Mr. BROYHILL], I realize that there are a lot of these employees in the areas that the gentleman represents, and that with the two of us now serving on this subcommittee, it is my opinion that we should be able to do a good job in seeing that their rights are protected.

Mr. Speaker, I thank the gentleman from North Carolina for yielding.

The SPEAKER. The time of the gentleman from North Carolina has expired.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield myself 2 additional minutes.

Mr. Speaker, I rise in support of S. 1320, as amended. This bill would pro-

vide much needed relief to many Federal employees who have been hired to work for the Federal Government, are doing a satisfactory or better job, and through no fault of their own they lack status and retirement benefits.

From time to time in the past both Congress and the President have provided relief for TAPER employees. During the 84th and 85th Congresses, legislation was enacted to provide conversion to career status for certain temporary employees in the classified and postal services.

Recent Executive orders have also been issued to provide career status. In October 1964, certain employees in the postal field service were given career appointments. Then in March 1965, an Executive order permitted certain Treasury employees to be given career appointments.

As the members of the Post Office and Civil Service Committee have stated emphatically in our report on this bill, we do not regard this proposed legislation as a means of abating the competitive processes of the civil service system. In the words of the Chairman of the U.S. Civil Service Commission, this legislation provides "another one-time cleanup."

Mr. Speaker, I strongly support the bill before us today, S. 1320, as amended.

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

Mr. BROYHILL of North Carolina. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I rise in support of S. 1320, as amended.

This bill corrects an inequity for Federal Government employees who have been hired by the Government for permanent jobs and who are doing satisfactory work.

Under existing civil service regulations, Federal agencies can employ persons in a temporary capacity for permanent-type jobs when suitable civil service registers of eligible candidates are not available. These employees continue on the job until examinations are held, registers are established, and appointments are made on a permanent basis. These Government workers are what we call TAPER appointments—temporary appointments pending establishment of a register. They have been hired to fill needs but have not acquired career status simply because the Civil Service Commission has not conducted appropriate examinations.

It is my understanding, after hearing testimony from the Chairman of the Civil Service Commission, that many of these appointments are in occupations where there is relatively little employment and the Commissioners felt it economically unwise to conduct examinations for so limited a number of job vacancies.

The bill before us today lays down specific criteria for these TAPER employees to meet. If they can meet them, then career status is possible. The criteria include: three years in a position in the competitive service; passing a suitable, unassembled, noncompetitive examination; meeting Civil Service Commission qualification requirements; and management's certification of a satisfactory performance on the job.

In public hearings on this proposed legislation, the Chairman of the Civil Service Commission assured the members of the committee that the Commission had no intention of relaxing its standards in the Government's competitive examination program. The Commission has wisely adopted suggestions made some 2 years ago by my able colleague from North Carolina and chairman of the Subcommittee on Manpower and Civil Service, Hon. DAVID HENDERSON, whereby the examining and recruiting procedures of the Commission are being revised and, in turn, placed under tighter control by the Commission. John Macy, Chairman of the Commission, has assured the subcommittee that these reforms will reduce the number of TAPER appointments in the future and also will provide a more suitable service to the public.

The bill before us today reflects, to a marked degree, the work of our Manpower and Civil Service Subcommittee. We are continually reviewing the manpower and civil service policies and operating techniques of the departments and agencies. I feel certain that the Chairman is going to continue an active review of personnel policies and practices in the Federal Government and will take appropriate action.

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

Mr. BROYHILL of North Carolina. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, I thank the gentleman for yielding.

Just to establish a legislative record, is the bill under consideration under suspension of the rules, S. 1320, identical with the bill, H.R. 8495, on which hearings were held by the same subcommittee?

Mr. BROYHILL of North Carolina. This is the bill, as amended in committee. The amendments have been pointed out.

Mr. HALL. In other words, the bill under consideration as amended in committee, would be generally the same as the bill on which the hearings were held?

Mr. BROYHILL of North Carolina. That is correct.

Mr. HALL. I thank the gentleman.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield 4 minutes to the gentleman from Illinois [Mr. FINDLEY].

(By unanimous consent, Mr. FINDLEY was granted permission to speak out of order.)

Mr. FINDLEY. Mr. Speaker, years ago a Congressman listened to President Theodore Roosevelt deliver an inspirational speech filled with moral injunction. After it was over he observed dryly to a friend:

> The thing I admire most about Teddy Roosevelt is his original discovery of the Ten Commandments.

I was reminded of this when I heard what our colleague, the gentleman from New York [Mr. RESNICK], had to say about the Farm Bureau and its insurance companies. One would think he had made an original discovery.

No doubt about it. Farm Bureau is in the insurance business in a big way.

Now that the gentleman from New York has acquired this knowledge, he should not stop there. A little knowledge, it is said, is a dangerous thing, and our colleague should go all the way, and get all the facts he can about not only Farm Bureau, but the other major farm organizations as well. They should be invited to supply membership figures, sources of income, financial statement, summary of activities, and also full information on affiliated activities. Three of the major organizations—Farm Bureau, Farmers Union, and the Grange—have their insurance companies. At one point at least, Farmers Union did rather extensive contract work for the Federal Government under the poverty program. It may still be so involved.

The gentleman from New York could provide a useful service in acquainting the public with all facets of farm organizations, and it may be that some changes are desirable. I would not attempt to prejudge the situation, and I would hope that all farm organizations will welcome scrutiny and improvements.

Several years ago, I recall, Farm Bureau successfully led a legislative effort which resulted in deferred dividends of cooperatives being subjected to taxation. I have always felt that cooperatives should bear their fair share of the Federal tax load, and frankly I have yet to find a Farm Bureau leader who argued against the point. Maybe additional changes are in order.

Mr. SPRINGER. Mr. Speaker, would the gentleman yield?

Mr. FINDLEY. I yield to the gentleman from Illinois.

Mr. SPRINGER. May I say this not only to my colleague from Illinois, but to all of my colleagues in this House: that I read with some concern the words of my distinguished colleague from New York with respect to Charles Shuman, the president of the Farm Bureau Federation, who lives in Moultrie County in my district. I would like to say for the RECORD that I know of no person whose own personal integrity is thought more highly of in my entire congressional district than Charles Shuman.

Charles Shuman is a farmer. He lives on a farm, in Moultrie County, Ill. His family was one of the earliest of our settlers, going back into the 1830's. In Moultrie County the Shuman family itself is very widespread, and they are all equally as well thought of as Mr. Shuman. He is widely known in his field, and one of the most distinguished men in the field of agriculture in the entire United States.

Mr. Speaker, I hope my colleague from New York will also take note of the fact that Charles Shuman has been a registered Democrat in Moultrie County, as are most of his family, and I believe his family for more than 100 years have been connected with the Democrat Party.

So there is nothing partisan about this at all. I do want to make clear the entire record that this man has made. His reputation is excellent. I know of no person in my congressional district who is more highly thought of than Charlie Shuman. He made a great record as

president of the Illinois Agricultural Association, which is the largest farm bureau in all of the 50 States. On that record alone, he was made president of the American Farm Bureau Federation. As Charlie Shuman knows, he and I have not always agreed, and I am sure that my distinguished colleague now addressing us from the well of the House has not always agreed with Mr. Shuman, but this has never in any way detracted from my regard for the sincerity and the conviction of Charlie Shuman as a man and as a person in agriculture who is trying to do the best job, as he understands it, for agriculture. I am happy to say to my colleagues in this House that Charlie Shuman personally is one of the finest men I know.

Mr. FINDLEY. I thank the gentleman.

Mr. BROYHILL of North Carolina. Mr. Speaker, I yield the gentleman from Illinois [Mr. FINDLEY] 2 additional minutes.

Mr. FINDLEY. Mr. Speaker, I appreciate the fine contribution made by my colleague, the gentleman from Illinois.

Although I do not pretend to have all the facts about farm organizations—or all the facts about Farm Bureau, for that matter—I have had the opportunity over a period of 20 years—first as a newspaperman, then as a Congressman—to observe firsthand the local, State, and national leadership provided by Farm Bureau.

Illinois has the largest Farm Bureau organization in the Nation and, I believe, always has had this distinction. For years an Illinoisan, Charles Shuman, has served with distinction as president of the American Farm Bureau Federation. He moved to that position from the presidency of the Illinois Agricultural Association—Farm Bureau—a position which has been occupied with equal distinction for years by William Kuhfuss.

During my years as a newspaperman I came to know personally many of the county directors of Farm Bureau and members of their organization staff. As Congressman and for 6 years as Illinois' only Congressman on the House Agriculture Committee, I came to know personally the professional staff of both the American Farm Bureau Federation and the Illinois Agricultural Association, as well as the AFBF staff which does legislative work on the Hill.

In all those years I have never known a Farm Bureau leader or employee who was anything but honest, straightforward, and high type in every respect. Never once have I been misled or given misinformation by anyone connected with Farm Bureau. In my book Farm Bureau is a synonym for integrity.

Although more often than not I have admired and supported the legislative positions of Farm Bureau, there have been occasions when I have been opposed. But regardless of whether I supported or opposed their recommendations, I never once had reason to question the integrity of the organization or the people in it.

And I shudder to think what would have happened to freedom on the American farm during those tumultuous years, 1961–63, had it not been for the effective leadership of Farm Bureau—leadership which was brought to bear in opposition to straitjacket legislation and in behalf of freedom to plant.

I make no claim that Farm Bureau is perfect—and it may well be that some changes should be made in the cooperative affiliations of all farm organizations—but I cannot sit quietly and hear the gentleman from New York voice charges of fraud and confidence game against Farm Bureau without rising to state my personal respect and admiration for the men who make up Farm Bureau. The ones I know are all fine, decent Americans, and I am confident the insinuations against them will soon evaporate in the political heat our colleague has generated.

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

Mr. FINDLEY. I yield to the gentleman.

Mr. ARENDS. Mr. Speaker, I am pleased that the gentleman has taken this time to make the statement he is now making on the floor of the House with respect to the American Farm Bureau. I am also very pleased to hear the words of our colleague, the gentleman from Illinois [Mr. SPRINGER].

I heartily endorse what my colleagues from Illinois [Mr. FINDLEY and Mr. SPRINGER] have said about the Farm Bureau and its president, Charlie Shuman. We may seem to be here defending an organization and its president when, in fact, neither needs any defense. The constructive contribution the American Farm Bureau and its president have made to agriculture and to our national welfare generally belies the charges that have been made.

Without question, the Farm Bureau is the most outstanding farmers' organization in the country. And, without question, Charlie Shuman is a man of unimpeachable character. I might add that I have known him for many years, and I am well acquainted with other officers in the organization. In no one organization will be found men more dedicated to the cause of the farmer, to the advancement of agriculture, and to our country's well-being.

I have not always agreed with all that the Farm Bureau has advocated. But I have always known that what they have proposed represented their best judgment as to what is best for the farmers themselves and agriculture generally.

I am pleased that the facts have been set straight here this afternoon. What we are saying here is no more than what the American farmers and everyone who has had any knowledge of the Farm Bureau's operations have long recognized.

Mr. HAMILTON. Mr. Speaker, I rise in support of S. 1320.

A special word of appreciation is in order to the chairman of the Subcommittee on Manpower, the gentleman from North Carolina [Mr. HENDERSON], for the careful and skillful manner in which he has guided the subcommittee in producing this legislation. It has been a privilege for me to work under his leadership in this task.

The evidence before the Subcommittee on Manpower and Civil Service showed that there were approximately 19,200 Federal employees who have served for an extended period in a temporary status without prospect of regular status, promotion, or benefit. Of this number, 8,110 have been working at the some job on a temporary basis for over 5 years. The injustices of such a situation are obvious and should be removed. These TAPER—temporary appointments pending establishment of a register—appointees who have served for extended periods should have opportunities for advancement and they should have reduction-in-force protection. They should have retirement privileges and opportunities which a permanent employee in a similar position is entitled to. Under the existing circumstances, however, through no fault of their own, they have none of the above benefits.

S. 1320, a bill to provide acquisition of career status by certain temporary Government employees, rectifies the abovementioned injustices by making it possible for TAPER appointees who have completed at least 3 years of service in such positions without a break in service of more than 30 days, to acquire competitive status and to have their appointments converted to career appointments.

S. 1320 also removes the outdated statutory ceiling on the number of permanent Federal employees. This ceiling was set 16 years ago. It was based on 1950 conditions. Today it is impractical and unrealistic in the light of the tremendous growth of our economy and population, and the corresponding increased demand for services. In removing the ceiling Congress will not be relinquishing its control over the size of the Federal bureaucracy. No increased Federal employment should result. The ceiling limits permanent, not total employment. In fact, savings should result because in the past agencies and departments in an effort to meet their needs and still remain under the statutory ceiling have had to resort to more expensive contractor personnel.

S. 1320 is an honest recognition of existing problems and conditions within the structure of the Federal Government. Because it is another effort by this body to render the Federal machinery more efficient and equitable in operation, it merits the support of each Member of this body.

Mr. WHITE. Mr. Speaker, I rise in support of S. 1320, as amended, which was reported unanimously out of the House Committee on Post Office and Civil Service.

One of the fundamental purposes of the Civil Service Act of 1883 was to establish a career system in the Federal Government. Under this system, Federal employees have been able to progress in an orderly manner through stages of tenure culminating in permanent status. However, there have been instances where a few employees have been placed in permanent jobs to meet the unusual needs of agencies. Included in this category are TAPER employees, who have had considerable experience and are doing a satisfactory job, but the Civil Service Commission has not found it possible

or necessary to set up registers. Unfortunately, a few thousand of these employes remain in this TAPER status for years without an opportunity to better themselves or provide security for their families.

The Subcommittee on Manpower and Civil Service has reviewed this problem rather intently for the last few weeks. Let me quote for you just two of many cases that have been brought to our attention:

I have been stuck with a TAPER appointment for 3½ years. A mere drop in the bucket compared to some. I am employed as a Crypto Equipment Operator at ——— Army Depot. Although I have been in the Communications Section longer than most operators, I have no seniority, no promotion opportunities, no transfer rights and no civil service retirement. If we ever have a RIF, I would be the first to go, as most of the other operators were transferred here from other Defense activities with status. I am a TAPER here simply because the Commission has not established a civil service register for "Cryptographic Equipment Operator."

* * * * *

I have been employed at the Veterans' Administration Center in ——— as a Manual Arts Therapist, GS-8, four years this month and I am still classified in a temporary status, simply because there has not been a register. Including my four years in the military, I have eight years credit. Acutely aware of the fact that should there be a reduction-in-force, with my low retention rights, this insecure position has caused me to seriously consider leaving VA for employment where I could find a more secure situation.

The bill before the House today, S. 1320, as amended, provides a solution to this problem. The bill makes available to the employee who has held a TAPER appointment for 3 years, who is doing a good job, and who passes an unassembled examination, an opportunity to obtain career status.

Mr. Speaker, this bill corrects inequities for these Government employees.

Mr. MATSUNAGA. Mr. Speaker, I rise in support of S. 1320, which would provide career status for certain temporary Government employees.

The measure has come to the floor with an amendment consisting of substitute text by our Committee on Post Office and Civil Service. As thus amended, the legislation would serve two principal purposes. First, it would enable certain Federal employees who are serving in positions in the competitive service under indefinite or temporary appointments, and who complete at least 3 years of service in such positions without a break in service of more than 30 days, to acquire competitive status and to have their appointments converted to career appointments. Second, it would remove the permanent statutory ceiling on the number of permanent Federal employees.

The legislation is clearly designed to correct an inequitable situation, and it has ample precedent in action taken in the past by both Congress and the President. Our committee reports that over two-fifths of the 19,140 Federal personnel who in late 1966 were found working in permanent positions without career status, had been working in the same jobs for 3 years or longer. When we consider the multitude of employee benefits of which these temporary employees were deprived because of their lack of career status, the urgency of this legislation becomes at once apparent.

I am impressed by the committee statement that this legislation would not be a means of evading the competitive processes of the civil service system. It would only provide what the Chairman of the U.S. Civil Service Commission reportedly has called another one-time cleanup. Similar relief provided in the past would tend to substantiate this view.

Mr. Speaker, this legislation deserves our support, and I urge a favorable vote for S. 1320.

The SPEAKER. The question is on the motion of the gentleman from New York that the House suspend the rules and pass the bill, S. 1320, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. DULSKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed, S. 1320.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISMISSING THE CONTESTED ELECTION CASE OF WYMAN C. LOWE, CONTESTANT, AGAINST FLETCHER THOMPSON, CONTESTEE, FIFTH CONGRESSIONAL DISTRICT OF GEORGIA, AND DENYING PETITION OF WYMAN C. LOWE RELATIVE TO GENERAL ELECTION ON NOVEMBER 8, 1966, IN SAID DISTRICT AND STATE

Mr. ASHMORE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 541 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 541

Resolved, That the election contest of Wyman C. Lowe, contestant, against Fletcher Thompson, contestee, Fifth Congressional District of the State of Georgia, be dismissed, and that the petition (numbered 75) of Wyman C. Lowe relative to the general election on November 8, 1966, in the Fifth Congressional District of the State of Georgia be denied.

Mr. ASHMORE. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. GOODELL], pending which I yield myself such time as I may consume.

The SPEAKER. The gentleman from South Carolina is recognized.

Mr. ASHMORE. Mr. Speaker, the purpose of this resolution is to dismiss an election contest brought against FLETCHER THOMPSON, Representative from the Fifth District of Georgia, by Wyman C. Lowe of Atlanta, Ga., and to deny Mr. Lowe's petition (No. 75) relative to the general election on November 8, 1966, requesting the House to investigate the right of the gentleman from Georgia to his seat and to declare his election null and void and his seat vacant.

To summarize the facts and the reasons underlying the recommendation of the Committee on House Administration, FLETCHER THOMPSON, the Republican candidate was elected to the seat from the Fifth District of Georgia, defeating his Democratic opponent, Archie Lindsey. His election was challenged under the contested-election law by Wyman C. Lowe, an unsuccessful candidate in the Democratic primary election, whose name was not on the ballot in the general election. It appearing to the Subcommittee on Elections that there was a serious question of Mr. Lowe's standing to bring a contest under the contested-election law, the parties were invited to file briefs and to appear before the subcommittee for oral argument on that question. At the hearing, Mr. Lowe claimed that he was a candidate in the general election by virtue of having conducted a "write-in" campaign. However, he admitted that he had announced his withdrawal from the race a few days before the election and the committee concluded that he was, in fact, not a candidate on election day. In the committee's opinion, the recent precedents, going back to Miller against Kirwan in 1941, indicates that the House regards a noncandidate as lacking the requisite standing to be a contestant under the law because a noncandidate cannot claim a right to the seat. These precedents are cited on page 2 of Report No. 365 accompanying the resolution.

Therefore, in accordance with the precedents, we recommend dismissal of the case on the ground that Mr. Lowe is not a "contestant" for the seat within the meaning of the term as used in the contested-election law.

After the hearing on May 4, Mr. Lowe filed a petition with the Speaker, challenging Mr. THOMPSON's election on the same grounds asserted in the contested-election case, praying that the House investigate the election and declare the election invalid and the seat vacant. This petition was referred to the Committee on House Administration on May 8. It attacks Mr. THOMPSON's election on ground that the nomination of his Democratic opponent was illegal, being contrary to the Georgia Election Code and the rules of the State Democratic Party, and that, since there was no lawful Democratic candidate, the election of Mr. THOMPSON was a nullity. The report of the committee points out that there is no precedent for unseating a Member because of the illegality of his opponent's nomination, even assuming it was illegal, and that the establishment of such a precedent would jeopardize the integrity of congressional elections. If, as petitioner contends, the validity of a Member's election is dependent on the legality of his opponent's nomination, it is not difficult to perceive the potential danger to the integrity of congressional elections. If the House were to find out that there was no lawfully nominated Democratic candidate and to declare the election null and void for that reason, the door would

be open for the party of a losing candidate in a congressional election to impeach the election of the winning candidate by claiming that the election was invalid because the losing candidate had not been nominated in accordance with election laws and party rules.

It should be noted that, prior to the election, Mr. Lowe brought suit against the Democratic nominee and certain election officials, seeking to enjoin Mr. Lindsey's candidacy and ordering the call of a special Democratic primary. This suit was dismissed by the Georgia State court prior to the election.

Therefore, Mr. Speaker, I urge adoption of the resolution.

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

Mr. ASHMORE. I yield to the gentleman from Florida.

Mr. HALEY. Mr. Speaker, was the contestant, Mr. Lowe, under the law at any time a nominee of any recognized political party in the State of Georgia?

Mr. ASHMORE. Mr. Speaker, I will say to the gentleman, Mr. Lowe was not. He was a candidate in the primary election, during the summer or fall, prior to the general election, but he was, I believe, third. He was not the nominee of the party at any time.

Mr. HALEY. Of no recognized political party in Georgia?

Mr. ASHMORE. No, sir.

Mr. HALEY. I thank the gentleman.

Mr. GOODELL. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I join the distinguished gentleman from South Carolina, who chairs this subcommittee, in the opinions he has expressed. I commend him for the fairminded and fairhanded way he handled the hearings, as he always does in these types of contests.

Our subcommittee spent a great deal of time on this case. We gave the contestant, or the alleged contestant, ample opportunity to argue his viewpoint, and it came down to a very simple matter. The alleged contestant, Mr. Lowe, was not a candidate. As the gentleman from South Carolina indicated, Mr. Lowe had been a candidate in the Democratic primary and failed. After the nominee of the Democratic Party withdrew, Mr. Lowe claimed there were some violations of Georgia law with reference to the nomination of the replacement of Mr. Weltner on the Democratic ticket. Those problems with the nomination of the Democratic candidate were carried to court.

There was a dismissal in the Georgia courts of Mr. Lowe's case. The duly authorized Democratic candidate ran against the Republican candidate, Mr. FLETCHER THOMPSON, and there is no contention that Mr. FLETCHER THOMPSON was in any way disqualified by his nomination or that there was any fraud of any other irregularity in the election of Mr. FLETCHER THOMPSON as a Member of this House.

As a matter of fact, Mr. Lowe never claimed the right to the seat himself. He simply wanted to have another election.

I would join the gentleman from South Carolina in indicating that whether we base our dismissal in this instance on the fact—and I believe it is a fact—that Mr. Lowe was not a candidate under the law and he had no standing as a contestant, or whether we base it on the more general grounds in dismissing his petition, we must not open the door to this kind of election contest.

It would open all of us, if we should accept such a contest, to a type of vexatious harassment which certainly should not be permitted. If in any instance we were to permit this type of contest, a party which felt it had no chance would simply have to see to it that there were irregularities in nominating its own candidate. Thereafter it could challenge the election of the candidate who had been duly elected, claiming that the nomination of the defeated candidate was in some way in violation of law.

In this instance there is no question of the qualifications of the Republican candidate who won the election. His nomination was proper.

I strongly support the view of the committee and of our chairman that this case should be dismissed, including both the election contest and the petition which has been filed.

Mr. ASHMORE. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONTESTED ELECTION CASE OF JAMES A. MACKAY, CONTESTANT, AGAINST BENJAMIN B. BLACKBURN, CONTESTEE, FOURTH CONGRESSIONAL DISTRICT OF THE STATE OF GEORGIA

Mr. ASHMORE. Mr. Speaker, by direction of the Committee on House Administration, I call up House Resolution 542 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 542

Resolved, That Benjamin B. Blackburn was duly elected as Representative from the Fourth Congressional District of the State of Georgia to the Ninetieth Congress and is entitled to his seat.

The SPEAKER. The gentleman from South Carolina is recognized for 1 hour.

Mr. ASHMORE. Mr. Speaker, I yield 30 minutes to the gentleman from New York [Mr. GOODELL], pending which I yield myself such time as I may consume.

Mr. Speaker, the purpose of this resolution is to declare that BENJAMIN B. BLACKBURN, Representative from the Fourth District of Georgia, was duly elected and is entitled to his seat in the 90th Congress. The question of the final right of the gentleman from Georgia to his seat was referred to the Committee on House Administration by House Resolution 2 adopted on January 10, 1967.

Briefly, the facts are that in the general election last November the incumbent Democratic Representative from the Fourth District of Georgia, James A. Mackay, was defeated in a very close race by the Republican candidate, Mr. BLACKBURN. Voting was conducted by use of Votomatic vote recorders and punchcard ballots tabulated on computers. Mr. Mackay challenged the election results, claiming that the computers erroneously failed to count about 7,000 votes and that the procedures for duplicating defective ballots were improper. His charges were the subject of a limited investigation by the Special Committee to Investigate Campaign Expenditures, 1966, which filed a report recommending that Mr. BLACKBURN be made to stand aside at the swearing in of the Members of the 90th Congress and that he not be seated until the election contest could be resolved.

While the matter was before the special committee, Mr. Mackay filed a formal election contest in the House of Representatives under the contested-election law.

On the opening of the 90th Congress, an objection was made to the administration of the oath to Mr. BLACKBURN and he was asked by the Speaker to stand aside while the other Members were sworn. Thereafter, pursuant to House Resolution 2, he was conditionally seated and the election contest was referred to the Committee on House Administration to determine, in the words of said resolution, "the final right of Benjamin B. Blackburn to a seat in the 90th Congress."

While the contested-election case was in progress in the House, a group of Mr. Mackay's supporters filed suit against Mr. BLACKBURN in a Georgia State court, challenging his election under the Georgia Election Code of 1964. This litigation was terminated on March 30, 1967, by the Georgia supreme court's denial of a writ of certiorari to the Georgia court of appeals which, on January 25, 1967, had held in favor of Mr. BLACKBURN on the key issue in the case. In short, they adopted Mr. BLACKBURN's contention that the election officials had been correct in programing the computers to reject ballots where the voter had punched out the scored block for either "straight Democratic ticket" or "straight Republican ticket" and also punched out the scored block for the congressional candidate of the opposing party. The court ruled that these were invalid "over-votes" and not valid "split ticket votes," as claimed by Mr. Mackay.

As a result of the adverse court decision, Mr. Mackay withdrew his election contest in the House by letter to the Speaker dated April 13, 1967. Accordingly, the committee has concluded that Mr. BLACKBURN should be declared to be entitled to his seat and urges adoption of House Resolution 542.

If the gentleman from New York [Mr. GOODELL] will permit me to, I would like to yield for 1 minute to our colleague from Georgia [Mr. DAVIS].

Mr. DAVIS of Georgia. Mr. Speaker, I was named by the Speaker to serve on the Special Elections Committee on Campaign Expenditures which had its existence from the general election of 1966 until the organization of this Congress in January. As a part of my responsibility serving on that committee I was the Member of Congress who objected to the seating of the gentleman from Georgia

[Mr. BLACKBURN] at the time that the 90th Congress was organized. I felt since the election was in doubt and was under contest by Mr. James Mackay that it was my responsibility to interpose this objection. In the light of the fact that Mr. Mackay withdrew his objection by his letter of April 13, 1967, I am happy to join with the subcommittee, that is, Mr. ASHMORE's subcommittee, of the Committee on House Administration, of which I am also a member, and to endorse the recommendation of that committee.

Mr. GOODELL. Mr. Speaker, I also join in the committee decision in this instance to dismiss the contest brought by Mr. Mackay against the incumbent contestee, the gentleman from Georgia [Mr. BLACKBURN]. It should be emphasized that at this stage Mr. Mackay has requested the withdrawal of his contest, so there is really no issue left to argue about.

I think there is one point, however, that should be made in this debate which affects all of us in the possibility of election contests in our own districts in the future. We must move to clarify the whole procedure of election contests in the interim between the election date and the opening of a new Congress. In that period the jurisdiction lies to a degree in the Special Committee on Campaign Expenditures. As a practical matter, the ultimate decision for investigating and determining election contests rests with the new Congress and with the Subcommittee on Elections of the Committee on House Administration. We have had in the past confusion in election contest cases. The contester in some instances has felt he had complied with the law by giving notice of contest to the Special Committee on Campaign Expenditures and failed to give notice under the law to the Clerk of the House and the Subcommittee on Elections of the Committee on House Administration.

In addition, Mr. Speaker, it seems unnecessary that we have two such subcommittees operating with overlapping jurisdiction.

We have moved to a degree to provide that the membership of the Special Committee on Campaign Expenditures will be the same as the membership of the House Subcommittee on Elections.

Perhaps this would be a solution. In any event I believe this Congress should move to try to eliminate the overlapping and confusion that exists in the present law between the jurisdictions of these two committees. It caused some difficulty in this instance. The Special Committee on Campaign Expenditures spent considerable time debating its proper jurisdiction, and the special committee ultimately, by a divided vote, recommended that the gentleman from Georgia [Mr. BLACKBURN] not be seated on opening day. There was considerable difference of opinion as to the proper jurisdiction of the Elections Subcommittee as distinguished from the Campaign Expenditures Special Committee in this situation.

Mr. Speaker, I would hope that we could move to eliminate any possibility of this type of confusion in the future.

Mr. Speaker, one other point should be made. It is clear from the history and the contest that was brought by Mr. Mackay, that there were serious difficulties experienced with the Votomatic voting machines and the cards that were used and which were punched out by the voter. In many instances they apparently did not go through the machine properly.

There were difficulties in counting the ballots. Because of this there were a great many allegations, brought by Mr. Mackay, with reference to this subject matter. They were not crucial turning points in the determination of this case.

Mr. Speaker, we did not go into these allegations in any great detail in our subcommittee. We do not feel that it is our obligation as a committee of the Congress of the United States to investigate the relative merits of Votomatic voting machines and other machine. But, certainly, when we are dealing with a problem of election contests and are trying in some instances to have a recount of the vote, we must be concerned with the automatic equipment which is used that might make it impossible to have an accurate recount, where such a recount may be indicated, as determined by our subcommittee.

Mr. Speaker, the difficulties were numerous with the Votomatic machines in this election.

Another aspect of the election was the difficulty in controlling the Votomatic cards. Allegations were made to the effect that some of them were left out in the corridors overnight and then put through the machines, and so forth.

Mr. Speaker, we do not pass judgment as a subcommittee, and as a committee we do not ask Congress to pass upon these allegations. But we do call attention to the fact that these allegations were made and that there appears to be some substance to the allegations that great difficulties were experienced with reference to this particular type of equipment.

It is very clear, however, that the decision of the Georgia courts to the effect that Mr. BLACKBURN won this election under the laws of the State of Georgia was correct and that the gentleman is surely qualified to be seated.

Mr. Speaker, the committee is unanimous in recommending the dismissal of this election contest.

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

Mr. GOODELL. I yield to the gentleman from Georgia [Mr. BLACKBURN].

Mr. BLACKBURN. Mr. Speaker, I want to say that I certainly appreciate and thank my colleague, the gentleman from Georgia [Mr. DAVIS] for joining in the endorsement of the resolution which has come from the Committee on House Administration.

I want to say on my own behalf that I am certainly grateful for the consideration shown to me by the leadership of the House and by the Members of the House during this period when this matter was under debate.

Mr. ASHMORE. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

The title was amended so as to read: "Declaring that Benjamin B. Blackburn was duly elected as Representative from the Fourth Congressional District of the State of Georgia to the 90th Congress and is entitled to his seat."

A motion to reconsider was laid on the table.

UNIFICATION OF JERUSALEM UNDER ISRAELI ADMINISTRATION

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. FARBSTEIN. Mr. Speaker, we have heard a great deal in recent days about the restoration of the status quo ante in Jerusalem. In a speech some days ago, I predicted that Arabs of Jerusalem, no less than Jews, would be pleased by the results of the unification of Jerusalem under Israeli administration. The press reports since that time—and I speak of every reliable press source—confirm that this is the case. Jerusalem is free again, to Arabs, Christians, and Jews. What is holy to all three is receiving careful attention and the people of the former Arab sector are being treated with generosity and brotherhood.

I cannot help but contrast this, Mr. Speaker, to the late administration of the old section of Jerusalem under the Jordanian Government. A story which appeared in the New York Times on July 4, a dispatch from Agence-France-Presse, tells of how the Jordanians, during their 20-year rule in Jerusalem, removed gravestones from the Jewish cemetery on the Mount of Olives, one of the holiest cemeteries in the Judaic world, and used them, literally, to pave the road to Jericho. The inscriptions on the stones were still visible to the reporter who wrote the story. I trust that every Member of this body is as outraged as I by this barbaric conduct on the part of the Jordanians.

Mr. Speaker, one might also have noted a story in the New York Times of July 9, telling of the damage the Jordanians did to the highly regarded Rockefeller Archeological Museum in Jerusalem. The damage to the museum was slovenliness; to the cemetery, it was deliberate sacrilege. Is there any civilized human who thinks that the Arab government of Jordan deserves to have restored to it the honor of taking care of the holy places of three great religions? I regard such an idea as folly. In my view, Jordan has forfeited its rights in Jerusalem forevermore.

Never again, Mr. Speaker, can such gross irresponsibility be tolerated. Premier Eshkol has indicated that Israel would be amenable to the presence of some international guard of the holy places of Jerusalem. I favor such a symbolic detachment. What we must never countenance, however—not for a min-

ute—is a return to the way things were before last June 5.

I include the full text of the July 4 article from the Times and the relevant paragraphs of the July 9 article:

JORDAN DESECRATED A JEWISH CEMETERY

JERUSALEM, July 3 (Agence France-Presse).—Many gravestones removed from the Jewish cemetery on the Mount of Olives were used to build Jordanian Army Camps at Al Azariya and Sur Bahir.

The Mount of Olives, which for centuries had been the burial ground for the Jerusalem Jewish community, was occupied by Jordan after the 1948 war and had been inaccessible to Jews until Israeli forces seized Jordanian Jerusalem June 7.

Newsmen who toured the camp, on the road to Jericho, saw dozens of gravestones, their inscriptions still legible, in walls and flooring.

The Minister of Religious Affairs, Dr. Zerah Wahrhaftig, who was on the tour, called the sacrilege deliberate. He said that by such acts Jordan had proved unworthy to be a custodian of holy places.

ISRAEL REPAIRING RAVAGED MUSEUM—BUILDING USED AS A FORTRESS GETS READY FOR VISITORS

(By James Feron)

JERUSALEM, July 8.—An Israeli workman spent this week removing the plaster that had long concealed the chiseled Hebrew signs on the walls of the Palestine Archeological Museum in the former Jordanian sector of Jerusalem.

The three languages of the British mandate—English, Arabic and Hebrew—had been used when the handsome stone building, familiarly known as the Rockefeller Museum, came into use in the middle nineteen-thirties. The Rockefeller family donated funds for the museum in 1927 but stipulated that it should not bear the Rockefeller name.

For the 19 years of Jordanian operation the Hebrew lettering had been hidden, plastered in where it was etched into the stone, hidden elsewhere with cardboard or display cases.

Staff members of the Israel Museum, whose archeological department is assuming control, have been removing the rubble of war to prepare one of the best known of Middle Eastern museums for an expected rush of visitors.

MUSEUM BECAME FORTRESS

Jordanian soldiers had used the fortress-like museum as a military position. It was one of the last buildings to fall before the Old City walls, which are across the street, were breached on June 7.

The signs of battle are everywhere, and some will last for some time. Most of the windows are broken. Shrapnel holes punctured the ceiling and walls, and new cracks have been made in ancient pots and jars.

Some ancient glass items spun 180 degrees during the shelling. They remained intact but their showcases splintered.

Dr. Avraham Biran, director of the Government antiquities department, said that it would cost about $80,000 to make repairs.

AVOIDING WATER POLLUTION IN NORTHEAST TEXAS—REMARKS OF FRANKLIN JONES, SR.

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, my distinguished constituent, Mr. Franklin Jones, Sr., a prominent east Texas attorney, has shared my interest and concern for the lakes, rivers, and streams of northeast Texas for many years. As president of the Cypress Valley Navigation District, he has watched with particular concern the water problems resulting from industrial and population growth in many areas of our Nation, and has shown great foresight in alerting the people of the First Congressional District to the need for comprehensive planning to protect our waterways. Excerpts from Mr. Jones' recent address to the Marion County Chamber of Commerce were cited in an editorial in the Marshall News Messenger, July 2, and I enter this editorial in the RECORD:

CLEAN WATER

Speaking before the Marion County Chamber of Commerce last April, Franklin Jones Sr., focused public attention on a subject that is seldom considered in Northeast Texas—water pollution.

Our streams, rivers and lakes are clean, we say, and free of pollution. That's a problem for the big cities, we think.

Jones, however, sounded the alarm in noting this area's lack of industrial growth in bygone years may have been a blessing in disguise. But he pointed out that this region is now beginning to grow industrially, with possibilities unlimited, and that new industries should install pollution control devices, keeping the water free of pollution.

"Had Northeast Texas undergone an industrial boom several years ago, it would now be attempting to eradicate the pollution problem as other areas are," Jones said. "Now as industry comes to our land, we can take precautions to keep our waters clean," he continued.

So two months ago, Jones, president of the Cypress Valley Navigation District was bringing attention to the pollution problem in Northeast Texas. The visit to Texas of the President's Water Pollution Control Advisory Board has now served to focus public attention on this very important problem of this generation: How can we assure this and succeeding generations of Texas an adequate supply of potable water?

Texans have thought big in many fields, but have betrayed only a limited vision on the subject of water supplies until recent years. Population growth and industrialization have forced a complete reappraisal of the question of water supply and distribution. The first tentative steps toward major redistribution of water supplies through interbasin transfer have already been taken. As with most beginnings the extent and the nature of the ultimate plan is still uncertain.

In any comprehensive water plan for the state, though, the question of water pollution assumes paramount importance. For wise use and reuse of water is essential to a successful program. This means that a municipality or an industry which uses water must return it to a river system without having reduced substantially its quality.

The responsibility for pollution must be shared. There is more than enough blame to go around. It will not do to just blame industry for all our pollution woes. Municipalities, through sewage and storm sewer facilities, remain one of the most troublesome offenders of all. The people are as much to blame as business and industry and share responsibility for abating pollution.

We in Texas are barely on the threshold of revolutionary developments in water treatment. Primary treatment is no longer good enough. Secondary and tertiary treatment may be required in many industries. Some industries may indeed be forced out of business if adequate treatment of waste waters cannot be developed. The days of "to hell with the downstream users" are over.

Water treatment in Texas is going to be a tremendously expensive business. Tens of millions of dollars will be required for research to develop new processes or improve those now used. But there is no escaping the necessity for adequate treatment of water before it is returned to a river or stream. The health of our people as well as the economic well-being of our state, as Jones pointed out, demand it.

BIG CORPORATIONS DOMINATE

Mr. PATMAN. 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 Texas?

There was no objection.

Mr. PATMAN. Mr. Speaker, over the course of many years in the Congress, I am strongly impressed with the great contribution of a few outstanding thinkers who combine a dedication to our democratic principles with a keen awareness of economic and social realities. One of this distinguished group is Prof. J. Kenneth Galbraith of Harvard who, over the many years, has shown a great capacity for casting his bright light on the society around us and showing, in sharp focus, what the facts are and, even more important, how existing facts often deviate from our hopes and expectations. Unlike many other thinkers in and out of academic life, professors like J. Kenneth Galbraith are not blinded by their own preconceptions or misconceptions. They are accurate and brilliant observers of the world around them.

Professor Galbraith's latest contribution to thinking on public policy is a new book entitled "The New Industrial State." It deals with a matter that vitally concerns all of us here in the Congress—namely, the role of the huge corporation in our society. It is his thesis that our economy is dominated by some 500 huge corporations which are controlled not so much by stockholders as by their own managerial officials. And their power and size frees them from their reliance on the traditional market economy. They raise their own money through pricing and goods high enough to permit capital accumulation and they are powerful enough to manipulate demand in the market.

Of particular concern to us in the Congress is his observation of how weak our antitrust enforcement has proven in reaching and coping with this growing dominance of the big corporation. I do not agree with Professor Galbraith's pessimism about the total ineffectiveness of antitrust laws. They continue to be our main hope and bulwark to stem a dangerous trend toward monopoly. But I think he has done a great service in exposing existing weaknesses. It is my fervent hope that this excellent book will be read widely by those of us in the Congress who are becoming more and more concerned by the merger trend and with the imperfections of existing antimonopoly laws. In my opinion, we must strengthen these laws to preserve

what is left of our free competitive economy.

The book, of course, is not primarily a treatise on antimonopoly provisions. It undertakes to analyze broad trends in our industrial society and, as such, it will be read by many people concerned with public policy. At the same time, it has particular relevance for antimonopoly policy. I commend it to the attention of my colleagues and all members of the public who are interested in public policy.

I submit for the RECORD a summary of some of Professor Galbraith's conclusions on these matters which appeared in an article in the Atlantic Monthly for May 1967. Part of this article follows:

MARKET PLANNING AND THE ROLE OF GOVERNMENT

(By John Kenneth Galbraith)

In fact since Adam and as a matter of *settled doctrine* since Adam Smith, the businessman has been assumed to be subordinate to the market. In last month's article I showed that modern highly technical processes and products and associated requirements of capital and time lead inevitably to planning—to the management of markets by those who supply them. It is technology, not ideology, that brings this result. The market serves admirably to supply simple things. But excellent as it may be on muskets, it is very bad on missiles. And not even the supply of components for the modern automobile can be trusted to the market; neither is it safe to assume that the market will absorb the necessary production at a remunerative price. There must be planning here as well.

The principal planning instrument in the modern economy is the large corporation. Within broad limits, it determines what the consumer shall have and at what price he shall have it. And it foresees the need for and arranges the necessary supply of capital, machinery, and materials.

The modern corporation is the direct descendant of the entrepreneur. This has kept us from seeing it in its new role. Had the corporation been an outgrowth of the state, which we readily associate with planning, we *would not* be in doubt. The modern corporation has, in fact, moved into a much closer association with the state than most of us imagine. And its planning activities are extensively and systematically supplemented by those of the state.

Let us consider first the regulation of prices in the modern economy and the means by which public behavior is accommodated to plan. Here, I should warn, we encounter some of the more deeply entrenched folk myths of our time, including a certain vested interest in error on the part of both economists and businessmen. If one takes faith in the market away from the economist, he is perilously barren of belief. So, he defends the market to defend his stock of knowledge. And the large corporate enterprise needs the concept of the market as a cover for the authority it exercises. It has great influence over our material existence and also our beliefs. But accepted doctrine holds that in all of its behavior it is subordinate to the market. It is merely an automation responding to instructions thereform. Any complaint as to the use or misuse of power can be met by the answer that there is none.

Control of prices is an intrinsic feature of all planning. And it is made urgent by the special vagaries of the market for highly technical products. In the formally planned economies—that of the Soviet Union, for example—price control is a forthright function of the state, although there has been some tendency in recent times to allow some of the power of prices to devolve on the socialist firm. In the Western-type economies, comprehensive systems of price control have come about by evolution and adaptation. Nobody willed them. They were simply required by circumstance.

The power to set minimum industrial prices exists whenever a small number of firms share a market. The innocent at the universities have long been taught that small numbers of firms in the market—oligopoly, as it is known—accord to sellers the same power in imperfect form that has anciently been associated with monopoly. The principal difference is the imperfect nature of this monopoly power. It does not permit the exploitation of the consumer in quite such efficient fashion as was possible under the patents of monopoly accorded by the first Elizabeth to her favorites or by John D. Rockefeller to himself.

But in fact, the modern market shared by a few large firms is combined, in one of the more disconcerting contradictions of economic theory, with efficient production, expansive output, and prices that are generally thought rather favorable to the public. The consequences of oligopoly (few sellers) are greatly condemned in principle as being like those of monopoly but greatly approved in practice. Professor Paul Samuelson, the most distinguished of contemporary economists, warns in his famous textbook on economics that "to reduce the imperfections of competition" (by which he means markets consisting of a small number of large firms or oligopoly) "a nation must struggle perpetually and must ever maintain vigilance." Since American markets are now dominated by a very few small number of very large firms, the struggle, obviously, has been a losing one and is now lost. But the result is that the economy functions very well. Samuelson himself concludes that man-hour efficiency in the United States "can hardly help but grow at the rate of three per cent or more, even if we do not rouse ourselves." A similar conflict between the inefficiency of oligopoly and the efficiency of an economy composed thereof is present in every well-regarded economic textbook. Samuelson agrees that technology and associated capital use are what improve efficiency. But these are precisely what require that there be planning and price control.

And here we have the answer. Prices in the modern economy are controlled not for the purposes of monopolistic exploitation. They are controlled for purposes of planning. This comes about as an effortless consequence of the development of that economy. Modern industrial planning both requires and rewards great size. This means, in turn, that a comparatively small number of large firms will divide the production of most (though not all) products. Each, as a matter of ordinary prudence, will act with full consideration of its own needs and the common need. Each must have control of its own prices. Each will recognize this to be a requirement of others. Each will foreswear any action, and notably any sanguinary or competitive price-cutting, which would be prejudicial to the common interest in price control. This control is not difficult either to achieve or to maintain. Additionally, one firm's prices are another firm's costs. So, stability in prices means stability in costs.

The fact of control is far more important than the precise level at which prices are established. In 1964 in the United States, the big automobile companies had profits on their sales ranging from 5 percent to over 10 percent. There was security against collapse of prices and earnings for firms at either level. Planning was possible at either level of return. All firms could function satisfactorily. But none could have functioned had the price of a standard model fluctuated, depending on whim and reaction to the current novelties, from, say, $1800 to $3600, with steel, glass, chrome, plastics, paint, tires, stereo music, and labor moving over a similar range.

However, the level of prices is not unimportant. And from time to time, in response to major changes in cost—often when the renegotiation of a wage contract provides a common signal to all firms in the industry—prices must be changed. The prices so established will reflect generally the goals of those who guide the enterprise, not of the owners but of those who make the decisions. Security of earnings will be a prime objective. This is necessary for autonomy—for freedom from interference by shareholders and creditors. The next most important goal will be the growth of the firm. This is almost certainly more important than maximum profits. The professional managers and technicians who direct and guide the modern firm do not themselves get the profits. These accrue mainly to the shareholders. But the managers and technicians do get the benefits of expansion. This brings the prestige which is associated with a larger firm and which is associated with growth as such. And as a very practical matter, it opens up new executive jobs, new opportunities for promotion, and better excuses for higher pay.

Prices, accordingly, will be set with a view to attracting customers and expanding sales. When price control is put in the context of planning, the contradiction between expectation of monopolistic exploitation and expectation of efficiency, which pervades all textbook discussion, disappears. Planning calls for stability of prices and costs, security of return, and expansion. With none of these is the consumer at odds. Reality has, by its nature, advantages of internal consistency.

I must mention here one practical consequence of this argument, namely, its bearing on legal action against monopoly. There is a remarkable discrimination in the way such measures, notably the antitrust laws, are now applied. A great corporation wielding vast power over its markets is substantially immune. It does not appear to misuse its power; accordingly, it is left alone. And in any case, to declare all large corporations illegal is, in effect, to declare the modern economy illegal. That is rather impractical—and would damage any President's consensus. But if two small firms making the same product seek to unite, this corporate union will be meticulously scrutinized. And very possibly, it will be forbidden. This may be so even though the merged firm is minuscule in size or market power as compared with the giant that is already a giant.

The explanation is that the modern antimonopoly and antitrust laws are substantially a charade. Their function is not to prevent exploitation of the public. If great size and great market power led to such exploitation, our case would long since have been hopeless. Their function is to persuade people, liberal economists in particular, that the market still exists, for here is the state vigilantly standing guard. It does so by exempting the large firms and swatting those that seek to become larger.

The French, Germans, and Japanese either do not have or do not enforce such laws. That is because they are not impelled similarly to worship at the altar of the market. They quietly accept the logic of planning and its requirements in size for effective market control. There is no indication that they suffer in consequence.

When prices for a particular product are set by a few large firms, there is little danger of price-cutting. This part of the control is secure. There does remain a danger of uncontrolled price increases.

In particular, when a few large firms bargain with a strong union, conflict can be avoided by acceding to union demands. And there is not much incentive to resist. There

is a common understanding among the firms that all will raise their prices to compensate for such a settlement. If demand is strong enough to keep the economy near full employment, it will be strong enough to make such price increases feasible. These price increases, in turn, set in motion demands for further wage increases. Thus, the familiar upward spiral of wages and prices proceeds. And this too is prejudicial to planning. The individual firm, moreover, cannot prevent such price increases; they are beyond its control as a planning unit.

So here, more and more we follow the practice of the formally planned economies. We rely on the state to set maximum wages and prices. In the United States as in Britain this is done with great caution, circumspection, and diffidence, somewhat in the manner of a Victorian spinster viewing an erotic statute. Such action is held to be unnatural and temporary. Economists accord it little or no standing in ecomonic policy. They say it interferes with the market. Unions also dislike it: they say it interferes with free collective bargaining. Businessmen disapprove: they say it interferes with their natural freedom of decision on prices. But what everyone opposes in principle, all advanced countries end up doing in practice. The answer once more is clear. In a market economy, such ceilings would be unnecessary. But they are an indispensable counterpart of economic planning and of the minimum price control that already exists.

This price- and wage-setting by the state could be dispensed with by having such a shortage of demand that it would be impossible for firms to raise prices and unions to raise wages. That is to say, we could do without such controls by rehabilitating the market for labor and industrial products. It would not then be possible to raise wages in response to prices or prices in response to wages. But that would mean unemployment or greater uncertainty of employment, and it would mean greater market uncertainty for producers—for businessmen. Despite everyone's affection for the market, almost no one wants these results. So we have strong demand, small unemployment, reliable purchases, and the maximum price and wage controls that these require. And we try to avert our eyes from this result. It would be simpler were we to recognize that we have planning and that this control is an indispensable aspect.

This leads to another subject, the management of what people buy at the controlled prices.

The key to the management of demand is effective influence over the purchases of final consumers. The latter include both private individuals and the state. If all such purchases are under effective control, there will then be a reliable demand throughout the system for raw materials, parts, machinery, and other items going into the ultimate product. If the demand for its automobiles is secure, an automobile company can accord its suppliers the certainty of long-term contracts for *their* planning. And, even in the absence of such contracts, there will still be a reliable and predictable flow of orders. How, then, are the individual consumers managed?

As so often happens, change in modern industrial society has made possible what change requires. The need to control consumer behavior arises from the exigencies of planning. Planning, in turn, is made necessary by extensive use of advanced technology and the time and capital this requires. This is an efficient way of producing goods; the result is a very large volume of production. As a further consequence in the economically advanced countries, goods that serve elementary physical sensation—that prevent hunger, protect against cold, provide shelter, suppress pain—include only a small and diminishing part of what people consume. Only a few goods serve needs that are made known to the individual by the palpable discomfort or pain that is experienced in their absence. Most are enjoyed because of some psychic or aesthetic response to their possession or use. They give the individual a sense of personal achievement; they accord him a feeling of equality with his neighbors; they make him feel superior; or they divert his mind from thought or the absence of thought; or they promote or satisfy sexual aspiration; or they promise social acceptability; or they enhance his subjective feelings of health, well-being, and adequate peristalsis; or they are thought to contribute to personal beauty.

Thus it comes about that as the industrial system develops to where it has need for planning and the management of the consumer that this requires, we find it serving wants which are psychological in origin. And these are admirably subject to appeal to the psyche. Hence they can be managed. A man whose stomach is totally empty cannot be persuaded that his need is for entertainment. Physical discomfort will tell him he needs food more. But though a hungry man cannot be persuaded to choose between bread and a circus, a well-fed man can. And he can be persuaded to choose between different circuses and different foods.

By giving a man a ration card or distributing to him the specific commodities he is to consume, the individual can be required to consume in accordance with plan. But this is an onerous form of control, and it is ill adapted to differences in personality. In advanced industrial societies, it is considered acceptable only in times of great stress or for the very poor. (Even in the formally planned economies—the Soviet Union and the Eastern European states—the ration card is a manifestation of failure.) It is easier, and if less precise, still sufficient, to manage people by persuasion rather than by fiat.

Though advertising will be thought of as the central feature of this persuasion, and is certainly important, it is but a part of a much larger apparatus for the management of demand. Nor does this consist alone in devising a sales strategy for a particular product. It often means devising a product, or features of a product, around which a sales strategy can be built. Product design, model change, packaging, and even performance reflect the need to provide what are called strong selling points. They are as much a part of the process of demand management as the advertising campaign.

The first step in this process, generally speaking, is to ensure a loyal or automatic corps of customers. This is known as building customer loyalty and brand recognition. If successful, it means that the firm has a stable body of customers who are secure against any large-scale defection. Being thus reliable and predictable, they allow planning.

A purely defensive strategy will not however, suffice. In line with the goals of its directing organization, the firm will want to expand sales. And such effort is necessary to hold a given position. The same will be true of others. Out of these efforts, from firms that have the resources to play the game (another advantage of size), comes a crude equilibrating process which accords to each participant a reasonably reliable share of the market.

Specifically, when a firm is enjoying a steady patronage by its existing customers and recruiting new ones at what seems a satisfactory rate, the existing strategy for consumer management—advertising, selling methods, product design—will be considered satisfactory. The firm will not quarrel with success. However, if sales are stationary or slipping, this will call for a change in selling methods—in advertising, product design, or even in the product itself. Testing and experiment are possible. And sooner or later, a formula providing a suitable response is obtained. This will lead, in turn, to countering action by the firms that are then failing to make gains. And out of this process a rough but reliable equilibrium between the participants is achieved.

It does not always work. There are Edsels. But it is the everyday assumption of those who engage in management of demand that if sales of a product are slipping, a new selling formula can be found that will correct the situation. By and large, the assumption is justified. Means, in other words, can almost always be found to keep the exercise of consumer discretion within safe or planned limits.

Management of the consumer on the scale that I have just outlined requires that there be some comprehensive, repetitive, and compelling communication between the managers of demand and those who are managed. It must be possible to win the attention of those who are being managed for considerable periods of time without great effort on their part.

Technology, once again, solved the problem it created. Coincidentally with rising mass incomes came first radio and then television. In their capacity to hold effortless interest, their accessibility over the entire cultural spectrum, and their independence of any educational qualification, these were superbly suited to mass persuasion. Television was especially serviceable. Not since the invention of speech has any medium of communication appeared which is so readily accommodated to the whole spectrum of mental capacity.

There is an insistent tendency among social scientists, including economists, to think that any institution which features singing commercials, shows the human intestinal tract in full or impaired operation, equates the effortless elimination of human whiskers with the greatest happiness of man, and implies that exceptional but wholesome opportunities for seduction are associated with a particular make of automobile is inherently trivial. This is a great mistake. The modern industrial system is profoundly dependent on this art. What is called progress makes it increasingly so.

And the management of demand so provided is in all respects an admirably subtle arrangement in social design. It works not on the individual but on the mass. An individual of will and determination can, in principle, contract out from under its influence. This being the case, no individual compulsion in the purchase of any product can ever be established. To all who object there is a natural answer: You are at liberty to leave! Yet there is no danger that enough people will ever assert this choice—will ever leave—to impair the management of mass behavior.

MAYOR ANGELO J. SARUBBI OF NORTH BERGEN, N.J., CITIZEN OF THE YEAR

Mr. DANIELS asked and was given permission to 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 New Jersey?

There was no objection.

Mr. DANIELS. Mr. Speaker, local government is the cornerstone of our democratic society. Upon the efforts of our local officials rests the very fabric of the American system of government.

All too often, however, officials who serve at this level of government are the targets of criticism if for no better reason than the fact that they are closest to the citizens they serve. Because they are so accessible, it is very easy for the out-

raged citizen to take out his frustrations by denouncing those public officials entrusted with the operations of municipal government.

On the other hand, it is a rare event when mayors and councilmen receive the praise which is due them when they have given outstanding service. Thus, Mr. Speaker, it is a great privilege and a high honor for me to call to the attention of all Members of this House an honor which has been bestowed upon a very distinguished constitutent of mine.

The Honorable Angelo J. Sarubbi has served the town of North Bergen, N.J., for many years with great distinction and since 1955 has been a member of the town commission, and is now serving his second term as mayor of North Bergen.

It is with a great sense of pride that I insert at this point in the RECORD an article which appeared in the Hudson Dispatch, a leading newspaper in the 14th Congressional District, which tells of Mayor Sarubbi's selection as "Citizen of the Year" by the North Hudson chapter of UNICO, a highly esteemed service organization.

Mayor Sarubbi is an old friend of mine and I would like to extend to him and to his beloved father, John Sarubbi, and to all members of the close-knit Sarubbi family, my own personal congratulations.

The article follows:

WILL HONOR SARUBBI—HE'S UNICO "MAN OF THE YEAR"

North Bergen Mayor Angelo J. Sarubbi has been selected as "Citizen of the Year" by North Hudson Chapter UNICO National, it was announced yesterday.

The announcement was made by President August Orlando and the selections were made by a special committee of past presidents of the service organization headed by Frank De Socio.

Mayor Sarubbi will be honored at a dinner-dance to be preceded by a cocktail party on Saturday, Nov. 4, at Skyline Cabana Club in Jersey City.

Previous North Hudson citizens to receive the award are West New York Mayor John R. Armellino, Union City Mayor William V. Musto, recently named North Bergen School Board Trustee Alfred V. Failla, Hudson Dispatch Managing Editor Thomas R. Oliver, late Editor of Hudson Dispatch John Mitchell, Commissioner John E. Otis of West New York, Principal Joseph Coviello of North Bergen High School, and the late John F. Cahir of Weehawken.

In announcing the award, Orlando praised Sarubbi, who was reelected a commissioner on May 9, for his part in bettering North Bergen community life. He also singled out Sarubbi's work with North Bergen's youth.

Sarubbi first entered North Bergen public life in 1949 when he was appointed secretary to the board of adjustment. He served in this post until 1955, when he was first selected mayor. He has been a member of the town's governing body ever since.

He was born in West New York on Feb. 28, 1916, and was graduated from St. Joseph's Elementary School and Memorial High School in that municipality. Sarubbi is also a graduate of Pratt Institute in Brooklyn.

Now a successful building contractor, he lives with his wife, the former Mildred Thomson and two sons, John 25, and William 18, at 428 74th st., North Bergen.

In an interview, Orlando said that Sarubbi deserved the award because he is an "outstanding citizen of Hudson County in general." The work with youth that Sarubbi is praised for in particular, Orlando added, "the playgrounds that have been built with his backing throughout North Bergen and the track that is being built in North Hudson park now."

UNICO is a service organization whose North Hudson branch was started 13 years ago. Besides other charities, the group gives out one college scholarship a year and it has chosen a "man of the year" for the last 10 years. The proceeds from the "man of the year" dinners go to help pay for the scholarships.

BRING TO TRIAL, NASSER, THE NO. 1 WAR CRIMINAL OF OUR DAY

Mr. MULTER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

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

There was no objection.

Mr. MULTER. Mr. Speaker, there will be no peace in the Middle East until several things occur—and they must occur practically simultaneously.

First. Peace treaties must be consummated between the Arab States and Israel as part of which there must be agreement as to the geographic boundaries of the countries involved. Peace treaties necessarily require as a condition of their execution full recognition of the political existence and sovereignty of each party.

Second. Acknowledgment by all and guarantees by the international community of the right of all to peaceful transit without interference of the Suez Canal, the Gulf of Aqaba, and the Strait of Tiran.

Third. Resettlement of the refugees.

The delegates in the U.N. have been talking about this for weeks. Unfortunately, the talk emanating from the Arabs and their supporters has been false, virtuperative, irrelevant, intransigent, steeped in hate and thus promising more war than peace.

How do we make some progress away from war and toward peace?

Let us take a lesson from World War II and its aftermath.

As a result of the Hitlerian atrocities we set up the Nuremberg trials and the pattern thus set has been consistently followed in arresting and prosecuting war criminals.

The Arab war criminals, led by Nasser, have learned nothing from those trials. I say let us teach them.

We should set up a new war crimes court. The first culprit to be tried should be Abdel Gamal Nasser.

Ever since taking over the Government of Egypt and its successor, the United Arab Republic, he has been urging the annihilation of the Israelis and the destruction of the State of Israel. His incitement of hatred, his training of terrorists and infiltrators was and is for the soul purpose of killing the inhabitants of an entire nation, a duly and fully recognized member of the family of nations. His last massive but abortive attempt was for the sole purpose of fulfilling his threats to destroy that entire nation.

The proof of this foul and unprovoked conduct on Nasser's part is spread across the pages of history and is indisputable.

The last conflict was instigated and brought about primarily by Nasser. The responsibility for every death, every wound, every damage to property, is his.

He should be brought before an International Court of Justice and tried for his villainous misconduct. In the calm atmosphere of such a court, the entire record should be exposed. Let him dare to deny his own statements.

Regardless of any punishment that may be meted out to him, once his nefarious actions are made known to the Arab masses, they will reject him and his dastardly false propaganda. When they learn that the billions of dollars wasted on armaments could have been wisely spent to improve their economic condition, they will respond with demands for permanent peace.

Law, order, and justice can prevail among nations only when their leaders believe in and practice obedience to right.

INVOLVEMENT IN THE CONGO

Mr. GOODLING. 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 Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Speaker, the distressing news comes to us that three U.S. Air Force planes and accompanying paratrooper guards have been sent to the Congo to shore up the forces of President Joseph D. Mobutu.

This is a dangerous situation, and we might be asking for real trouble, because the commitment of even a token force of Americans could well be an invitation to full-scale involvement. We need but think back on how our involvement mushroomed in Vietnam, starting with the assignment of a few mechanics in 1954 and escalating to an assignment of some 450,000 troops today. And even now there is a call for another 100,000 or more American troops in this area.

A wholesale involvement in the Congo—on top of our already heavy commitment in Vietnam—would place a terrible burden on our American manpower and resources. All of this raises the question of just how long America can play the role of "policeman of the world."

What if some form of trouble were to break out in South America, in India, in South Korea? Would we rush American men and materials to those trouble spots in an effort to straighten things out with a heavy cost of American men and materials?

Mr. Speaker, the time has come for a serious reassessment of our foreign policy against the background of our available human and material resources. The question is this: Even if the role of "policeman of the world" were a desirable one, would we have the men and materials to back it up?

We are a rich country, but we are not wealthy in manpower. Our population figure becomes token when compared with the heavy population statistics of Asia and Africa. While our material resources are plentiful, they do not by any means carry any built-in insurance against exhaustion.

Confusion throughout the world centers in a conflict of political philosophies and ideologies, even as in the case of the current troubles in the Congo. We are deeply involved in Southeast Asia in a sharp conflict with Communist forces, and all the while these forces threaten new outbreaks in Thailand, South Korea, and other parts of the world. One cannot help but be concerned that this might be a long-range design of communism to bleed America white, draining off her manpower and materials into carefully contrived trouble spots throughout the world.

It is disconcerting to observe that on March 1, 1966, the official Chinese Communist Party newspaper, People's Daily told its readers:

United States . . . can be destroyed piece by piece, once it is split up. Everything can be split up into its parts, and so can United States imperialism, even though it is strong and powerful.

The Communist newspaper went on to explain that wars like the one in Vietnam stretch out U.S. power, weaken the Americans and make them vulnerable. It then added:

If some of the world's people (meaning the Communist revolutionaries) strike at its head and others at its feet, the divided United States imperialism can be destroyed piece by piece.

What, then, Mr. Speaker, are we doing to guard against this evil eventuality, whether it be in the Congo, Vietnam, or some other trouble spot of the world? Apparently nothing, because every time there is an eruption in some part of the world, Uncle Sam puts on his police uniform, picks up his nightstick, and rushes to the place of disorder.

Mr. Speaker, the world is too big and has too many trouble spots for America to act as a world policeman.

The Congo is a point in order. What obligation do we have there? Why should we be committed with our men and materials in that area? Is there any good reason why we should invite the sacrifice of American lives on this continent?

Is it not about time we put a stop to trying to act as a lone policeman on a vast world beat and, instead, confine our police activities to what we can afford in men and materials—and what, in our national interest, are bona fide obligations?

WIRETAP BAN GOES TOO FAR

Mr. POFF. 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 Virginia?

There was no objection.

Mr. POFF. Mr. Speaker, the problems of crime, organized criminal activity, and law enforcement continue to mount. The people are demanding that Congress prepare new and stronger laws to deal with the Nation's unprecedented spiraling crime rate. But no matter how strong, no matter how carefully drawn, no matter how well developed new laws may be, Congress only legislates. It takes enthusiasm and dedication at the law-enforcement level to turn our laws into effective tools to combat crime nationwide. Law enforcement requires more than laws, studies, or commissions. It requires cooperation among the legislative, judicial, and executive branches. It requires determination and a continuing effort to enforce the laws that Congress has written.

It has been said that the Attorney General's recent memorandum banning all wiretapping and nearly all eavesdropping by Federal agents, except in isolated cases, leaves as the next logical step an order instructing Federal law-enforcement officers to wear blinders and stuff cotton in their ears. On Monday, July 10, 1967, the Christian Science Monitor noted that:

The Attorney General's rulings mean that some federal agents have been stripped of some of their most effective weapons in the warfare against organized crime. And at the very time there exists the overwhelming need to escalate that warfare.

The battle against crime has not been won. The problems are still with us in even greater numbers. I quote herewith the Christian Science Monitor editorial with the hope that it will receive the careful attention of my colleagues:

RECONSIDER THE WIRETAP BAN

In issuing new regulations banning all wiretapping and practically all eavesdropping by federal agents, except in national security investigations, Attorney General Ramsey Clark has gone too far.

His purpose—to protect individual privacy in accord with the Fourth Amendment provision against unreasonable searches—is commendable. But constitutional rights are not absolute. Government errs when it interprets them so broadly that their enforcement would substantially endanger the public safety.

The individual's right to privacy, especially now that developments in technology make invasion of that right increasingly easy, deserves adequate protection. But this right must always be weighed against the public's right to safety—its right to receive adequate protection against the ruthless and well-organized forces of the national crime syndicate.

The Attorney General's rulings mean that federal agents have been stripped of some of their most effective weapons in the warfare against organized crime. And at the very time when there exists the overwhelming need to escalate that warfare.

Mounting public pressure is building for a tough crackdown on crime, regardless of individual liberty. The Attorney General's regulations could well have the unintended effect of adding to that pressure, and thereby ultimately hurt more than help the cause he espouses.

The public as a whole have "certain unalienable Rights," among which are "Life, Liberty and the pursuit of Happiness." The government errs when it interprets the Fourth Amendment so liberally that it seriously impairs the ability of its own agents to protect these rights of all the people.

The Constitution was established not only to "secure the blessings of liberty" and "provide for the common defense" but to "insure domestic tranquility" and "promote the general welfare." Mr. Clark's regulations, going well beyond President Johnson's 1965 statement on the subject, fail to strike the needed balance.

He may have been anticipating that the Supreme Court will ban the use of eavesdropping devices which do not demand a physical trespass. In our judgment, he should not have so anticipated. And the court should not so decide. We also find unduly restrictive the decision not to permit wiretapping by federal agents where information gleaned will not be publicly divulged or introduced as evidence.

Without at least *these* uses of electronic surveillance—coupled, to be sure, with adequate administrative controls—we seriously doubt whether the government can mount an offensive capable of protecting the public from the insidious machinations of Mafia-type operations. We hope that the Attorney General will reconsider his extreme and rigid regulations in light of the pressing national need to root organized crime from the American scene.

L. B. J. AT THE SUMMIT FORGES NEW HOPE FOR A PEACEFUL WORLD

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

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker—

Mr. Johnson said the world is a little less dangerous place because they met. This could well be true, for even getting to know one another better could make future communications between the two readier and more productive.

This editorial opinion, expressed by the Witchita Eagle, sums up, I think, the view shared by a majority of sensible Americans. We know that the summit meeting between our President and the Soviet Premier did not produce dramatic agreement on a host of outstanding differences.

But as the Eagle notes, the world may indeed be a less dangerous place simply because the two most powerful leaders in the world expressed themselves candidly and openly with one another.

Perhaps—

Says the Wichita Eagle—

the most significant thing about the meetings is their tone—relaxed and amicable. Such a beginning can only make it easier to work toward further understanding.

In my judgment, most of the American people are rightly proud of President Johnson's proven statesmanship and continuing, tireless efforts in pursuit of a just, enduring peace. Surely the Glassboro meetings have served to bring home to Premier Kosygin these qualities and dedicated objectives of our President, as spokesman for the American people.

The President's policies toward the Soviet Union have been firm, but fair. The Glassboro summit should have brought a greater awareness of these policies to the Soviet leadership—as well as a greater awareness of the firmness and resolution of our Chief Executive.

The cause of peace was therefore well served at the summit conference in New Jersey. Our hope—indeed, all of humanity's hope—is that this meeting will be but the first step in a continuous process of acquiring both greater respect and sounder understanding between two nations with the greatest capacity to advance a peaceful world.

Under unanimous consent I insert in the RECORD this excellent editorial from the Wichita Eagle:

NO PROGRESS ON MAJOR PROBLEMS, BUT SUMMIT TALKS WERE USEFUL

It is not surprising that no particular progress was made in the summit talks between President Johnson and Premier Kosygin on the two toughest issues of the moment—Vietnam and the Middle East.

And it was evident from the statements issued after Sunday's meeting that the position of neither country has been changed on those questions. They could hardly have been. The Russian attitude cannot be changed without the concurrence of the committee that really rules the Soviet Union, and its present stand is unacceptable to the United States.

But this doesn't mean the talks were not valuable. The mere fact that they happened is important. President Johnson issued the invitation and Kosygin accepted. The ten hours they spent together cannot but have resulted in a better acquaintance and a firmer grasp by each of the problems and attitudes of the other. Mr. Johnson said the world is a little less dangerous place because they *met*. This could well be true for even getting to know one another better could make future communications between the two readier and more productive.

Both leaders reported basic agreement on non-dissemination of nuclear weapons, which is a major step forward in a vital area. It also has been suggested that they may have moved closer to agreement on halting the nuclear arms race by ending deployment of antiballistic missiles. This, if it comes to anything, would spare both nations a costly and essentially fruitless competition that would end in greater armament but no particular advantage for either.

And whatever common ground may have been found in the private talks, it would be impossible for either leader to alter his public stance at once because of the public opinion each must face at home. Moreover, the wounded cries from Peking about the meeting serve as a reminder that there is a third major nuclear power in the world now—a fact that greatly alters both the means and the substance of diplomacy.

Perhaps the most significant thing about the meetings is their tone—relaxed and amicable. Such a beginning can only make it easier to work toward further understanding.

NAVAL ROLE IN DEFENSE GAINS NEW RECOGNITION

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

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

There was no objection.

Mr. EDMONDSON. Mr. Speaker, the U.S. Navy has been a source of pride and comfort to the people of this Nation since its founding. I believe it is a great credit to the Navy that it has maintained and strengthened its role in our national defense in the space age.

Hanson W. Baldwin, an expert on military affairs, presented an excellent picture of the current and potential capabilities of this space age Navy in an article entitled "Missiles Go to Sea" in the New York Times of Sunday, June 9.

I would like to have this article appear in the RECORD, and certainly commend it to my colleagues as a well-deserved tribute to the technology and capability of the U.S. Navy.

The article follows:

MISSILES GO TO SEA

(By Hanson W. Baldwin)

The nuclear age has gone to sea. Last week's news from the Pentagon that the Navy is studying a ship-based anti-ballistic missile system emphasizes once again—in modern context—Alfred Thayer Mahan's "influence of sea power upon history."

In mobility and in weapons, the marriage of the "Nuke" and the ship has transformed the two-dimensional navy with control of the seas as its objective to a three-dimensional navy with the added objective of attack against, and defense of, the great continental land masses of the world.

Strategically and tactically the role of the Navy has been transformed by the nuclear age; the depths of the sea, the space above the atmosphere and every part of every land mass on earth are now accessible to modern naval power.

Today, the single most important nuclear contribution of the Navy is its fleet of 41 missile-firing submarines, each equipped with 16 missiles, each capable of destroying with its megaton nuclear warhead any city on earth.

Nuclear-powered engines—which require no air—enable these submarines to remain completely submerged for indefinite periods and their mobility and invisibility give them unequaled defensive invulnerability.

PLANS FOR POSEIDON

The submarine-launched ballistic missile has, moreover, another major asset; it draws the lightning of enemy nuclear attack toward the seas rather than—as land-based missiles do—toward the populated land.

In the next few years the Polaris family of missiles will be succeeded by the fourth-generation Poseidon, a missile with greater power, capable—alternatively—of carrying a larger warhead for a longer distance or several warheads, as well as various devices known as penetration aids to help the missile break through the enemy's defenses.

This submarine missile force, which is an important part of the nation's strategic nuclear offensive capability, may become even more important in the next step of the arms race. If the Russians develop MIRV—Multiple Individually guided Reentry Vehicles—or several warheads for each missile, each capable of maneuvering along a different trajectory to its target, the threat of destruction to a fixed missile launcher ashore may become so great that the defensive answer may have to be to put more missiles at sea.

In addition to the Navy's ballistic missile bombardment force, the Navy's planes, flown from carrier decks, have a definite role in nuclear war. However, the nuclear role of naval aviation is now more "tactical" than "strategic"; the targets of naval aircraft are primarily near the periphery of the enemy's territory—submarine bases, airfields, radar and missile sites—rather than targets deep in the interior.

NUCLEAR DEPTH CHARGE

The Navy, like the other services, has developed so-called tactical, or smaller, nuclear weapons for specific purposes. A nuclear depth charge, which can be projected from plane or surface ship, is designed for use against enemy submarines. Small atomic bombs for taking out point targets—such as a strongpoint on a beach, are available. As far as is known, the Navy has no nuclear shells, but its short-range missiles—fired from surface ships or from planes—can carry nuclear warheads. Development of a naval model of the Army's 175 mm. gun is under way, and a whole "family" of new naval guns, some with rocket-assisted shells, others with devices to multiply present ranges many times, are under study. Any or all of these could utilize nuclear shells or warheads.

The Navy has also pioneered in the use of nuclear power for surface ships; the nuclear-powered aircraft carrier Enterprise has chalked up records in combat off Vietnam. Nuclear power for surface ships provides virtually unlimited high-speed cruising range, frees the ship of dependence upon oilers, eliminates stack gases and provides so many other advantages that despite Secretary McNamara's reluctance (based on greater costs) a nuclear powered fleet for all major vessels seems certain.

The Navy's seagoing anti-ballistic missile system would work this way. A number of ships—some with powerful radar, others as launching vessels—would position themselves across the "window" or angle of approach of missiles launched against the United States from bases in Communist countries. Such a sea-based system would provide an outer line of defense; interception of enemy missiles could be made during their mid-course, rather than terminal phase.

INTRASTATE AIR CARRIERS

Mr. STAGGERS. 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 West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, I am in receipt today of a reply to my inquiry of Chairman Charles Murphy of the Civil Aeronautics Board regarding the Board's position on the respective rolls of interstate and intrastate air carriers which I think is sufficiently significant that it should be included in the RECORD today with my inquiry and reply for the benefit of the Members and of the public.

The correspondence referred to follows:

MAY 19, 1967.

Hon. CHARLES S. MURPHY,
Chairman, Civil Aeronautics Board,
Washington, D.C.

DEAR CHAIRMAN MURPHY: There has been a recent announcement that you have granted to Northern Consolidated Airways temporary traffic rights for nonstop service between Anchorage and Fairbanks, Alaska, in competition with the service now being performed by Alaska Airlines. It is understood that Alaska Airlines has gone into the State court to secure a restraining order against the State Transportation Commission from granting a certificate to Interior Airways of Fairbanks which had applied for rights to fly seven daily shuttle flights between Anchorage and Fairbanks.

The Anchorage Daily Times of May 11, in commenting on these two actions, states, "Sources in Washington reported the Civil Aeronautics Board was 'terribly exercised' by reports the State planned to approve intrastate service over a route which now is subsidized by the federal govenment. The CAB, one source said, 'took a dim view' of the state plans".

This press story prompts me to inquire of you just what may be the position of the CAB in its promotion of aviation with regard to the respective roles which properly should be played with interstate and intrastate carriers. In such connection, I wish that you would include the actions and positions which the Civil Aeronautics Board has taken regarding the operation of intrastate service between Los Angeles and San Francisco.

Sincerely yours,

HARLEY O. STAGGERS,
Chairman.

CIVIL AERONAUTICS BOARD,
Washington, D.C., July 10, 1967.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of May 19, 1967, inquiring about the Board's position regarding the respective roles which interstate and intrastate carriers should play in aviation.

The Board's policies towards intrastate carriers, and actions by State regulatory commissions, have evolved in the context of the limited coverage of the Federal Aviation Act over the economic aspects of intrastate activities. While that Act extends safety regulatory control over any operation "in", or which "directly affects" interstate commerce, the economic regulatory provisions do not explicitly apply to operations which "affect" commerce but are not "in" commerce (§ 101 (4) and (21)).

The scope of this statutory grant of jurisdiction affects the Board's actions with respect to both the intrastate aspects of the operations of interstate carriers and the operations of intrastate carriers. As to interstate carriers, a State Supreme Court has held that the State commission can regulate the air carriers' rates for local transportation between points in the State (as opposed to rates for interstate passengers moving between the same points). (*People* v. *Western Air Lines*, 268 P.2d 723, *appeal dismissed*, 348 U.S. 859.) Another State Supreme Court has ruled that its State commission could not require an interstate carrier to continue serving the intrastate portion of a route over which the Board had authorized the carrier to discontinue service. (*Frontier Airlines* v. *Nebraska Dept. of Aeronautics*, 175 Neb. 501, 122 N.W. 2d 476.)

As to the so-called intrastate operators, where a carrier operates only between points located within a single State, the Board's jurisdiction has been judicially upheld if the carrier participates substantially in the carriage of traffic moving interstate (*C.A.B.* v. *Friedkin Aeronautics, Inc.*, 246 F.2d 173; *C.A.B.* v. *Canadian Colonial Airways*, 41 F. Supp. 1006), or if the carrier flies its aircraft over a place outside the State. (*Island Airways* v. *C.A.B.*, 352 F.2d 735.)

The Board has never asserted authority over purely intrastate carriers (not carrying interstate traffic), even where the intrastate carriers compete with federally certificated ones. Furthermore, the Board does not intervene before State commissions to oppose applications by local carriers for intrastate authority, although it may on occasion file an *amicus* statement. The same policies are generally followed with respect to State regulatory commission matters involving interstate carriers.

The lack of federal control over intrastate carrier operations by air did not present substantial economic problems until recent years. When the Civil Aeronautics Act was enacted in 1938, and for many years thereafter, operations by intrastate carriers were not extensive; and no State denied interstate carriers permission to operate over intrastate segments. Furthermore, there was little regulatory action by the States. By 1961, however, 18 States had begun to issue certificates of public convenience and necessity for intrastate common carriage by air. In California, at least, passenger traffic is already sufficient to enable intrastate carriers to operate large jet aircraft.

The California and Alaska situations illustrate the resulting problems. In California, the Board sought over a decade ago to enjoin the intrastate carrier, Pacific Southwest Airlines (PSA), from operating unauthorized flights which carried many passengers whose journeys began or ended outside California. (*Friedkin, supra.*) Eventually, PSA agreed to entry of a cease-and-desist order which barred such carriage. (*Western Air Lines, Inc.* v. *PSA*, CAB Order E-19655.) Earlier this year the Board exempted PSA from Title IV of the Act to the extent that those statutory provisions applied to PSA's jet flights which momentarily operate beyond the three-mile limit in connection with takeoff or landing at mainland California points, but which do not otherwise involve transportation subject to the Board's jurisdiction. (*Pacific Southwest Airlines*, Orders E-23958 and E-24895.) (Copies enclosed.)

PSA now operates over several important intra-California routes in competition with Federally certificated air carriers, including Pacific Air Lines (Pacific), a subsidized carrier. The California Commission has also licensed at least one other carrier for operations between various points within the State.

In Alaska the Alaska Transportation Commission has undertaken to assert exclusive jurisdiction to authorize new nonstop service between Anchorage and Fairbanks, and initially attempted to prevent one federally certificated carrier, Northern Consolidated Airlines, from offering such service. The State commission also entertained an application by an intrastate carrier, Interior Airways, to offer the very same service in competition with the existing federally certificated carrier, Alaska Airlines. Although no final decision has been reached, a State court has enjoined the Commission from authorizing Interior to operate; and Northern Consolidated has begun service.

The Federal Government has a large stake in the sound development of intra-Alaskan service. Before Alaska became a State and enacted its aeronautics statute, the Board had exclusive jurisdiction over all air transportation within or to Alaska. From 1938 through mid-1959, the total subsidy bill for the Alaskan air carriers was $77 million, of which $42 million was for intra-Alaskan operations. For the two federally authorized carriers on the Anchorage-Fairbanks route, the subsidy bill for their total operations in all areas was about $16 million during fiscal 1962–1966 and is estimated to be over $2.6 million for fiscal 1967. If the Alaska Transportation Commission allows an intrastate carrier to divert Anchorage-Fairbanks traffic, the Federal Treasury could bear much of the resulting burden.

It does not appear that State authorizations for intrastate air carriers have had a substantially adverse effect upon the development of the federally regulated air transportation system. They have given rise to problems, e.g., the impact of PSA's operations in California upon Pacific, which is federally subsidized. But there is little doubt that PSA's operations have had a salutary effect upon air travel in California by way of improved service, lower fares, and increased volume. This may be an appropriate place for the Board to apply the policy that it should not pay subsidy to a carrier to provide airline service some other carrier will provide without subsidy—which is easier said than done.

Similarly, if the State Commission in Alaska should insist on actions impairing the earning ability of federally subsidized carriers, our Board may be driven to considering withdrawal of Federal subsidy. I very much doubt, however, if it will come to that.

In summary, it seems to us that there is a useful role which intrastate air carriers can play; that in most cases this will not impinge unduly upon the federally regulated systems; that we should undertake to minimize "conflicts" through informal contacts with State officials; that we should not interfere with intrastate operations merely for the purpose of asserting or extending Federal jurisdiction; that we should be alert to prevent intrastate air carrier operations from impinging unduly upon the federally regulated system by taking such actions as are open to the Board under the present law; and that, if it should prove unhappily that the present law is not adequate for that purpose, we should then come to Congress for a legislative remedy.

Sincerely yours,
CHARLES S. MURPHY,
Chairman.

JULY 11, 1967.

Hon. CHARLES S. MURPHY,
Chairman, Civil Aeronautics Board, Washington, D.C.

DEAR MR. CHAIRMAN: Thank you for your letter of July 10 replying to my inquiry of May 19 regarding the Board's position on the representative roles which interstate and intrastate carriers should play in aviation.

I am pleased to note that the Board recognizes that in the national transportation picture there is a useful role which intrastate carriers can play, and that there is a problem of the extent to which interstate carriers should be supported by the Board where intrastate carriers provide improved and adequate service, at lower fares, to the traveling public.

Sincerely yours,
HARLEY O. STAGGERS,
Chairman.

AIRLINE ACCIDENT INVESTIGATIONS

Mr. STAGGERS. 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 West Virginia?

There was no objection.

Mr. STAGGERS. Mr. Speaker, many Members of the House may be interested in the progress of investigations into a number of airplane crashes which have shocked the public during the last 3 or 4 months. For their information I include a letter from the Chairman of the National Transportation Safety Board to the Committee on Interstate and Foreign Commerce in the RECORD.

As may be seen from the letter—

The investigation of civil aircraft accidents is now the responsibility of the National Transportation Safety Board.

Investigations into three aircraft accidents occurring in March 1967 are presently underway. It is to be noted that the investigations follow standard procedures, in which well-qualified experts are employed. The public is kept informed throughout the investigation by the Safety Board—the primarily responsible body. After their investigations are complete, detailed findings and the probable causes of the accidents will be released.

Our committee has been kept informed that a study of the accidents was underway.

If any legislation is indicated as a result of any reports of the Safety Board, and if such legislation is referred to our committee, we shall hope to act on it with all due speed.

The letter from the Chairman of the National Transportation Safety Board follows:

DEPARTMENT OF TRANSPORTATION,
NATIONAL TRANSPORTATION SAFETY BOARD,
Washington, D.C., July 7, 1967.

Hon. HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

DEAR MR. CONGRESSMAN: In accordance with your request, the Board is more than happy to bring you up to date on the status of three commercial airline accidents which occurred in the past few months and in which your Committee has expressed a particular interest.

In addition, this letter will serve to review again with you, for your benefit and for the benefit of your Committee, the procedures the Board follows in connection with the investigation and reporting of results in aviation accidents of this type.

1. *Air collision at Urbana, Ohio, involving TWA DC-9 and a Beechcraft Baron B-55, privately owned, March 9, 1967.* Since our last progress report to you in connection with this case, the detailed field investigation has been completed; an extensive public hearing was held in Dayton, Ohio, on June 6-8, 1967; and we are presently receiving comments and suggestions from interested parties who have, under our rules, thirty days from the date of the hearing in which to submit them.

2. *Delta Airlines training flight crash at New Orleans, Louisiana, March 30, 1967.* The field investigation has been completed and a public hearing has been scheduled to begin in New Orleans on July 19, 1967. The hearing will be presided over by Member Oscar Laurel of this Board, and at that time all of the known or ascertainable facts will become a matter of public record. It is expected that the hearing will not last more than two days.

3. *Lake Central Airlines, accident near Marseilles, Ohio, March 5, 1967.* The field investigation in this case has been completed and a public hearing is scheduled to be held in Indianapolis, Indiana, commencing on August 2, 1967. In this case, too, the hearing is expected to reveal all of the known and ascertainable facts and to point the way toward corrective action if such has not already in fact been instituted.

I am sure you are quite familiar with the investigative process of the Board in aircraft accidents of the sort we have been discussing, but it might be well to restate it for the record.

The investigation of civil aircraft accidents is now the responsibility of the National Transportation Safety Board. This responsibility, with a staff of experienced air safety investigators, was recently transferred to us from the Civil Aeronautics Board under the provisions of the Department of Transportation Act, but the function had been exercised by the CAB from 1940 until the recent transfer to us.

The practice has always been to organize a team of experts in the various technical areas that might be involved in any such accident, under the leadership of trained investigators representing the National Transportation Safety Board. After as exhaustive a field investigation as the situation requires and permits, the Board schedules and holds a public hearing at or near the site of the accident. At this stage of the process, all interested parties, such as the airline concerned; the Federal Aviation Administration; airline employees associations; air-frame manufacturers; engine manfacturers; and any other possible interested parties, are active participants in adding to and thus developing a complete record of all the known or ascertainable facts.

Subsequent to such public hearing, the Board analyzes the record and other information known to it and issues a formal report as to the probable cause of the accident.

Of course, as you know, the entire chain of process is conducted entirely in the open, and as rapidly as facts are identified as uncontrovertible and relevant, beginning at the accident site, they are immediately made known to the interested parties to the investigation and are at the same time released to the news media and the public. In fact, a major part of the constructive results which flow from accident investigations are the immediate putting to use for corrective purposes of all the information developed during the preliminary stages of the investigation or in the public hearing.

The Board appreciates and understands the continuing interest you and your Committee have with respect to the performance of the accident investigative functions by our Board. Please feel free to call on us at any time for information or report either as to our process generally, or as to the handling of any particular case.

Sincerely,

JOSEPH J. O'CONNELL, Jr.,
Chairman.

CONGRESSMAN HORTON INTRODUCES ANTISMUT BILL

Mr. HORTON. 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. HORTON. Mr. Speaker, I am today introducing a bill which will permit a person to effectively remove himself from the mailing list of any publisher engaged in the dissemination of morally objectionable material. Existing laws, which are directed primarily at suppressing patently obscene materials, have proven woefully inadequate to protect the public from peddlers of filth.

In recent months I have received numerous complaints from parents in my district who are appalled by the degenerate publications which they and their children have received, unsolicited. It is imperative this body act promptly to protect people not only from that very limited range of materials which falls within the legal definition of obscenity but also from the myriad publications which are not within that definition but are, nonetheless, repulsive to the vast majority of Americans.

Because the purveyors of smut almost universally develop their mailing lists by purchasing subscription lists from reputable publications, any man or boy who subscribes to even such a wholesome publication as a sports magazine is likely to receive printed garbage at some future time. It is this unwarranted invasion of the individual's privacy which my bill seeks to prevent.

The Horton bill provides that any person who receives unsolicited mail which he deems to be obscene, lewd, or indecent may return it to the Postmaster General and request that the sender be notified to cease sending such mail to the complainant. The bill specifically provides that any parent may take such action to protect the privacy of his children as well as his own privacy.

Upon receiving a complaint, the Postmaster General is required to notify the sender to halt all such mailings to the complainant. If the publisher continues to send smut to the complaining individual, the Postmaster General is directed to schedule a hearing to determine whether or not the act has been violated. If the act has been violated, the Postmaster General may direct the Attorney General to apply to a U.S. district court for an order demanding compliance with the act. The bill provides that if the sender does not comply with this court order he is subject to the penalties for contempt of court.

This measure, which respects all of the recently announced constitutional limitations on the police power of the Government, will provide every American with a simple and totally effective method of preventing both his own privacy and that of his children from being disturbed by unsolicited and highly offensive pornography.

I know many of my colleagues share my contempt for purveyors of smut and I look forward to your strong support of this much-needed legislation.

CONGRESSMAN HORTON INTRODUCES TWO MEASURES TO AID THE RESOLUTION OF THE MIDDLE EAST CONFLICT

Mr. HORTON. 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 New York?

There was no objection.

Mr. HORTON. Mr. Speaker, I am today introducing two much-needed measures to aid in settling the present conflict in the Middle East. The first of these measures is a sense-of-the-House resolution expressing what I believe are the guidelines within which a settlement must be achieved if it is to be enduring. The resolution provides that the sovereignty of Israel must be recognized, that the Suez Canal must remain an international waterway open to all nations, that all nations must recognize as final the boundaries that will emerge from the anticipated negotiations, that the shipment of arms to all countries of the Middle East be halted and that all Middle Eastern countries immediately devote their full attention to the longstanding problems of the Palestine refugees.

The second measure I am introducing should provide the necessary stimulus to cause the countries of the Middle East to relocate these refugees. It is clear that if we are to forge a lasting peace in this historically contentious area these refugees, who have long been one of the prime sources of friction between the Arab and Israel peoples, must be removed from the refugee camps along the 1949 frontier between Israel and the Arab nations and that adequate provision must be made for their permanent settlement elsewhere. Because the recent conflict has dramatically increased the number of refugees on both sides of the borders, it is now even more important that the refugee population be relocated.

Those of us who have been intimately familiar with the situation in the Middle East have long recognized the continu-

ing threat to peace which these refugee camps pose. Fortunately, many carefully considered and thoroughly documented newspaper articles have brought the importance of this problem to the public attention in recent days.

However, public awareness of the problem is not enough. Absent positive action by one or more of the great powers of the world, these refugee camps and the concomitant hostility they generate will persist long after the present crisis of the Middle East subsides.

My bill directs the Secretary of State to reimburse—to such extent as he deems appropriate—any Middle Eastern country for expenses it incurs in relocating Arab refugees from Palestine to within its own borders. These payments are to be made directly to the host governments subject to such terms and conditions as the Secretary may deem necessary.

It is my fervent hope that if this bill is enacted into law, the Soviet Union, in furtherance of the spirit of cooperation which was manifest at the Glassboro summit meeting, will join with the United States in this worthwhile and nonpolitical effort to relieve world tensions.

Since 1948 many thousands of Arabs who were formerly residents of Palestine have existed in the miserable squalor of refugee camps. These camps on the Arab-Israel frontier have not only been a source of continuing irritation to both sides, but also senselessly demeaned the residents of these camps who nearly 20 years ago were victims of the Arab-Israel war. An entire generation of refugees has grown to virtual maturity knowing no other life. United Nations statistics indicate that over one-half of the population of these camps is under the age of 18.

If this body enacts into law the proposal I am making today, this Nation will not only be helping to eliminate one of the myriad sources of animosity that produced the recent crisis, but it will also be helping to terminate the senseless waste of human resources that necessarily continues as long as these refugee camps remain.

DAY CARE ACT OF 1967

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. REID] 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 Texas?

There was no objection.

Mr. REID of New York. Mr. Speaker, I am introducing today the Day Care Act of 1967 which was developed by Senator JAVITS and has already sponsored by a number of Members of both the House and the Senate.

This legislation will provide day care for children of low-income families in order to enable their parents or relatives to choose to undertake vocational training, basic education, or employment. Far more than merely providing additional day-care facilities, this measure is designed to attack the problem of growing welfare rolls by encouraging parents to find vocational training or employment once they are assured that their children will be well taken care of during the day.

The increasing number of Americans receiving public assistance is staggering. In New York City alone, the monthly average of recipients rose from 531,000 in 1965 to 621,000 in 1966; nationally, some 7.5 million people are aided by the four federally sponsored welfare programs.

In dollar terms, the total cost has risen from $4.2 billion in 1962 to $6.1 billion in 1966 and these figures provide assistance to only one-half of those Americans whose income level is below the national poverty standard.

However, a considerable proportion of the 900,000 mothers receiving assistance under the aid-to-dependent-children program are anxious to undertake training and employment if they can place their children in adequate day-care facilities. These mothers want their children to grow up with parents who are working, participating members of the community, and who are not dependent on the monthly relief check.

There is a second important way in which this day-care program would reduce the cycle of dependency. The large number of personnel needed to staff and maintain the day-care centers can, to a great extent, be drawn from among the mothers who children make use of these facilities. Several existing manpower training programs can assist in training these women for such subprofessional positions. The Headstart program has already indicated that parents and neighborhood residents actively participating in their children's experiences add meaningfully to the entire program.

There are a number of other significant features to this legislation which I believe are worthy of special mention. Provisions are included in the program to make it self-liquidating. The Secretary of Health, Education, and Welfare—whose Department will administer the program—may require at least partial payment for the day-care services in the case of those families who, through employment or otherwise, are able to make a contribution.

Coordination at all levels of government and between all similar programs is mandated by specifying certain mechanisms of program administration.

Finally, evaluation requirements are written into the bill so that congressional oversight will be a meaningful, concurrent procedure.

The bill would authorize $60 million for 1 year as a new part B of title V of the Economic Opportunity Act. This should provide about 50,000 new day-care slots—not nearly enough to meet the need but certainly a meaningful start with possibilities for expansion, and hope for self-confidence and self-sufficiency for many families who now know only a future of despair.

THE NEW LEFT

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHBROOK] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. ASHBROOK. Mr. Speaker, Walter Trohan has written a most comprehensive article on the New Left which appeared in the Sunday, July 9, 1967, issue of the Chicago Tribune. Mr. Trohan is the chief of the Tribune's Washington bureau and has spent more than a year studying and reporting on campus movements which he finds shows a "hostility to law and order, to civilized behavior and to the concept of liberty under law." It is characterized by "anarchism, nihilism, and negativism and it flouts and derogates the institutions which give it the freedom it enjoys."

Mr. Trohan's report is "must" reading for any American who wants to have a better understanding of the New Left in America. I include the article with these remarks, Mr. Speaker, and I hope all of the Members will read it closely:

THE NEW LEFT

(By Walter Trohan)

The Student New Left is a many splintered thing. A common denominator is most difficult to find. The New Left is a mixture of theory, sociological action, and bitter protest. It is linked with the civil rights movement, the fight against poverty, and the war in Viet Nam.

It is all of these things, yet no one of them. If it is any one thing, it is the culmination of the age of protest. We see it in flag burning, draft card destruction, demonstrations, and challenges to all forms of authority. It carries the seeds of revolution in its anarchism—and therein lies its great danger to those who revere and respect democratic law and order.

The New Left is of the campus but goes beyond the campus. It involves students, faculty members, writers, intellectuals, beatniks, and hippies. Many of its adherents dress wildly to accentuate their nonconformism. They wear beat-up trousers and dresses, long hair and beards, and the rest. Sometimes it is difficult to distinguish among the sexes. Members of the New Left are in the minority, but they have influenced many of their fellows, and their activities affect almost everyone on all campuses, directly or indirectly.

Let it be understood that the New Left is not communist, altho it is Communist infiltrated. Nor does it embrace all youth; the vast majority of young people have no part of it. This infiltration is coming from various directions. First, there is the Moscow wing in the Communist party and its youth organization, the W. E. B. Du Bois clubs. Second there is the Trotskyite wing of communism in the Socialist Workers party and its youth affiliate, the Young Socialist alliance. Finally, there is the arm of the pro-Chinese Communists, the Progressive Labor party. However, these Communists are neither in control of the New Left nor working in concert. They see the movement as a means of gaining access to college campuses, reaching the minds of students, and gaining an aura of respectability.

Many people are inclined to dismiss the New Left as another harmless manifestation of college foolishness, such as swallowing live gold fish or staging panty raids. There is more to the movement, however; if organizers and Communists have their way, a dagger might be forged for the destruction of the American way of life. The average American sees the New Left in terms of protest marches and demonstrations. These should

be enough to convince him that the movement has power to mobilize its members in large numbers to win attention or concessions.

One of the major aims of the New Left is to destroy the links between American industry and colleges. Industry and industrialists are a major source of college revenue. Universities are institutions from which industry can recruit the talent it needs and which serve as a valuable adjunct in research. The New Left is working to undermine this relationship. It attacks industry as part of the Pentagon complex, which is blamed for policies the New Left dislikes. The strongest attacks have been levied against industries directly producing for the war effort.

For some, morality is "bourgeois" and "old fashioned." Some reject bananas as food but are devoted to them for hallucinatory smoking. Some smoke marijuana, and others dote on LSD or other drugs. New Leftists can and do look like the conventional boy or girl next door, and they often are the brightest students.

A key ingredient of the New Left is expressed *in a word* they like, "alienation," although its meaning is not always clear. However, to the New Leftist it signifies what he derides as "the establishment," the "power structure," or "the military-industrial complex."

"The young people of the 'movement,'" writes one of its spokesmen, "make no polite protest; they rage against the war because they see it as the embodiment of all they are fighting in American society. It is a product of 'the system' from which they are alienated."

The mood of the New Left is described by one of its spokesmen, the Students for a Democratic Society [S. D. S.], as one of disillusionment, pessimism, and alienation. Many see strong nihilistic or anarchistic strains in declarations that our present society is decadent and that bourgeois moral values are outmoded. In the core of the movement there seems to be a passionate desire to destroy, to hate, and to tear down. They hate free society, the concepts of law and order, and established values.

"Among the central questions that a radical ideology must attempt to answer are these," according to a New Left spokesman: "What are the fundamental changes needed to transform society, and what are the steps that radicals can take to bring these about?" These steps have included defiance of law, civil disobedience, and disparagement of the American heritage. But when the New Leftists are asked to describe their new society, they offer little other than impious incantations and misty generalizations. They have no practical suggestions in their accent on the negative.

The Dow Chemical company, which is a major manufacturer of napalm, a fire chemical, has been a major target. Last Feb. 28, a student demonstration was sponsored at Old Dominion college, in Norfolk, Va., when company officers were conducting job interviews. The demonstration was orderly, altho placards and literature attacked the company. A much larger anti-Dow demonstration was staged at the University of Wisconsin, in Madison. The student newspaper carried the headline: "S. D. S. to Block Chemical Company Interviewing" and told of a massive sit-in against the interviews. Still another demonstration was staged at Penn State university. Students walked into the room where interviews were being conducted and called for a discussion of the "moral issues of the war in Viet Nam."

The right to dissent is the key weapon of the New Left. However, its leaders would confound this right with what they believe to be a right to break any law that does not please them. Civil disobedience of the New Left has manifested itself in blocking traffic, lying down in doorways, and invasion of private and public property. The New Left doesn't believe in attempting to repeal laws it dislikes or believes to be wrong or immoral. Instead it disobeys them and encourages others to disobey them.

Running thru the New Left movement, like a weird *leit motif*, is a pattern of personal habits as reflected in dress, language, and moral habits. In some respect these serve as recognition symbols for its members, not only on college campuses but elsewhere. Many New Leftists are identified by their beatnik-style long hair and sandals. Some of the young men wear beards, and the young women dress in black stockings, old shoes, and odd-fitting dresses. Often personal cleanliness is neglected, as is evidenced by dirty finger nails, unbrushed hair, and unwashed faces.

In the anti-Viet Nam war demonstration in Kezar stadium in San Francisco last April, a high percentage of the participants were beatniks and hippies, who were conspicuous with their long hair, unkempt beards, sandals, and multicolored wearing apparel. They were heckled during their parade to the stadium by pro-Viet Nam war demonstrators, who kept calling, "Take a bath!"

A curious psychology seems to underlie the desire for unconventional dress. At the heart of the New Left is the concept of rebellion against society and its institutions. Bizarre dress becomes, in the eyes of the New Leftists, a way of striking back at what they call regimentation. They want to be different. They seek ways to scoff at established institutions—not only to satisfy their own inner feelings of alienation, but to antagonize those who believe in the accepted morality. To the New Left, unconventionality is an inherent characteristic of its view of the world.

Associated with the habit of weird dress is widespread use of drugs, or the psychedelic world. It is difficult to state with accuracy the extent of hippie activity among members of the New Left—the use of LSD, marijuana, opium, dried banana skins, and other types of drugs or supposed drugs.

Obviously, many New Leftist followers have not dabbled in this activity, just as many do not adopt the strange mode of dress. However, the New Left does nothing to discourage use of or experimentation with drugs. Considerable publicity about drugs on campus has appeared in the press. Don Smith, the onetime New Left president of the Student Council at Iowa State university, admitted that he smoked marijuana at pot parties on the campus. The Scholastic, student magazine of the University of Notre Dame, has discussed use of drugs on the campus. The use of drugs seems to be part of the shock psychology of the New Left. It is a demonstration of its spirit of rebellion and practical evidence of its unconventionality. Still another hallmark of the New Left is the use of obscene language. Here again is evidence of the desire to be different and to be nonconformist. Four-letter words are frequent in "New Left Notes," the publication of the S.D.S., the New Left's campus bastion. Its writings are designed not only to shock, but also to make the authors feel themselves to be part of the "liberal modern trend," which accepts and encourages such language in literature and daily life.

Some obscene language even appears in college newspapers. The Observer, student newspaper at the University of Notre Dame, carried an article last Dec. 8, on California's anti-nudity laws. The story contained a paragraph sprinkled with obscenities. The March 14 issue of "The Spectrum," a publication of the State University of New York, in Buffalo, published a review of a performance given by "The Fugs," a university musical group. The article described, in "frank" language, the music performed and the lyrics employed. The songs ranged from a gutter description of sex to an obscene description of American foreign policy.

The moral standards of many New Leftists can be summed up in the dictum: "Whatever you want to do goes!" S. D. S. members have held some meetings in rural resort areas with members of both sexes, dressed and undressed, using the same cabins. In sex, as in language, dress, and drugs, some New Leftists believe they can assert their individuality and personality by unconventional behavior. It is ironic, however, that members of the New Left in their desperate effort to throw off the fetters of convention adopt a code even more rigid and binding than what they throw off.

A San Francisco church recently offered its facilities to hippies, and a controversy arose. The clergyman who made the offer said that hippies have "a very strong and urgent spiritual hunger" and the church should help them. An official of the church, however, took exception, saying: "When a group of people reject the moral code of our society, curse and swear, are admitted fornicators, are physically unclean, reject, if not despise, the law, etc., I believe they are unChristian and immoral. The fact that they may practice principles which are also Christian, does not make them either Christian or religious."

Another key characteristic of the New Left is unrelenting criticism of the United States usually accompanied by approval of its enemies. The New Leftists not only shout that the United States is wrong but they also assert that this country must have an evil, malicious, and unworthy motive for almost any action it takes.

In the war in Viet Nam, the United States is accused of "murder," "destroying civilians," and "unjustified and immoral bombing." At the same time virtually nothing is said about Viet Cong or communist atrocities, raids, and terror tactics. This hatred of things American constitutes a devil theory of modern history.

An anti-Viet Nam war rally was held at the University of Hawaii on March 21, 1966. The platform of Hemenway hall was decorated with a large parody of the American flag. Dollar signs replaced the stars; the flag was red, white, and black, and the stripes were pointed. A Viet Cong flag was flown. There were two signs, one with swastikas at the top and bottom, which bore the legend, "Down with L. B. J. and his fascist running dogs."

The anti-Americanism of the New Left is demonstrated in many ways. Draft cards have been burned. The flag has been desecrated. Bitter attacks are made on American policy and on our leaders. In an antiwar demonstration in New York City, floats included a replica of the Statue of Liberty lying on its side. Trucks were filled with parts of mannequins to symbolize destruction in Viet Nam. There was a replica of a submarine painted yellow. More than 50 persons burned their draft cards in Central Park during the demonstration in a ceremony organized by the Cornell university chapter of S. D. S.

"They are a minority, a tiny minority, and not a very representative one at that," the Washington Daily News commented editorially on the New York draft card burning. "What unites them is their faulty vision. They have a truly astigmatic view of the war. They ignore United States motives in Viet Nam: to let the South Vietnamese settle their political future free from subversion from the north. They ascribe to the United States only the basest of motives: murder, conquest, dominance."

One looks in vain for any comparable criticism of North Viet Nam, of its communist allies, Soviet Russia and Red China, from the New Leftists. Not all the New Leftists, or even a majority of them, are Communists, but many Communists are New Leftists. The New Leftists seem to share the basic communist hatred of America, a hatred that apparently can be satisfied only by the total destruction of this country.

In its nihilism and anarchism lies the danger of the New Left. The National Guardian of April 8 carried this analysis of S. D. S.: "A year ago S. D. S. was discussing the possibility of moving 'from protest to politics.' Today the discussion is 'from protest to resistance.' The distinction between politics and resistance is so great as to imply a qualitative change. By politics the S. D. S. meant the creation of a leftist political force in the United States that would work within the norms of society. By resistance, according to Gregory Calvert, S. D. S. national secretary, is meant this formulation: 'No matter what America demands, it does not possess us. Whenever that demand comes—we resist.'"

The concepts of "resistance," not working within "the norms of society," should be noted. The S. D. S. plans to organize unions of draft resisters. Carl Davidson, S. D. S. national vice president, said anti-draft organization "moves from protest activity to activity that takes on more and more of the characteristics of a seditious resistance movement." Davidson added that if arrest of draft resisters is inevitable, they "should jump bail, cut out, and go underground, either in the United States or Canada."

The resistance concept was developed by Calvert, who said the S. D. S. has to "build a movement out of people's guts, out of their so far internalized rejection of American society, and present people with a revolutionary alternative to the American way of life." Calvert continued:

"A resistance movement, based on the slogan, 'not with my life, you don't,' is basic to helping people break out of their own prisons. People are capable of doing extraordinary things when they are in resistance. They can walk out on their studies and take up new lives if necessary. They do not walk to gas chambers. In the process of resistance, in struggling against the powerlessness that capitalism imposes on the individual, there is a rediscovery of self in the midst of dehumanizing society.

"Many of us in S. D. S. share a conviction that this is what has to happen. That we must resist, and that people must break free. None of us is sure we can win. All we can say is that there are other ways to lead our lives in the face of the obscenity of what American life is—and we intend to live that way."

The S. D. S. idea that American society isn't worth saving is amplified by Yale Prof. Staughton Lynd, the philosopher in residence of the New Left. He says:

"Participatory democracy seems to be driving toward the 'live-in,' the building of a brotherly way of life even in the jaws of the leviathan. It is conscientious objection not just to war, but to the whole fabric of society. It is civil disobedience not just by individuals, but, hopefully, by broad masses of alienated Americans. Like the conscientious objector, however, the participatory democrat has unfinished business with the question: Is what's intended a moral gesture only, or a determined attempt to transform the American power structure?"

The flag desecration and the draft card burning are apparently the outward manifestations of a deeper malady—a total rejection of the United States of 1967. This rejection would be brought about by various types of resistance in the hope of ripping apart the American society.

Another prime target of the New Left is the military. Not only does the New Left hate the war in Viet Nam and all military leaders, but it also hates the uniform and the flag and anything else that smacks of patriotism.

Most especially does the S. D. S. hate the selective service system. The draft and military service represent the "old system" the New Left would overthrow and the American military effort in Viet Nam. Some New Leftists shuttle among campuses organizing protest. Members of the New Left counsel students on how to avoid military service, and some have burned their draft cards, usually at a public rally to capture headlines. By involving themselves in civil disobedience protests New Leftists have received support from pacifists and some religious groups.

A petition supporting draft card burning, refusal to pay income taxes, and military desertion was signed last April at a national conference on the draft held in St. Louis. The signatories supported emigration to Canada by American youths so they could avoid the draft. The same month the S. D. S. participated in an anti-Viet Nam war rally in New York City. Attendance was estimated at between 100,000 to 125,000. S. D. S. president Nick Egelson urged support of the peace movement by draft card burning. He praised the 75 students who burned their cards during the rally and called upon those attending to "refuse to go to war, and join us in acts of disobedience if the war continues."

Last December the national S. D. S. council met at the University of California, Berkeley. S. D. S. Vice President Davidson, a philosophy instructor at the University of Nebraska, proposed formation of anti-draft unions. He said he thought that a small percentage of youths of draft age, perhaps 3 per cent, if properly organized, could disrupt operations at local draft boards. He explained that 20 or 30 youths could accompany each objector to his draft board, where they could protest and harass selective service officials. This S. D. S. council also discussed elimination of grades at various campuses to create problems for draft boards which rely on student grades for draft deferments.

An article in New Left Notes, official S. D. S. organ, offers instruction on harassment of draft officials. Among its suggestions are:

"Send items to your draft board to be put into your file [as they are supposed to keep these], such as a copy of Trotsky's 'History of the Russian Revolution,' or Mao's 'Military Writings.' [One person in the west expropriated several hundred Gideon Bibles, and sent one to his draft board each day for six months.]

"You are supposed to notify your board of any change in your physical condition, so you might wish to send them a postcard each day telling them you had sneezed the night before.

"Go to the board and demand to see your file. Under most circumstances, there is nothing to prevent you from absconding with all or part of your file.

"Send a weekly note to your board saying you lost your draft card and need a new one.

"Don't forget the possibilities of feigned insanity."

In recent months there have been many sit-ins at draft boards. S.D.S. members at the University of Texas sat down in an Austin draft board meeting last October. At Princeton university, a full page advertisement appeared in the student paper of last April 14, signed by 66 students, who said they would not fight in Viet Nam. A similar ad signed by 33 students appeared in the Michigan State university paper.

The New Left has demonstrated against military research conducted at universities and colleges. At the University of Pennsylvania, in Philadelphia, two protests were staged last October against alleged "germ warfare research."

The New Left is also bitter against other "things military" on the nation's campuses: recruiting, military parades, drills, R.O.T.C., and even military-sponsored social functions.

Early this year, students at Claremont college, in Claremont, Cal., held a silent protest against a visit by Lt. Gen. James C. Richardson, commander of the 6th army, to review an R.O.T.C. drill. The S.D.S. chapter of the University of California, at Santa Barbara, picketed an R.O.T.C. drill. And students of the University of Notre Dame demonstrated during a review of R.O.T.C. units by the university's president.

When recruiting teams come to campuses, the New Left often organizes demonstrations. Last winter the S.D.S. conducted a demonstration at the University of Maryland to protest the presence of navy and marine corps recruiters. A sit-in was staged around an air force recruiting booth at Oberlin college, in Ohio, and students at State university, New Paltz, N.Y., tried to prevent recruiters from meeting students.

New Leftists often use campuses as mobilization centers for demonstrations against nearby military bases and industrial facilities. Last November S.D.S. units at San Fernando Valley State college, Northridge, Cal., protested the war at the California air national guard facility in Van Nuys. Some of the protesters were arrested. At the trial, evidence was developed that the participating students were given S.D.S. instructions on how to behave or misbehave, and they evidently were told in advance that bail would be provided by a professor. The judge held that the students had a right to dissent but not to break the law. Other off-campus demonstrations also have been held by college students at Fort Monmouth, N.J., and Fort Holabird, Md.

Last April scores of students at Howard university, a Negro college in Washington, chanted "burn, baby, burn" as they set fire to an effigy of Gen. Lewis B. Hershey, director of the selective service system.

A favorite tactic of the New Left on college campuses is the disparagement of America's leaders. Americans have long been critical and outspoken about their leaders, and they consider such criticism a sacred right. However, the current criticism differs from that of the past in that it arises from the intellectual community, where tolerance and understanding should be watchwords, but, too often, are not.

Violent and disrespectful remarks against the President, the Vice President, members of Congress, and ambassadors have become a way of life among members of the New Left. Not only are the leaders denounced in writings and speeches in language that is vitriolic and even shameful, but they are booed and derided when they make public appearances. Last September, when President Johnson visited Detroit, the Detroit Committee to End the War in Viet Nam demonstrated in front of Cobo hall, where he spoke. During the President's speech, the demonstrators moved into the hall and shouted anti-war slogans. They were ejected by guards.

Last October, President Johnson spoke at the East-West center of the University of Hawaii. Anti-war demonstrators unfurled a banner which read, "You are the aggressor." They also carried bamboo poles from which two life-size figures hung in effigy, one in the uniform of an American soldier which was labeled "Pentagon," and the other in cowboy clothing with the initials "L.B.J." The bad taste of some of the signs can be judged in their slogans: "L.B.J. Heading for His Last Roundup," "Our Vietnamalady is Pentagonorrhea," and "L.B.J. Murders My Asian Brothers."

Last January the "Newsletter," student paper of Johns Hopkins university, Baltimore, ran a poll for men of the year, 1966. One of the candidates was President Johnson, who was characterized as follows: "Last year's top mass murderer was a Texas plowboy who has come a long way in the American crime business. Lyndon Baines Johnson of Johnson City, Tex., graduated from his humble origins of torturing half caste Indians . . . to the American Presidency, where he killed John F. Kennedy, Lee Harvey Os-

wald, Jack Ruby, and 13 other people whose names have been withheld by request. Johnson, an easy-going ex-school teacher whose hobby is bombing defenseless people, culminated a remarkable five years, when, on Dec. 25, he told Jack Ruby to die of cancer."

The genesis of a demonstration is revealed in what happened at Antioch college, Yellow Springs, O., in connection with a Presidential visit to nearby Dayton last September. The demonstration was sponsored by the Antioch Committee to End the War in Viet Nam, and the S. D. S., the sponsors, posted this notice on a college bulletin board:

"President Johnson is coming to Dayton on Monday, Sept. 5, Labor day, to speak at the Montgomery County fair. . . . It is extremely important that Johnson's illusory consensus be dramatically and publicly challenged as often as possible. The unpopularity of the Viet Nam war—one of the least popular wars in history—has, in fact, been stimulated and maintained by such challenges. Their [sic] is a need, therefore, for as many people as possible to confront Johnson on Monday afternoon.

"Realistically, any demonstration before an American President contains possibilities of physical violence and arrest. Their [sic] will be a meeting . . . to discuss types of action to be carried out, discipline, transportation, and availability of legal assistance and bail money [in case such contingencies are necessary]. It is essential that anyone intending to take part in Monday's demonstration attend this meeting."

Note the mention of "violence," "arrest," and "bail money," which indicates the extremes to which organizers of the New Left are willing to have others go or to go themselves, if necessary.

Vice President Humphrey, one of the founding fathers of the left-wing Americans for Democratic Action, has been pilloried time after time by the New Left, which hates him as a member of the establishment and as a supporter of war policy. Last October, Humphrey was picketed at the University of Florida, in Gainesville. When he spoke at the 200th anniversary of Rutgers university, pickets representing the S. D. S. and Women Strike for Peace carried signs, which read: "Humphrey—Killer Hawk" and "Support Your Vice Assassinator." Still another placard portrayed President Johnson holding a machine gun: its legend said, "Blood Finger Johnson."

Last February a mob of students stormed Humphrey's limousine after he had participated in a student forum. Young men and women banged on the windows and body of the car with their fists, shouting, "Shame! Shame!" and "War criminal!" Secret service men had to clear a path for the car by shoving demonstrators out of the way. Neither the President nor the Vice President would abridge the right to dissent, even at the risk of personal violence. But they must feel that the right is often carried too far.

Secretary of State Dean Rusk and Secretary of Defense Robert S. McNamara have been prime targets of the New Left. Last March, Rusk was heckled when he spoke to an audience of 2,000 at Cornell university, and in December he was the target of demonstrations at a two-day peace vigil at Ohio university, in Athens. McNamara was jeered and heckled in an appearance at Harvard last November. Some students threw themselves beneath his car and forced him out. Last February, 500 Harvard and Radcliffe students staged an hour's demonstration, planned by S. D. S. against United Nations Ambassador Arthur Goldberg. Gen. Earle G. Wheeler, chairman of the joint chiefs of staff, spoke at Pembroke college in Providence, R. I., last November. After the speech a group of students charged the platform. Police ushered the general out thru a side entrance.

At San Fernando Valley State college, in Northridge, Cal., Vice President Humphrey stopped his speech and addressed an S.D.S. group whose members were heckling him. "One of the things college is supposed to teach you is manners," he said. "A number of you appear to have flunked that course."

Gen. Lewis B. Hershey, draft administrator, has repeatedly been a target of the New Left. Recently, extremist student elements, thru boisterous and unruly acts, prevented him from delivering a talk at Howard university. He was hanged in effigy on the campus.

The New Left displays an intense hostility to government investigative agencies and police. The CIA and FBI are part of the "Establishment" and therefore dangerous to the kind of "freedom" envisioned by the New Left. At a rally, sponsored by the campus Viet Nam Day committee, at the University of California, Berkeley, last Feb. 23, speakers verbally attacked the university administration, the Berkeley police department, the CIA and the FBI.

Morris Hirsch, a faculty member, criticized the university for furnishing records to investigate agencies without student permission. He called for an end to any cooperation with the FBI and CIA. Bettina Aptheker, student communist leader and daughter of the well-known communist leader, denounced cooperation between the university and the FBI and CIA. She called upon professors and students to join in driving them off the campus.

The intellectual intolerance of the New Left has not gone uncriticized. The American Civil Liberties union, which can scarcely be regarded as reactionary, has attacked student demonstrations that infringe upon the rights of nonparticipants. The A. C. L. U. mentioned the protests against McNamara at Harvard and Hershey at Howard university.

"In the light of recent occurrences on some college campuses," the statement said, "the American Civil Liberties union considers it important that it does not approve of demonstrators who deprive others of the opportunity to speak or be heard, or physically obstruct movement, or otherwise disrupt the legitimate educational or institutional processes." The A. C. L. U. said that such actions threaten the academic freedom of others. The statement concluded that students who employ such tactics "must accept responsibility for their action."

The intolerance of the New Left is regarded by many as a prime danger on American campuses today. For in these demonstrations, many see the totalitarian patterns of Adolf Hitler or Joseph Stalin.

At the heart of the New Left movement is a bitter attack against American higher education—its policies, procedures, and goals. In fact, the very nature of the university, in its traditional approach toward education, is under assault.

The pressure of the New Left has become so organized and intense that in some schools, such as the University of California at Berkeley, rioting and demonstrations have been so common as to constitute a way of student life. In other institutions there have been sit-ins and other forms of harassment. In still others, there have been protests unrelated to the New Left but traceable indirectly to its virus of violence.

At the University of Notre Dame, students struck for the right to stay out all night, altho South Bend takes up most of its sidewalks by midnight. In Washington, students of American university staged a protest just to answer newspaper suggestions that they were apathetic because they hadn't demonstrated. And in Madison, University of Wisconsin students rioted over the direction of a bus route.

The attack against the university arises from the New Left's basic distrust of established society. The New Left opposes the university as part of the hated "power structure" which reflects the values of a "decadent society."

"In the administrative republic of America," according to New Leftist writings, "the primary structure encountered by living beings is the bureaucracy. It takes various forms: educational [universities, colleges, and high schools], economic [corporations], military, governmental, and ideological [religious and academic institutions]."

S. D. S. Vice President Carl Davidson, in a recent issue of New Left Notes, argued that universities must be reformed. "Our educational institutions are corporations and knowledge factories," he said. "They produce conformist, pliable students for our 'dehumanized, oppressive' system." He urged students to become more militant, saying that what is obviously needed is "to build a movement on the campuses with the primary purpose of radically transforming the university community." He specifically suggests the building of a student syndicalist movement, which organization would have as a basic purpose "student power," a favorite New Left slogan.

"What we do want," he says, "is a union of students where the students themselves decide what kind of rules they want or don't want. Or whether they need rules at all." A primary aim of student control would be the abolition of the grade system, according to Davidson. This, he says, would be a weapon to disrupt the normal operations of both the university and the draft systems. Without grades, he says, "the selective service would have a hell of a time ranking us."

Other forms of "student power" advocated by Davidson include:

1. Constant harassment and disruption of meetings of the existing student government, such as "showing up *en masse* at a meeting and singing the jingle of the now defunct 'Mickey Mouse club.' "

2. Request or demand of the professor at the beginning of a semester "that you and your fellow classmates participate in shaping the structure, format, and content of that particular course."

3. Sign up for, attend, denounce and walk out of, and picket excessively large classes.

4. Organize students and "liberated profs" to work out "model counter-curricula."

5. Hold mock trials of university officials for their "crimes against humanity."

Davidson's ideas are being circulated widely on campuses these days. A recent report in the New York Times, which said Columbia University was considering whether to withhold grades from draft boards, listed Wayne State University in Detroit, Reed College in Portland, and Haverford college in Haverford, Pa., as having abandoned class standings.

Many educators feel that if the S. D. S. "student power" and "control" should ever come, institutions of higher learning would become centers of chaos and turmoil. Pres. Wilson Elkins of the University of Maryland says that if the "radical fringe" on his campus and other campuses gains the control it is seeking, the result will be "complete anarchy without any financial support."

Elkins emphasizes that dissent is vital to a university, but he stresses that the issue "is one of participation, not student control," and that there is a basic need for the university to act *in loco parentis* for discipline, guidance, and manners.

Other college presidents have spoken out against the New Left. Clifford Lord, president of Hofstra university, says: "A new and disturbing element has been injected thru the adoption by student groups of the techniques of nonviolent civil disobedience—a revolutionary tactic which is justifiable only where revolution is justified, i.e., where the democratic processes have broken down and offer no chance for dialog or reform."

James M. Nabrit Jr., president of Howard university, pledged support of free speech and academic freedom on his campus last April, but said the university will not become a "place of lawlessness and disorder."

John A. Logan, president of Hollins college, says: "No recent event in our national

life is so ominous as the fact that thousands of intelligent and dedicated students have demonstrated a contempt for legality and for the foundations of democratic order upon which our society rests."

Grayson Kirk, president of Columbia university, urged "self-imposed" restraint upon all members of the university community, saying, "The right to interfere with the rights of others is no part of academic freedom." He called upon professors to think twice before making a "ringing public declaration . . . on a controversial subject, particularly if it is far removed from his own areas of scholarly competence or expertise."

The "free" or "counter-university" is a manifestation of the New Left. Many such institutions have been set up on and off college campuses across the country to challenge existing educational processes. The "free university" is not a university in the accepted sense of the word, nor does it have an administration, a competent or organized faculty, or regular classes.

These so-called "free universities" represent a potpourri of hastily organized "classes," "bull sessions," or harangues on selected topics. Sometimes universities authorize use of a regular classroom, and sometimes the "classes" are held off-campus. The "free university" is an assembly of students and nonstudents, who want to study topics not given on the campus or to discuss topics in a way their teachers do not. The instructors range from New Leftist professors to Communist party leaders.

To the New Leftist, "free" connotes the opposite of "conforming." But this definition of "free" is similar to that employed behind the iron curtain, where newspapers are "free" to print what the totalitarians prescribe, just as schools there are "free" to teach the party line.

In a New York "free university," New Left Prof. Staughton Lynd of Yale was listed as teaching "American Radical Tradition to 1900." Another subject was "Socialist Thought and Action." There are often courses on civil rights, "participatory" democracy [a favorite New Left term], and Marxism-Leninism.

Communists are known to infiltrate these radical student classes, where they work among an odd assortment of radicals, Socialists, anarchists, nihilists, and dupes. The New Left Notes issue of Feb. 27 announced a seminar on the topic of "Marxism and Contemporary Problems" at Harvard university last March. The S. D. S. sponsored the seminar in association with the American Institute for Marxist Studies, which has been identified as a communist front headed by a Communist party leader, Herbert Aptheker.

The "free universities" are mainly schools for anti-Americanism and revolution, in the opinion of qualified observers. In some there may be serious discussion and some scholarship, but many professors believe their chief aim is ideological—the study of radicalism, the venting of hate against traditional forms of society, and the plotting of protests.

The Feb. 3 issue of New Left Notes carries an article by Charles Bauman, a student of Southern Illinois University free school, who said that as a student of the state school he "tried to figure out how to live in a culture he disliked." He said the free school gave him his answers.

New Left leaders do not want very many of their followers to go into "free universities" because that would drain people from the S.D.S. projects which seek to disrupt and harass university officials. S.D.S.'s Davidson says the "unfree" universities may "have it easier since we aren't around making trouble."

A sample of the trouble the New Left can make was demonstrated at Iowa State university, where Don Smith, a bearded student, was elected president of the student body. Smith's program included abolition of all university regulation of student life outside the classroom, the elimination of class rank, and the end of cooperation with selective service officials unless a student so requested. Meanwhile, Smith addressed the American Lutheran pastors and their wives on "Why I Left the Church." Subsequently, he admitted he smoked marijuana in "pot parties" on the campus: Impeachment petitions were circulated, and he resigned as student president.

One of the main reasons for the power and effectiveness of the New Left, despite its small numbers, is the widespread support the movement has received from clerical leaders as well as from teachers in the academic community.

The religious support, in particular, has enabled the movement to achieve a respectability and acceptance it probably would not otherwise have. The presence of clergymen of various faiths at demonstrations and rallies lends a moral appeal to the movement, which the movement itself doesn't have and which many of its members do not personally profess. The fact that professors often participate and give guidance provides an academic and intellectual aura.

One important clerical activist is the Rev. William Sloane Coffin Jr., Yale university chaplain. He has been very active as a speaker, counselor, and adviser. An article in the New Haven Register on Washington's birthday reported that Coffin had proposed that clergymen encourage American students to burn their draft cards.

"Massive civil disobedience in this instance is really a form of moral justice," he said. "On the other hand, we simply have to recognize that as men vote their fears and prejudices as much as anything else, there is no guarantee that majority rule represents the rule of conscience."

Rabbi Abraham Feinberg was a key speaker at the anti-Viet Nam war rally in San Francisco last April 15. The Rev. Martin Luther King spoke at a companion rally in New York the same day. The late Rev. A. J. Muste frequently identified himself with the New Left.

On Feb. 3 the New Left Notes carried a story that a group of Detroit clergymen, lawyers, and others had established a draft-counseling center for young men seeking to avoid military service. The headquarters of the center was given as St. Joseph's Episcopal church.

"Those of us creating this center are opposed to American intervention in Viet Nam and feel we have a responsibility to the many young men who are being forced to fight in the war they may not understand or agree with," said the Rev. David M. Gracie, center chairman. "This responsibility includes discussing with them the alternatives to military participation in this immoral war."

Use of such phrases as "immoral war" by the clergy lends a moral or spiritual tone to New Left disobedience. These clergymen apparently see in the New Left a "sense of mission," or "a moral thrust" to a better society.

Other clergymen consider it unfortunate that they do not look deep enough to see that this radical fringe actually is working against law and order, deeply distrusts democratic processes, and possesses not a constructive "idealism" but a cynical attitude toward the nature of man.

Tho there are many varieties of opinion among New Left adherents, there doesn't appear to be much sincere belief in religion and God. Some New Leftists were reported to have joined in a mingling of the sacred and profane under the vaulted dimness of Washington cathedral last May 21. Some young women danced in mini-skirts to rock 'n' roll bands on the altar. Some of the more impious smoked cigarets and sneered at a service. Some observers thought they detected blasphemy and desecration, but Suffragan Bishop Paul Moore pronounced it "a terrific success."

Members of the New Left don't openly attack religion and the church, as a rule, but they give them no support. Religion seems to play a minor role in the lives of most New Leftists. Some openly admit they are atheists.

"It just bothers me to go home because I have to lie so much," said one New Left student. "I'm just sitting there and wishing I could tell them I'm an atheist, but I can't yet."

Staughton Lynd, professor at Yale university, has a tremendous influence on members of the New Left. An article in the New York Times of Dec. 28, 1965, identified Lynd as one of the New Left's elder statesmen, altho he was then only in his mid-thirties. Students were quoted as saying he could be "the one man to lead the whole left, one of those great men of history and the best political spokesman on the left."

Lynd is best known for his bizarre and publicized visit to Hanoi in late 1965 and early 1966, without state department permission. He traveled with Thomas Hayden, an S. D. S. leader, and Dr. Herbert Aptheker, Communist party functionary. On his return he addressed many New Left rallies. Lynd's influence on the New Left is immeasurable. His wife, Alice Lynd, has reported she is writing a book on draft resistance.

Greg Calvert, former history teacher at Iowa State university, was another such influence in a more limited area. Calvert left the campus to become national S. D. S. secretary.

Despite the clergy and professors among S. D. S. ranks, many other professors and students find the New Left movement hollow and superficial. They find the speakers and the writings echoing the same old cliches. They consider the protest movement entirely negative in that it offers nothing positive and is concerned only with tearing down established procedures and processes.

These professors and students, who are in the majority, do not see the members of the New Left as facing up to the facts of 20th century life. They do not see the movement as offering the intellectual integrity, hard work, and common sense needed to grapple with such problems as poverty, peace, and the nuclear age. They see the New Left's approach as emotional and simplistic.

The New Left seems to distrust all persons over the age of 30. Altho the alleged gap between the ages is as old as recorded history, the generation gap takes on a special significance among members of the New Left. It is not so much based on differences of age or environment as on distrust, rejection, and possibly hatred. The New Left has absolutely no use for the older generation and not the slightest hesitation in saying so. Julian Bond, Negro leftist legislator in Georgia, sums it up: "I'm 28 and already I feel old."

The New Leftists accuse their elders of having "sold out." They contend that any policy is invalid unless the younger generation has a hand in its formulation. They preach the right to break laws or rules they don't like.

By their self-righteous posture and contempt for those who disagree with them, the New Leftists have made themselves the most isolated group in American life. They have alienated themselves from the mainstream of university life and national life. This isolationism tends to make them more radical and more arrogant and more impractical, and it is the reason they are shifting from a policy of protest to a policy of resistance.

The greatest danger of the New Left is that it contains the seditious seeds of a new whirlwind of destruction and revolution. The impact of the relatively small membership

of the New Left is evident from the increased coverage it gets in the news media.

Student unrest and dissatisfaction, however, are not new. To some members of the older generation, student behavior is shameful, but to others of the same generation, student excesses are merely part of growing up. Mellowing college adults cannot fail to remember, usually with nostalgia and humor, some college prank, demonstration, or incident in which they participated at school that might have brought them dismissal, if they had been detected. Some were detected, and the memory is the more enjoyable.

College students have long done strange things, such as moving statues, ringing bells, dreaming up curious initiation rites, blocking traffic, defying prohibition, painting signs, putting cows in dormitories, holding panty raids, and swallowing goldfish. Today's college youths, for the most part, don't behave very differently from their fathers and grandfathers.

Student dissent does not worry many perceptive citizens today because dissent is an integral part of the American way of life—it is indeed, the very heartbeat of academic life. What concerns these people is something far more fundamental and dangerous: the alienation of the New Left from our democratic processes and ideals. It is the open hostility of the minority of students to law and order, to civilized behavior, and the concept of liberty under the law. It is the growing anarchism, the swelling nihilism, and the mounting negativism of a movement which flouts and derogates the institutions which give it the freedom it enjoys.

Buell G. Gallagher, president of City College of New York, writing in the Saturday Evening Post for May 6, says in discussing the new species of radical student:

"One alarming aspect of current rebellion is its disregard of the consequences of illegality. In essence this is anarchy."

The New Left identifies itself with the problems of American society: civil rights, poverty, disease, slums, and peace. But it refuses to cooperate sincerely with other groups interested in solving the problems. From their behavior the New Leftists do not seem legitimately interested in bringing about a better country, except by destroying the values it has. They are dedicated in their strange and unpredictable ways to cutting at the roots of American society.

The New Left rejects the seasoned experience of the past. Its members distrust all motives but their own. They see the future in terms of emotion and fanaticism instead of reason and common sense.

The tragedy of the New Left is that its members will not communicate. They are arrogant, haughty, and obnoxious. They sit on the side lines and criticize others, who are playing the game. They will not do their share. In addition to being fanatics, they attract a vast variety of irresponsibles and malcontents. They influence many good and true students, but they attract beatniks, kooks, hippies, and embryonic demagogs.

Recently they have undertaken to recruiting high school students. In Chicago and nearby Indiana the S. D. S. has begun attempting to organize high school chapters. They have circulated literature among high school students which reads:

"Now it's our turn. Now the United States government controls South Viet Nam. Now it is American big business men who profit from starvation-level Vietnamese wages [$1.40 a day maximum]. Now it is L. B. J., Rusk, McNamara, and company who yell and scream about communist aggression to the free world. While they [send] 400,000 American guys to protect the freedom of the rich landlords and American business men to get richer. . . ."

The New Leftists are anti-democratic, anti-American, and anti-common sense. Its members become prey to the superior organizational ability of the old-line subversive organizations, such as the Communist party and Socialist Workers party and their satellites. The history of the New Left is one of manipulation by men bred in the traditions of Lenin and Stalin. The doors of the New Left are open for infiltration.

"Today's college rebels are a new breed," says President Gallagher. "They know it and it's time we knew it also: New dimensions of understanding are required."

This is the task and duty of all good Americans—to know more about the New Left and to follow its anarchist, nihilist, and cynical strains. It cannot be arbitrarily equated with the Old Left, for all the communist infiltration. It is too simple to identify all members of the New Left as Moscow or Peking Communists. They are a new type of subversive and their danger, if allowed to run unchecked is great.

AUTOMATION PRESERVES JOBS AS WELL AS CREATES THEM

Mr. PRICE of Texas. 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 Texas?

There was no objection.

Mr. CURTIS. Mr. Speaker, in the early sixties, some economists feared that automation would cause massive unemployment. Since then we have learned that advancing automation and declining unemployment are not mutually exclusive. Now, Alfred L. Malabre, writing in the Wall Street Journal on May 22, 1967, offers evidence suggesting that cybernation may be a preserver, not a destroyer, of jobs.

First. Automation has contributed to the recent increase in jobs. It hastens the growth of new businesses and enables old ones to stay competitive. As a result, many new employees are needed—not necessarily production workers but more likely sales and research people.

This suggests the second reason automation preserves jobs during an economic slowdown. Automation has increased the proportion of white-collar jobs. These react in a less volatile manner to fluctuations in economic activity.

Third. Automation makes it easier to trim production without laying off large numbers of workers. It increases the range of production a firm can handle with a fixed number of employees. As Mr. Malabre says, "The same knobs that were so easily turned up can be turned down."

These three changes tend to preclude any sudden, sharp rise in joblessness. But this does not eliminate the need to maintain steady economic growth. A steep decline in the level of business activity could still trigger a major worsening of the unemployment situation.

Nonetheless, Mr. Malabre's article does indicate that private industry strengthens the economy by automating its plants. Cybernation creates and preserves jobs. It stabilizes employment, especially when soft spots are showing up in the economy.

Under unanimous consent, I insert this article in the RECORD at this point:

APPRAISAL OF CURRENT TRENDS IN BUSINESS AND FINANCE

Will automation turn out to be a preserver of jobs if the economy runs into trouble in coming months? There is evidence to suggest so.

At the start of the decade, some economic Cassandras were warning that automation would soon cause massive unemployment, as machines replaced men at an accelerating rate. For a while it seemed that maybe the warnings were well founded. The nation's unemployment rate continued to rise for nearly half a year after the current economic expansion began, and the rate remained above 5% for more than three years.

The sluggish labor situation, in the face of continuing business expansion, was widely attributed to automation. Employers, with their highly automated plants, were able simply to turn the proper knobs and increase production accordingly. Additional output, it seemed, no longer necessitated additional employes.

The assumption, of course, proved incorrect. Knob-turning is sufficient up to a point. Then new employes are needed—not necessarily production workers but more likely such personnel as sales and research people. The point seems to have been reached during 1965, when the nation's unemployment rate finally began to drop sharply. By the end of the year, less than 4% of the U.S. labor force was jobless and the rate has remained below that level ever since.

In the last year or so, in fact, labor shortages have been much more a matter of concern than automation or massive unemployment. Indeed, it can be argued that automation actually has contributed to the recent increase in jobs, by hastening the growth of new businesses and enabling old ones to stay competitive.

Moreover, there now are signs that automation may be helping to keep unemployment from rising substantially as business shows some softness. Just as it was possible in the early Sixties to boost production without hiring a lot of production workers, it now appears possible to trim production without having to lay off or fire a lot of workers. The same knobs that were so easily turned up can be turned down. In addition, the spread of automation in this decade clearly has brought changes in the makeup of the work force that tend to preclude any sudden, sharp rise in joblessness.

Indications that business is softening show up, among other places, in the nation's industrial production index. U.S. output in April declined to 155.9% of the 1957–59 average, after adjustment for seasonal variations. This is the lowest output level since May 1966. As recently as last December, the output index stood at 159. The latest figure also is down from the 1966 full-year average of 156.3.

At the same time, however, unemployment in mid-April amounted to only 3.7% of the labor force, seasonally adjusted. This is precisely the level that prevailed last December and a shade less than the average jobless rate of 3.8% for all of 1966.

This is very different from the situation that existed at the start of the decade. Between June and October of 1960, in the early stages of the 1960–61 recession, the industrial production index fell about three percentage points, slightly less than the recent December-April decline. However, in marked contrast to the recent situation, unemployment in the 1960 period shot up from 5.4% of the labor force to 6.1%.

It is occasionally claimed that today's employers, unlike their 1960 counterparts, are more likely to put workers on short time than lay them off, and that this, rather than any new stability from automation, explains the continuing low unemployment level. The trouble with this idea, however, is that the average workweek declined almost exactly the same small amount in the 1960 period as in the recent five months.

The average workweek in manufacturing industries amounted to 40.5 hours in April, according to the latest Government estimate. The April figure is down from an average

workweek in December of 40.9 hours. A glance at the 1960 situation shows the trend then was remarkably similar. In October 1960, the average workweek in manufacturing stood at 39.6 hours, down from an average of 39.9 hours in June of the same year.

A steep decline in business activity, of course, could trigger a major worsening of the country's unemployment situation. Such a decline could eventually lead to layoffs involving the very sorts of white-collar personnel who became necessary when the expansion finally boomed beyond the knob-turning stage.

In this connection, it is noteworthy that such occupations tend to react in a less volatile manner to changes in the level of economic activity. And a detailed look at the makeup of the nation's work force clearly shows that such relatively insensitive jobs bulk considerably larger in the economy today than at the start of the decade. Then, more of the working population was tied down on production-line work that now can be performed automatically.

* * *

A few statistics help to underscore what has been happening. Since April 1960, near the end of the 1958–60 business expansion, total civilian employment in the U.S. has climbed about 20%, but the nation's production-line work force has risen only 9%. However, manufacturers' non-production-line employment has swelled nearly 25% in the seven years. In addition, employment in service-type businesses, such as ad agencies and computer programming concerns, has soared 35%, on the average, and even larger gains have been registered by such other service-type categories as teaching.

Obviously, it is impossible to pinpoint precisely the degree to which increasing automation is responsible for such changes in the work force. There seems little doubt, however, that automation has played no small role in the changes. And there also seems little doubt that the changes tend to stabilize employment at a time, such as the present, when soft spots are showing up in the economy.

—ALFRED L. MALABRE, Jr.

AN "ECONOMIC IMPACT" BUDGET

Mr. PRICE of Texas. 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 Texas?

There was no objection.

Mr. CURTIS. Mr. Speaker, I have long been concerned with the inadequacies of conventional budget statements in measuring the impact of Federal expenditures and revenues on the economy. Measuring this impact is, of course, essential in formulating expenditure and tax policies.

Michael Hugo, in an article in the July 1967 edition of the Michigan Business Review, is concerned with one major limitation of the cash transactions and national income accounts budgets. He proposes a supplemental "economic impact" budget to complete the picture of Government expenditures.

Conventional budgets suffer from a major structural limitation. They record only the payment or delivery stage of the expenditure process; they do not record the placement of orders. Yet an important amount of economic activity is generated when obligations are incurred. Thus, if an order is placed during one fiscal year, and delivery or payment is made during another, the initial impact on economic activity is hidden. As a result, the influence of Federal expenditures may be significantly greater than conventional figures indicate. In such a situation, the Federal Government may unknowingly feed inflationary pressure into the economy.

To avoid this limitation, Mr. Hugo suggests the use of an "economic impact" budget, based on obligations incurred and accrued receipts. This series would measure the orders placed by the Government and the taxes owed to the Government.

His proposal has several merits. First, the statistics are readily available. The concept is fully defined—the last five budgets have contained summary tables of obligations incurred. Second, for the executive branch, obligations represent the major points of financial control and political responsibility.

Mr. Hugo recognizes, however, that an "economic impact" budget is useful only as a supplement to conventional budget statements. Used alone, it would entail several very clear hazards. It would both overstate the initial impact of Government outlays and present an exaggerated picture of their initial impact on liquidity.

Nonetheless, when there is a significant lag between obligation and delivery or payment, the "economic impact" budget draws a more accurate picture of the impact of the Federal financial program on the economy than any other budget.

Mr. Hugo has constructed a provocative supplement to the conventional budgets. In a period when Federal fiscal policy is being used more and more frequently, more accurate measures of its impact must be found. We need more articles like Mr. Hugo's.

I include this article in the RECORD at this point:

AN "ECONOMIC IMPACT BUDGET"

(By Michael Hugo)

The financial operations of the federal government have a substantial impact on the American economy, and this impact creates an urgent need, by public and private decisionmakers, for complete and meaningful information concerning the nature and extent of those operations. Unfortunately, most analysis of fiscal policy rests on a body of statistical data which is, in a vital respect, incomplete.

Nearly all evaluations of the impact on the economy of federal expenditures and revenues have as their empirical core the two conventional budget statements: (1) the consolidated cash statement and/or (2) the federal sector of the national income and product accounts. This holds true even though it is generally recognized that these series suffer from a major structural limitation; namely, they record only the *payment* (consolidated cash statement) or *delivery* (federal sector accounts) stage of the expenditure process.

An important amount of economic activity is generated when contracts and orders *are initially placed* (obligations incurred), and the conventional series do not indicate this initial impact on economic activity if enough time elapses between obligation and delivery or payment so that these stages are registered in different recording periods.[1] A complete picture of government expenditure would include data on orders placed, and thus be *three*-dimensional, measuring (1) orders, (2) payments, and (3) deliveries.

The nature of the process of government expenditure thus argues that the conventional series present a seriously inadequate picture of federal impact,[2] and, *a priori*, numerous rough calculations support this argument. For example, of the obligations incurred by object class for fiscal 1965, five object classes—accounting for 41 percent of the obligations—appear likely to have involved a significant time lag between obligation and payment or delivery; that is, a time lag which could place obligations for an object class in one fiscal year, and deliveries or payments in a subsequent fiscal year.[3] Some specific consequences of this asychronization are the differences between obligations and payments which can be observed in Table I. These data indicate the relative magnitudes involved in adding an obligations dimension to the conventional payments series. The analytical significance of this dimension, of course, depends on a qualitative evaluation of the data, and professional literature is replete with vigorous—though general—assertions that the employment of obligations data would greatly enhance the validity of fiscal analysis.[4]

[1] This problem has been dealt with extensively by Murray Weidenbaum. See "The Economic Impact of the Government Spending Process," *The Business Review of the University of Houston*, Vol. 8, Spring, 1961, pp. 3–47.

[2] *Ibid.*, pp. 4–16.

[3] See technical note No. 1, appended hereto.

[4] Joseph Scherer, "On Measuring Fiscal Policy," *The Journal of Finance*, Vol. 20, No. 4 (December, 1965), pp. 685–86; Michael E. Levy, *Fiscal Policy, Cycles and Growth* (New York: The Conference Board, 1963), pp. 119–20; Weidenbaum, *op. cit.*, pp. 4–6, and "The Timing of the Impact of Government Spending," *National Tax Journal*, Vol. 12, No. 1 (March, 1959), pp. 79–85.

TABLE I.—*Comparison of net obligations to the public*[1] *(obligations) and cash payments to the public (payments), fiscal years 1962–68*

Fiscal years	A. In billions of dollars								
	National defense[2]			Nondefense			Total		
	Obligations	Payments	Excess of obligations or payments (−)	Obligations	Payments	Excess of obligations or payments (−)	Obligations	Payments	Excess of obligations or payments (−)
1962	$52.3	$51.5	$0.9	$60.2	$56.2	$4.0	$112.5	$107.7	$4.9
1963	51.6	53.4	−1.8	64.8	60.3	4.5	116.5	113.8	2.7
1964	52.8	54.5	−1.2	69.1	65.8	3.3	121.9	120.3	1.6
1965	52.9	50.8	2.1	75.0	71.6	3.4	127.9	122.4	5.5
1966	65.9	58.5	7.4	82.3	79.4	3.0	148.2	137.8	10.4
1967	78.3	71.3	6.9	91.8	89.5	2.2	170.0	160.9	9.1
1968	79.3	76.8	2.5	101.4	95.6	5.9	180.7	172.4	8.3

See footnotes at end of table.

TABLE I.—*Comparison of net obligations to the public*[1] (*obligations*) *and cash payments to the public* (*payments*), *fiscal years 1962–68*—Continued

Fiscal years	B. In terms of percentage growth from the preceding fiscal year					
	National defense[2]		Nondefense		Total	
	Obligations	Payments	Obligations	Payments	Obligations	Payments
1963	−1.3	3.7	7.6	7.3	3.6	5.7
1964	2.3	2.1	6.6	9.1	4.6	5.7
1965	.01	−6.8	8.5	8.8	4.9	1.7
1966	24.6	15.2	9.7	10.9	15.9	12.6
1967	18.8	21.9	11.5	12.7	14.7	16.8
1968	1.3	7.7	10.5	6.8	6.3	7.1

[1] Net obligations of administrative budget and trust funds, minus interfund and intragovernmental transactions and contributions to Government employee retirement funds.

[2] "National defense" covers the same accounts as does the functional classification "National defense" in the consolidated cash statement.

MERITS OF THE OBLIGATIONS SERIES

Obligations series receive high marks on two other counts. First, obligations have blue ribbon credentials as a series of financial statistics. As a financial statistic, the concept is fully defined by statute and administrative regulation,[5] and the data are precisely and verifiably anchored in the operating statistics of government agencies.[6] Secondly, for the executive granch, obligations represent the major points of financial contral and political responsibility.[7] In these regards obligations have the same significance for the executive that appropriations have for the Congress.

The analytical application of obligations data remained unlikely so long as the information was presented only in the detail of the budget appendix, and this impediment prevailed until 1958. Administrative budget obligations were totaled for the first time in the budget for fiscal 1959, and a summary of administrative budget obligations by agency first appeared in the budget for fiscal 1963. The last five budgets have contained summary tables on obligations incurred for administrative budget and trust funds, and the summary tables in the last three budgets have been supplemented by a detailed analysis, issued separately by the Bureau of the Budget, which itemizes obligations by object for the government as a whole, and for each major agency, for administrative budget and trust funds.

However tardy these developments have been, they now provide a significantly enhanced capability to analyze the economic impact of federal transactions. Regrettably, this capability has yet to be exploited; both the summary obligations data available with the last five budgets and the detailed series which accompanied the last three budgets have been largely ignored in both professional and lay analyses of the economic impact of these budgets.[8]

CONSTRUCTING THE ECONOMIC IMPACT BUDGET

This paper is intended to suggest, as one possibility for employment of obligations data, that a given budget's economic impact could be measured more fully and accurately if the conventional series were supplemented by an "economic impact budget" based on *obligations incurred* and *accrued receipts*. The "economic impact budget" (hereafter referred to as EIB) can be easily constructed from available budget data. It is best understood as the consolidated cash statement with (1) obligations incurred substituted for the conventional checks-paid recording of expenditures, and (2) receipts adjusted to show the accrual of business taxes. And the difference between:

Net obligations to the public and *cash consolidated receipts, adjusted to accrual basis* equals *economic impact budget*, surplus or deficit.

On the expenditure side, the aggregate for any year is derived simply by adding net obligations incurred for administrative budget and trust funds,[9] and then deducting intragovernmental and interfund transactions which do not involve the public. These transactions represent payments between the administrative budget and trust funds, payments within these funds, and contributions to government employees retirement funds. On the receipts side, the EIB places consolidated cash statement receipts on an accrual basis by using the same adjustment factor which is applied in the budget in converting consolidated cash receipts to federal sector receipts. Only business taxes, of course, need such adjustment.

EIB AS A LEADING INDICATOR

The value of obligations incurred as a rough "leading indicator" is readily apparent. However, use of the EIB to attempt precise measurement of the aggregate and net impact of government transactions on the economy entails several very clear hazards. For transactions where delivery and payment will significantly lag behind obligation, the EIB will somewhat overstate the initial impact of government outlays on manpower and machinery. The EIB records the entire amount of a government order or contract (obligation incurred) in a single fiscal period, even though government outlays for other than current services and transfer payments will utilize productive resources during subsequent fiscal periods.

Further, the ability of the EIB to measure government's impact on liquidity depends on where and when the costs of production are financed. If most of the cost of filling a government order is financed internally or by borrowing within the private sector, then the EIB's obligation incurred would serve as an accurate and simultaneous record of this mobilization of financial resources. In contrast, the conventional budget series would not register this activity. On the other hand, if private sector financing is undertaken gradually over the period of production, then the obligation incurred would represent an exaggerated picture of the initial impact on liquidity. Finally, if the government makes advance or progress payments, these would be registered in the consolidated cash series.

EMPLOYMENT OF THE EIB

The January 1966 budget submission was the subject of unusually intense interest concerning the effect which Vietnam funding could have on the overall composition of the budget, the effects which that budget might in turn have on the economy, and the related fiscal policy measures, if any, which the administration would undertake. Nearly all public analyses of the budget submission and of the policy statements set forth in the Economic Report[10] were based on one or more of the conventional budget series. Yet it is hard to imagine a situation were obligations data were so imperative for valid analysis of fiscal policy.

Table II represents an application of the Economic Impact Budget as of January, 1966. From the data in this table, it is evident that the major implication for fiscal policy of the budget for fiscal 1967 related not to the proposals for the budget year (fiscal year 1967) but to the midyear estimates for fiscal 1966 which had been substantially revised since the fiscal 1966 budget was originally submitted. Specifically, the estimate for obligations incurred during fiscal 1966 (EIB basis) was revised from $135.7 billion to $153.7 billion. The 1965 to 1966 increase was originally estimated at $3.8 billion; the midyear estimate was $25.8 billion. The conventional series did not register these revisions, which virtually constituted a new budget for fiscal 1966. In short, in this set of circumstances, the conventional series entirely missed the main point—for fiscal analysis—of the budget submitted in January, 1966.

During the last half of fiscal 1966, the belief was widespread among private analysts that the influence of federal expenditures on the economy was significantly greater than conventional budget figures indicated. This influence stemmed from a substantial acceleration of federal orders during the last half of fiscal 1966. Final figures for obligations incurred (EIB basis) show the full extent of the 1965–66 acceleration, which fall short of the levels indicated in January, 1966. (Table II).

The midyear (January, 1967) obligations figures (EIB basis) for fiscal 1967 show trends which are strikingly similar to those apparent in the mid-year estimates for fiscal 1966. The original estimate for obligations incurred in fiscal 1967 was $156 billion; the midyear estimate is $170 billion. The 1966–67 increase was originally $2.2 billion; the midyear estimate is $21.8 billion. Fiscal 1968 shows an excess of obligations over payments of $8.3 billion; in weighing economic impact, this figure must be considered together with the possibility of a third straight major midyear revision in January, 1968.

The value of the EIB as a supplement to the conventional budget series is clearly highest when substantial government outlays are being made for items with a "significant lag" between obligation and delivery or payment. Recent budgets have pegged such outlay at a high level, and subsequent budgets will very likely be similarly composed. In such a situation it will not be possible to draw an adequate picture of the impact of the federal financial program on the economy unless obligations data is employed as an additional dimension to the consolidated cash statement and federal sector accounts.

[5] Public Law 663, 83rd Cong., amended by P.L. 79, 86th Cong., 31 USCA 200, "Instructions Relating to Apportionments and Reports on Budget Status," Bureau of the Budget Circular No. A–34, July, 1960.

[6] In contrast to figures which make up the Federal Sector of the National Income and Product Accounts (FSNI&PA). FSNI&PA totals are derived by numerous adjustments for timing and coverage, many of which must, by nature, be tenuous. FSNI&PA figures are not published at all for individual programs.

[7] The President may establish reserves "to provide for contingencies or to effect savings. . . ." (P.L. 759, 81st Cong.; 31 USCA 665). The effect of this authority is to provide the President with wide discretion as to when—or whether—funds authorized by Congress shall actually be obligated.

[8] An exception was Murray Weidenbaum's "The Inflationary Impact of the Federal Budget," Washington University Working Paper 6529, February 10, 1966.

[9] See technical note No. 2 appended hereto.

[10] *Economic Report of the President*, transmitted to the Congress, January, 1966, together with *The Annual Report of the Council of Economic Advisers*, (Washington: U.S. Government Printing Office, 1966).

TABLE II.—*Original and revised budget proposals for fiscal 1966*

[Billions of dollars]

	Original, as of January 1965			Revised, as of January 1966		
	1965 estimate	1966 estimate	Change	1965 actual	1966 estimate	Change
EIB basis:						
Defense [1]	$53.8	$52.7	−$1.1	$52.9	$67.5	+$14.5
Nondefense [1]	78.1	83.0	+4.9	75.0	86.3	+11.3
Total	131.9	135.7	+3.8	127.9	153.7	+25.8
Receipts	116.5	121.7	+5.2	119.9	129.3	+9.3
Surplus or deficit	−15.4	−14.0	1.4	−8.1	−24.6	16.5
CCS basis:						
Defense [1]	50.1	50.0	−.1	48.2	55.0	+6.9
Nondefense [1]	71.2	77.4	+6.1	74.2	80.0	+5.8
Total	121.4	127.4	+6.0	122.4	135.0	+12.7
Receipts	117.4	123.5	+6.1	119.7	128.2	+8.5
Surplus or deficit	−4.0	−3.9	1.0	−2.7	−6.9	4.2

[1] For the EIB, "defense" covers the same accounts as does the functional classification "national defense" in the consolidated cash statement.

TABLE III

[Billions of dollars]

	1965 actual	1966 actual	Change
Obligations incurred (EIB):			
Defense	$52.9	$65.7	+$12.9
Nondefense	75.0	82.3	+7.3
Total	127.9	148.2	+20.3
Receipts	119.9	133.3	+13.4
Surplus or deficit	−8.1	−14.9	6.8

TABLE IV.—*Detail and derivation, economic impact budget*

[In millions]

	1962	1963	1964	1965	1966	1967 estimate	1968 estimate
Net obligations of administrative budget and trust funds	$117,472	$121,754	$127,303	$133,724	$154,045	$177,666	$188,587
Deduct interfund and intragovernmental transactions	−4,102	−4,381	−4,399	−4,765	−4,764	−6,524	−6,732
Deduct deductions from employees' salaries for retirement	−848	−917	−976	−1,046	−1,092	−1,135	−1,135
Net obligations to the public	112,522	116,456	121,928	127,913	148,189	170,007	180,720
Receipts, consolidated cash statement	101,887	109,739	115,530	119,699	134,480	154,662	168,106
Adjust business taxes to accrual basis	+2,500	+600	−700	+200	−1,200	−3,900	+400
Adjusted receipts, consolidated cash statement	104,387	110,339	114,830	119,899	133,280	150,762	168,506
Surplus or deficit, economic impact budget	−8,135	−6,117	−7,098	−8,070	−14,904	−19,245	−12,214

TECHNICAL NOTE NO. 1

The author constructed these speculative estimates from object class descriptions set forth in Budget Bureau circular A-12, "Uniform Classification According to Objects," April, 1961. Obligations incurred for fiscal 1965 were classified as follows:

Significant lags (41%)

(7.9%) Equipment
(2.6%) Lands and structures
(11.4%) Grants, subsidies, contributions
(12.7%) Supplies and materials
(6.6%) Research and development *

Insignificant lags (58%)

(19.0%) Personal services and benefits
(2.5%) Travel and transportation of persons and things
(1.1%) Rent, communications, utilities
(.2%) Printing and reproduction
(6.2%) Other services, except for R & D
(6.8%) Investments and loans
(15.3%) Insurance claims and indemnities
(7.1%) Interest and dividends
(.2%) Refunds

Unfortunately, the "object classes" used by the Bureau of the Budget are, from the point of view of economic analysis, deplorably heterogeneous. For example, object class 26 totals, without distinction, obligations for office supplies, chemicals and fuels, ammunition and explosives, and materials and parts for construction and repair of equipment and structures. Object class 31 lumps together obligations for furnishings, books, machinery, transportation equipment, and armament. Object class 32 does not distinguish between obligations for land, interest in land, acquisition of structures, construction of structures, and fixed equipment. Object class 41 combines grants and subsidies to State and local governments, individuals, and extranational recipients.

If it were possible to establish probable time lags for certain object classes or subclasses, it would still be necessary to relate time and behavior. A six month lag between obligation and payment or delivery for a particular object class is significant only in relation to the length of the fiscal period, and to points in time within single or successive periods. A six month lag would be highly significant on a quarterly basis, but its significance within twelve months would depend on the point of obligation within that twelve months.

TECHNICAL NOTE NO. 2

In order to maintain symmetry with the consolidated cash statement, the EIB shows obligations to the public *net of receipts*. However, *gross* obligations to the public provide a more realistic measure of the government's aggregate impact on the economy. While the surplus or deficit remains the same, the difference between net and gross obligations to the public is substantial.

[In billions]

	1966 actual	1967 estimate	1968 estimate
Gross obligations	$204.9	$235.0	$246.9
Deduct interfund and intragovernmental payments	4.8	6.5	6.7
Deduct reimbursements between accounts	28.1	32.5	30.0
Gross obligations to the public	172.0	196.0	210.3
Deduct recoveries of prior year obligations	1.5	1.2	1.1
Deduct receipts from the public	19.8	22.2	25.9
Net obligations to the public [1]	150.7	172.6	183.3

[1] In order to make this total correspond precisely to net obligations to the public, EIB basis, it would be necessary to deduct payments to employees retirement funds, as is done in table IV.

The receipts from the public which are applied directly to finance program operations serve to substantially reduce the apparent magnitude of government financial operations. The $25.9 billion of such fiscal 1968 receipts were collected by five types of accounts:

[In millions]

Public enterprise (revolving) fund accounts	$21,330
Trust enterprise (revolving) fund accounts	1,939
Intragovernmental revolving and management fund accounts	1,851
General fund accounts	559
Trust fund accounts	193

Some of the major programs involved are:

[In millions of dollars]

Program	Fiscal 1968	
	Gross obligations	Net obligations
Department of Agriculture:		
Commodity Credit Corporation:		
Price support and related programs	8,221	2,615
Farmers Home Administration:		
Agricultural credit insurance fund	752	−12
Rural housing insurance fund	469	−15
Direct loan account	529	−487
Rural housing direct loan account	60	−1,621
Post Office Department: Postal fund	6,804	651
Department of Housing and Urban Development:		
Renewal and housing assistance:		
Urban renewal fund	447	79
College housing loans	362	−1,298
Low rent public housing fund	948	368

* The official object classes do not separately identify obligations for research and development contracts, but a close estimate can be derived from (1) data on obligations for all R & D contained n Tables 1 and 2 of "Special Analysis I" of the Fiscal 1967 Budget, and (2) comparisons of intramural and extramural R & D contained in Volume 14 of *Federal Funds for Research, Development, and Other Scientific Activities*, (National Science Foundation, July, 1956), Table C-54.

[In millions of dollars]

Program	Fiscal 1968	
	Gross obligations	Net obligations
Department of Housing—Continued		
Federal National Mortgage Association:		
Management and liquidating functions	244	−302
Special assistance functions	505	121
Participation sales fund	350	
Loans, secondary market operations	1,400	
Federal Housing Administration:		
Federal Housing Administration fund	1,000	16
Veterans' Administration: Direct loan fund	203	−94
Export-Import Bank: Export-Import Bank fund	2,852	753
Small Business Administration: Business loan and investment fund	605	5
Tennessee Valley Authority: Tennessee Valley Authority fund	506	113

PRICE-WAGE GUIDEPOSTS REVISITED

Mr. PRICE of Texas. 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 Texas?

There was no objection.

Mr. CURTIS. Mr. Speaker, the concept of wage-price guideposts fixed by the Federal Government to help ward off inflation requires better understanding by public as well as by Members of Congress and the administration.

A recent article in the American Bar Association Journal by Dr. Reuben E. Slesinger, professor of economics at the University of Pittsburgh, contributes to our understanding of the guideposts by reviewing their history and application.

The professor made three particularly noteworthy observations.

First, serious questions of public policy are raised by the use and misuse of stockpiles by the administration. Dr. Slesinger points out:

Presumably, the stockpile was accumulated for reasons of national security, and additions or subtractions should be geared to this consideration. Nevertheless, threats of stockpile disposal were used to attain far-removed objectives, even at the expense of national security. . . .

Second, the professor feels that the administration has been "less adamant" on holding labor to the wage segment of the guideposts.

Third, Dr. Slesinger observes that on the balance, if the basic framework of our free enterprise system is to be preserved, the idea of the guideposts as a substitute for the marketplace must be condemned.

The author concludes:

If inflation is a danger, then it should be attacked at its source—the demand and cost factors involved.

Under unanimous consent, I include the address referred to in the RECORD at this point:

THE PRICE-WAGE GUIDEPOST REVISITED

(By Reuben E. Slesinger)

This article intends to provide perspectives on an extremely controversial current topic, one that has brought both labor and business into conflict with the Federal Government. Although first emphasized by President Kennedy's Council of Economic Advisers (CEA) in 1962 and outlined in the *Economic Report* of that year, the voluntary guidepost tool was brought into greater prominence by President Johnson as part of his "let us reason together" (informal) approach. The extensive emphasis on wage-price guideposts has been spurred, to a great extent, by the Administration's concern over inflation, not only because of the effects of inflation on the domestic economy, but also because of its repercussions on the balance of payments problems, which continue to influence domestic policies.

It has become commonplace to credit the idea of the guideposts, as detailed in the 1962 *Economic Report*, to President Kennedy and Professor Walter Heller (the then Chairman of the Council of Economic Advisers). Although the root of the idea can be traced to an earlier period, the Kennedy-Heller approach was the first to spell out in some detail the importance of the wage-price-productivity relationship in warding off inflation. Guidelines for price-wage stability, with a recommendation for their implementation, were set forth by the Committee for Economic Development (CED) in its 1958 publication, *Defense Against Inflation*.

In his 1957 State of the Union message, President Eisenhower warned against inflation and exhorted management and labor to avoid a wage-price spiral. He urged that business should avoid "unnecessary price increases", and "wages and other benefits negotiated by labor and management *must be reasonably related to improvements in productivity*. . . . Except where necessary to correct obvious injustices, wage increases that *outrun* productivity . . . are an inflationary factor."

To implement his concern with prices and wages, President Eisenhower created two committees, one on Price Stability for Economic Growth and the other on Government Activities Affecting Prices and Costs. He also instructed the Bureau of the Budget to "accelerate programs for enlargement and improvement of public information on prices, wages and related costs, and productivity".

In his 1960 *Economic Report*, President Eisenhower made some further comments regarding the wage-price productivity relationship and emphasized the importance of influencing public opinion.

In his *Economic Report* of 1962, President Kennedy called on business and labor leaders to accept the "productivity benchmark" as a "guide" to wage and price decisions in order to hold the line on the price level. In its report the CEA used the phrase "guideposts for non-inflationary wage and price behavior".

At this juncture, the concept of the guideposts recognized several difficulties of implementation including: (1) problems involved in the actual measurement of productivity changes; (2) problems concerning the distribution of the gains of productivity between the factors of production; and (3) the irregular pattern of wages among industries. It is emphasized, too, that productivity is not the only basis for the determination of wages.

It is clear from President Kennedy's 1962 *Economic Report* that the guideposts were to be completely voluntary. There may be some apparent conflict here. On the one hand, volition and free collective bargaining without compulsion are set forth as an objective. But there was a recognition of national interests. This qualification could open the door for a degree of mandatory control and governmental intervention. It also creates the necessity for somebody, possibly the President, to determine when national interest is satisfied and if and when there is any conflict between private and national interests.

President Kennedy's confrontation with the United States Steel Corporation in April 1962, focussed new attention on the guideposts. For those who sided with the steel industry, the guideposts became anathema, whereas among the late President's supporters they took on a luster.

In the 1964 report, the designation was changed to *price-wage* guideposts, from the earlier reference to "wage and price" guideposts, thus implying that the price guideposts perhaps had become more important than the wage guideposts. A numerical figure of 3.2 per cent was cited as being the annual average trend increase of productivity in the private economy during the last five years. Earlier the CEA had resisted citing a specific figure because of the complexity of calculating a representative average.

THE RECORD OF PRICE INCREASES

Between 1962 and 1964 the attitude of the CEA toward the use of guideposts hardened noticeably. In the words of Arthur F. Burns, former CEA Chairman under President Eisenhower: "The official position, as now developed or clarified, is that the national interest can be best served by setting wages and prices in accordance with the *formula* of the general guidelines—not, to be sure, in every instance, but almost that."[1]

Governmental and public interest in the use of the guideposts began to increase during the latter half of 1964, largely as the result of the rapid pace of domestic economic development and the attention of the Administration to major wage and price decisions as the over-all economy continued to expand. In August, in the midst of rumors that steel prices would soon be raised, President Johnson stated that he was flatly opposed to any increase in steel prices. In September, both Chrysler Corporation and Ford Motor Company signed new three-year labor agreements which were reported to amount to an annual increase of about 4.7 per cent, well above the wage guidepost; in October, after a four-week strike, General Motors Corporation also settled with the United Automobile Workers. The White House remained silent on the automobile settlements, however.

In the meantime, officers of the United Steel Workers labeled the wage guidelines as "unworkable and inequitable" and announced that the union would seek a substantial pay increase next year from the basic steel industry. In early October, Inland Steel Company, which had yielded to President Kennedy's pressure in 1962 and had refused to follow the price increase initiated by United States Steel, announced that steel boosts were now needed. Soon thereafter, articles in the trade papers as well as the general press appeared with increasing frequency, announcing that steel prices were firming noticeably and reporting that major producers were virtually unanimous in their opinions that prices "ought to go up". In late October a news story reported that the Administration believed that any increase in steel prices at this time would be extremely difficult to justify in view of the industry's nine-month profit record and the import problem. In December, 1964, Inland Steel raised the base price of galvanized steel sheet and coil by $6.00 per ton, "less than 3%", and rumors of other possible product increases appeared in the press. Although the President had not openly opposed any steel price increase since his August statement, he called on the CEA early in 1965 to "study" the current movement to higher steel prices and to make a report.

The President's 1965 *Economic Report* contained nothing new regarding the guideposts. However, with the economy pushing upward and with the appearance of some inflationary tendencies, the guideposts grew in signifi-

[1] Burns, *Wages and Prices by Formula?*, HARV. BUS. REV., March-April, 1964, page 58

cance. In March, 1965, after a three-week strike, the can companies signed a wage agreement with the United Steel Workers at a higher-than-guidepost figure and immediately raised prices. Late in April, the eleven major steel companies and the U.S.W. agreed to extend their contract expiration date from May 1 to September 1. Shortly thereafter, the CEA released its long-awaited report to the President on steel prices in which it concluded that, since steel productivity had kept pace with the national trend, the industry could afford to give workers an increase in wages and benefits without raising prices. Late in May, in the strongest anti-inflation statement yet from any White House spokesman, CEA Chairman Gardner Ackley told American businessmen they must stop raising prices.

Early in June, 1965, the aluminum industry signed new three-year contracts with major unions at a figure which substantially exceeded the wage guideposts. The U.S.W. announced the value of the new contracts as being 50.1 cents per hour, an annual increase of 4.1 per cent. At the same time, aluminum producers announced partial price restorations, up to one cent per pound, on virtually all fabricated products. Newspaper articles reported that the Administration was unhappy with the industry's pricing moves. In August and September, attention again shifted to the steel industry.

Late in August, as the steel negotiations became snarled, President Johnson summoned both parties to the White House and obtained an eight-day strike deadline extension. The President then interjected himself into the negotiations, and on September 6 the steel companies and the U.S.W. agreed on a new contract. According to the union, the settlement was worth 47.3 cents per hour, equal to an annual increase of 3.7 per cent over the thirty-five month contract period.

During the last few months of 1965, a number of price increases were announced by large firms. Aluminum companies announced price restorations of 7 to 12 per cent on selected electrical conductor products. United States Steel announced a tin-free steel for cans which was cheaper than black plate and at the same time raised prices of electrolytic tin-coated products by 2 to 3 per cent. American Can Company increased prices 4 to 6 per cent on cartons for the frozen food and dairy industries; Revere Copper and Brass, Inc., raised prices for copper plate and sheet used for roofing; Bridgeport Brass Company (since merged into National Distillers and Chemical Corporation) raised prices on a number of copper and brass mill products.

It was becoming increasingly apparent that market conditions in the economy not only would support more and more price advances, but that the continued squeeze on profits was forcing companies to seek price increases as the only way to react to the ensuing cost push effects.

INFLUENCE OF NATIONAL STOCKPILE

In this setting a special development took place that was to emphasize the Administration's growing concern over rising prices and to furnish it with the opportunity it may have wanted to provide a visible demonstration to businessmen that the Federal Government intended to enforce the guideposts, at least on the price side. On October 29, Olin-Mathieson Chemical Corporation announced that it would increase the price of aluminum ingot by one half cent per pound, effective November 5, and Reynolds Metals Company, Kaiser Aluminum and Chemical Company and Harvey Aluminum followed suit. President Johnson was reported to be quite disturbed over the increases. One week after Olin's original announcement, Aluminum Company of America stated it would follow the ingot price increase as well as raise some fabricated product prices one cent per pound. In retaliation, a few days later the Government terminated the industry's efforts to resolve disposition of the national aluminum stockpile, despite an industry offer to purchase all the surplus metal. Defense Secretary Robert S. McNamara also announced intentions to dump large quantities of surplus aluminum in the open market. After several days of Administration criticism and pleading Alcoa rescinded its price restorations. In doing so, Alcoa emphasized that it felt strongly that its pricing actions were noninflationary and were justified by market circumstances.

The company pointed out that its return on invested capital was inadequate and that aluminum prices, even with the proposed increases, were considerably below those of several years ago. However, the company stated that it felt compelled to cancel the price restorations because of the insistence of the Government, which was urgently concerned about the possible adverse effect of any general price increases on the national economy while the Vietnam military operations were being waged. Secretary McNamara announced that President Johnson considered Alcoa's price rollback "an act of industrial statesmanship—as do I", and agreed to immediate resumption of negotiations with the industry for the "orderly disposal" of 1.4 million tons of surplus aluminum in the stockpile. Within two weeks the aluminum industry and the Government had reached agreement on the disposition of surplus metal from the stockpile.

Shortly after Alcoa rescinded its price restorations, Secretary McNamara again used material in the national stockpile to influence market conditions—namely, in copper. Early in November, all United States copper producers except Kennecott Copper Corporation had raised the domestic price of refined copper from 36 to 38 cents per pound. Mr. McNamara announced that the Government would sell at least 200,000 tons of copper from the national stockpile to ease the severe copper shortage and relieve upward pressure on prices. Within a week all copper producers rescinded their earlier two-cent advance. Next, the Administration moved to clamp down on prices for wheat and flour by announcing that it was selling high-quality bread wheat from government stocks. As a result, flour mills reduced spring-wheat bakery flour by 10 cents per hundred pounds, cash prices for high-quality wheat slumped as much as 7 cents per bushel, and wheat futures fell 4 cents.

The foregoing examples raise a serious question of public policy. Presumably, the stockpile was accumulated for reasons of national security, and additions or subtractions should be geared to this consideration. Nevertheless threats of stockpile disposal were used to attain far-removed objectives, even at the expense of national security in view of the expanded Vietnam demands. To say the least, one might raise the question of the constitutionality of these actions.

At the end of 1965 the steel industry again rolled the Administration. On New Year's Eve, Bethlehem Steel Corporation announced a $5.00 per ton increase in prices of structural steel. Inland followed soon after, but Colorado Fuel & Iron Corporation (now known as C F and I Steel Corporation) raised prices only $3.00 per ton. The Administration showed its displeasure by ordering defense and other government purchases of structural steel transferred to companies holding the price line. On January 5, United States Steel announced a price increase in structural steel of $2.75 per ton (about 2 per cent) and at the same time disclosed a reduction of $9.00 per ton (about 6 per cent) in prices of cold rolled sheet produced on the West Coast. CEA Chairman Ackley stated that these price adjustments were acceptable to the Administration. Newspaper articles implied that Mr. Ackley had "cleared" these adjustments beforehand.

It is of interest to note the Administration's less adamant stand on holding to the wage segment of the guideposts.

One of the most flagrant violations of the wage guideposts occurred in January when the New York transit strike of 36,000 workers ended in an expensive pact costing $60 to $70 million, or an increase of 15 per cent over a two-year period. President Johnson was highly displeased, terming the settlement inflationary and against the national interest. Under questioning from newsmen, however, the President said he planned no action, because: "We have no controls. These are voluntary matters."

In the latter part of January, 1966, the Administration expressed unhappiness with wage settlements in the construction trades. Nonetheless, most of these trade unions rejected the Administration's plea "to hold the line". The guidelines were attacked further by AFL–CIO President George Meany.

During the protracted strike against the airlines by the Machinists Union in the summer of 1966, many sides—management, labor and the Government—began to question the guidelines. The ultimate settlement did exceed the guidelines, but the concept still lives. As late as September, 1966, the Administration asked United States Representative Henry S. Reuss to postpone for a short while hearings scheduled on this issue. The President's Labor-Management Advisory Committee also endorsed a more flexible use of guideposts. Interestingly enough, labor, which had been opposing the guideposts, took a position in their favor—perhaps with the thought of being able to exert a role in flexible wage-price guidepost policy. It appears also that this Advisory Committee may become the influential guidepost agency, rather than the CEA, which has been more or less policing guidepost policy since 1962.

That the 3.2 guidepost seems to be dying slowly is evident from the number of wage settlements negotiated since mid-1966 that seem to imply a new limit of about 5 per cent. In addition, a number of price increases, although receiving varying degrees of official condemnation, have remained, such as a recent one involving stainless steel.

The 1966 *Economic Report* contained a detailed discussion of productivity and labor trends and costs and prices in selected problem areas. It emphasized the increasing importance of the guideposts by citing specific instances (steel and aluminum) where they have been helpful. However, the discussion differed from the 1965 *Economic Report* in one important aspect—the Government changed the ground rules with respect to the productivity measurement. In announcing the wage guideposts for 1966 at 3.2 per cent, the CEA abandoned its mathematical technique of using as its benchmark the average rise in output per man-hours over the past five years. In the two prior years, the five-year period had included both the extraordinarily low productivity gains of a year of recession (1960) and the extraordinarily high productivity gains of a year of recovery (1962). However, in setting the guide for 1966, using the five-year average would have meant dropping the 1960 recession year from the average and retaining the unsustainable productivity gains of a year of recovery plus four years of expanding utilization of resources. Hence, the CEA decided to drop the five-year average because it "no longer gives a reasonable approximation of the true productivity trend". If the CEA had not altered its measurement technique, the wage guidepost for 1966 would have been about 3.6 per cent. However, the CEA asserted that wages should increase no faster than the sustainable trend of productivity, which is only slightly over 3 per cent in the long run, independent of cyclical swings. This shift in the method of measurement has been subjected to severe attack by organized labor.

THE CURRENT SITUATION

That inflationary pressures have become stronger in recent months is shown in the quickening rise of most broad measures of prices and costs. While farm prices, food products and nonferrous metals have accounted for major portions of the increases over the past year, price rises now appear to be gaining momentum in the industrial sector as well. On the basis of what the various price measures have shown since early 1965, some inflation has already occurred, and the major questions now are how much more inflation will there be and what will be done to contain it. The important point relative to the guideposts is that the type of inflation at present underway essentially is one of demand-pull. With the economy operating close to, if not actually at, full capacity, aggregate demand is expanding at a more rapid pace with the result of price inflation. The current federal budget is definitely expansionary, regardless of the talk of restraint. The combined demands of the Great Society and the war in Vietnam are excessively large.

In addition to an expansionary fiscal policy, the money supply (demand deposits and currency) has been rising at an advanced rate since last summer. From 1960 to mid-1965 the money supply rose at a 2.8 per cent annual rate. From June, 1965, through April 27, 1966, it grew at an annual rate of 6.7 per cent. Since mid-February, 1966, it has expanded at a more rapid annual rate.

Added to a stimulative fiscal situation and the monetary expansion have been burgeoning plant and equipment expenditures. Capital spending by business rose a rapid 14.5 per cent in 1964, 15.7 per cent in 1965, and probably it will show a 1966 rate of about 16 per cent. On the supply side, however, output can scarcely expand at the rate prevailing since mid-1964, because the labor force is not expected to accelerate, and the pool of unemployed workers has been greatly reduced. Shortages of skilled labor and of some materials are hindering growth of production, and high rates of capacity utilization already prevail in many industries.

Recently, CEA Chairman Ackley indicated that the guideposts were needed because "we can have inflation without excess demand, arising from excessive private income claims". But he conceded that the guideposts had made only a "modest contribution to price stability" and also that they could "play no significant role in a condition of general excess demand".

A POSTSCRIPT ON RECENT GUIDEPOSTS

In his January, 1967, *Economic Report*, President Johnson startled the diehards of wage-price guideposts by omitting reference to a fixed numerical guidepost percentage. Thus, the President recognized what had been happening the prior year—that the 3.2 per cent ceiling was being broken on a number of occasions, and that labor unions would not acquiesce in a 3.2 limit in the many contracts due in 1967. Thus, a decided break in the Administration's anti-inflationary attitude became evident.

The Council of Economic Advisers justified departure from the fixed guideposts on the grounds that labor unions would not accept settlements at a 3.2 per cent level for two reasons: (1) the fact that the Consumer Price Index had advanced by 3.3 per cent in 1966, and (2) the rise in corporate profits in aggregate as compared with labor income. The latter would be true, however, if profits were measured only from slack or recessionary years, such as the late 1950's or early 1960's.

The dropping of specific guideposts was not without comment by some Congressmen who suggested that hearings be conducted on this subject.

It is interesting that attention to the guideposts now is coming from some circles that looked upon this ceiling as a stabilization and anti-inflationary measure, and now are fearful that wage increases in 1967 will be greater at a time when productivity is slackening and profits are being squeezed.

Now, let us review the major arguments that have been presented on both sides of the guidepost question. In many instances there is no right or wrong or black or white, but a cloudy gray area in which the pros and cons tend to move closer together.

THE PRO SIDE

1. During the latter half of the 1950's the American economy experienced two recessions, yet suffered from creeping inflation which at least in part was due to cost-push elements. The guideposts are intended to restrain the inflationary behavior of business and labor, both of which have discretionary market power.

2. The wage guidepost has helped the Administration to curb demands of government employees.

3. Guideposts may be effective in the short run to stall premature inflation, which reflects special bargaining positions in labor and product markets.

4. Guideposts have the great merit of calling attention to the fact that the basic way to raise the real earnings of labor is to increase output per man-hour of work.

5. The enforcement of the guideposts has not involved the establishment of a permanent bureaucracy which would inevitably widen and deepen its controls as time went on if direct controls were used.

6. From the viewpoint of the Administration, the guideposts offer the distinct advantage that they can be applied with great rapidity.

THE CON SIDE

1. Guideposts are ineffective as anti-inflationary measures. It is impossible to do more than suppress inflationary pressures in certain areas of the economy, but they still show up in other areas or in ways other than price increases, such as quality deterioration or dimensional change.

2. Underlying the guideposts is a sort of crude post-markup theory of prices which largely ignores demand factors.

3. Rather than improve co-operation and understanding between business and Government confrontations over guidepost "violations" tend to identify an industry or one company as for or against the President and the United States Government.

4. When economic freedom is not exercised, it is no longer a part of life. An economy in which wages and prices are set voluntarily according to a formula suggested by the Government would be almost indistinguishable from an economy in which wages and prices are directly fixed by government authority.

5. What's sorely missing from the guidepost approach is full appreciation of the role flexible wages and prices play in a competitive, free-market economy.

6. The guideposts will change the American system of checks and balances. Protection against arbitrary government action has been guaranteed in the United States.

7. The guideposts are based on elusive estimates of complex aggregates and are applied by an averaging technique.

8. There is a lack of precision as to when and to whom the controls or guidelines will be applied which creates inequities that can lead to an erosion of good economic relations among Government, industry and labor.

9. Guideposts, if effectively implemented, are only a step away from the direct controls which are used in centralized economies but have been tolerated by the people of the United States only in war.

10. Compliance with voluntary controls imposes a severe conflict of responsibilities on businessmen and labor leaders. The corporate official is an agent of his stockholders; the labor leader, of the members of his union. They have a responsibility to promote their interests.

On the balance, if the fundamental framework of the American enterprise system is to be preserved, the idea of guideposts as a substitute for the market place must be condemned. If inflation is a danger, then it should be attacked at its source—the demand and cost factors involved. Finally, the administrative problems met in trying to enforce a single guidepost figure of 3.2 per cent against all types of firms in all sorts of industries is far from practicable, not only because of the variations among firms and industries, but also because of the difficulties in calculating productivity changes with a high degree of accuracy.

REPORT ON ACTIVITIES OF CONGRESSMAN MARK ANDREWS

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from North Dakota [Mr. ANDREWS] 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 Texas?

There was no objection.

Mr. ANDREWS of North Dakota. Mr. Speaker, it is my custom from time to time to report to the people of my district on my activities as their Representative in Congress, and to express my views on a number of the matters facing Congress. In the report I am sending today, I discuss the cost of police protection, the Mideast situation, and the need for antiriot legislation, plus several other topics. Under unanimous consent, I place it in the RECORD at this point:

Having been appointed to the Canada-U.S. Interparliamentary Conference by the Speaker of the House every year since I was elected to Congress, I was the senior Republican delegate from the House of Representatives at this year's 4 day Conference in Canada's Capital City. Joining us, of course, were delegates from the U.S. Senate as well as Canada's Parliament and we discussed many issues, including mutual defense, the war in Vietnam, wheat sales abroad and import duties on goods shipped between our countries. The informal discussions we held provide the basis for future agreements between our 2 great nations. Pictured with me above are Senate Majority Leader Mike Mansfield of Montana and the Honorable Alvin Hamilton, Member of the Canadian Parliament and former Minister of Agriculture.

NO QUANTITY DISCOUNT ON POLICE PROTECTION

Generally, economies can be affected by doing business on a large scale. You might think, therefore, that a city the size of Chicago would have a lower police cost per resident than a smaller town. This simply isn't true. Police protection in cities of one million or more population costs each citizen an average of $27.31 per year, according to the National Research Bureau.

In checking with the 5 largest cities in Eastern North Dakota, I found that, despite general increases in budgets for salaries, residents pay an average of $10.82 per year for our police—and North Dakota enjoys the lowest crime rate in the nation.

It follows, of course, that we need less police protection because we have less crime. We have less crime because we have far less of the social and economic conditions that produce criminals. Also, people in smaller towns and cities seem to work better to-

gether, have a higher regard for our neighbors and more pride in our communities.

Finally, as everybody knows, people in North Dakota are just plain *better*.

MIDEAST SITUATION CONTINUES CRITICAL

The problems that have brought about 3 crises in the past 20 years in the Middle East still remain largely unresolved. The flair up of an actual war in this powder keg region of the world brought to mind a statement I issued almost exactly a year ago urging the Administration to "demonstrate some ability to cope with more than one international problem at a time before—once again—it is too late".

Unfortunately, they were caught off guard again; and despite clear warnings months in advance the White House badly misjudged the seriousness of this pending crisis.

Actually the Administration failed to even have an Ambassador on hand in Cairo for the critical 3 months preceding the crisis.

Despite the summit conference and all the talk about U.S. and Soviet cooperation in keeping the war from spreading, final settlement of the problem is actually further away than at any time since the end of Arab-Israeli war in 1956.

HOODLUMS AGAIN THREATEN AMERICA

So far this summer, major riots have been reported in more than 29 American cities. Professional agitators have roamed about the country preaching hatred and urging violence. Lives have been lost and millions of dollars in property damaged.

Last year, I introduced legislation making interstate travel to incite or encourage these riots a Federal crime punishable by up to 5 years in prison, $10,000 in fines or both. The proposal was "bottled up" in Committee and the same tactics to hold back this legislation were employed in this Congress. In June a group of us introduced Resolutions to force action on the anti-riot bill and our strategy was successful. The Judiciary Committee released the bill and House Floor action is now scheduled for mid-July.

The rights of every citizen to live safely and peacefully in his own community must be protected from these outside hoodlums, who have no connection with any responsible civil rights organization and seriously damage the cause they pretend to promote.

$45,000 FOR A FLAGPOLE

When my Appropriations Subcommittee was trying to figure out how the Bureau of Standards managed to spend more than $107 million on their new headquarters—$42 million more than expected, I discovered one extravagance that shows how nonthinking bureaucrats are able to waste the taxpayers' money. The 90 foot stainless steel flagpole erected in front of the building costs $45,000—$500 per foot! I think "Old Glory" would have waved just as proudly on a more reasonably priced pole.

NATURALIZATION CEREMONY AT MONTICELLO

Mr. PRICE of Texas. 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 Texas?

There was no objection.

Mr. MORSE of Massachusetts. Mr. Speaker, on July Fourth, Secretary of the Treasury Henry H. Fowler addressed the U.S. Court for the Western District of Virginia 1967 Naturalization Ceremony at Monticello, the home of Thomas Jefferson. In those auspicious surroundings the Secretary gave us an eloquent reminder of the thought of Jefferson and his rival, Andrew Hamilton. As the Secretary noted, much of what those illustrious gentlemen had to say has applicability to our own situation. I call his remarks to the attention of my colleagues and insert them in the RECORD at this point:

SPEECH BY HON. HENRY H. FOWLER

(Remarks of the Honorable Henry H. Fowler, Secretary of the Treasury, on the occasion of the 1967 Naturalization Ceremony for Applicants for Citizenship, before the U.S. District Court for the Western District of Virginia, under auspices of the Thomas Jefferson Memorial Foundation, Monticello, Va., July 4, 1967)

As an American, and a Virginian, I am honored to be here with you today. Any thoughtful human being is stirred when he enters this home of the great humanist; any American should feel true pride called forth by the anniversary of the signing of the Declaration of Independence and this significant occasion; any Virginian asked to participate in a ceremony of this nature at Monticello must say, simply, "I thank you for this honor."

Here at Monticello which housed the person and thought of Thomas Jefferson, some of you today will become new citizens of the United States. You have had no easy time of it in achieving this status. We need you. We need people who want and are willing to work for the things which United States citizenship signifies.

What, essentially, are those things? Plainly stated, they are two in number:

One of them is the right to live in freedom with the natural rights of the individual assured by a system of government based on the Declaration of Independence and the Constitution—embodying the noblest political concepts ever brought forth by the mind of man.

The other is the responsibility to work for the preservation and development of this country, that system, and the ideals which brought it into being.

Now, which of these comes first—the right or the responsibility? That question was never fully answered in the formative days of our nation. It was never answered because strong men, sincere men, men of skill, enterprise and ability, fought each other to a philosophical draw over which of these concepts should have priority. The battle was joined shortly after these same men, who served together as brothers in the cause of creating the new republic, achieved their immediate goal of winning the war of revolution and achieving American independence.

The problem they tried to decide was inherent in the very idea of government by the people, of the people and for the people. When a people itself truly rules—without a king—without a feudal aristocracy—without an oligarchy—which must come first: rights as individuals or responsibilities to society?

How should the principle that the nation should assure the freedom of the individual be reconciled to the principle that the individual has responsibilities to that nation as something which is greater than himself?

Efforts to answer these questions sometimes crystallized into issues on which passions were aroused to the point that rights and responsibilities instead of being complementary seemed to be placed in direct confrontation. Some of these issues were: freedom of the individual versus organized and centralized power; state and local preference versus national will.

Many able men contributed much to the intellectual ferment and political action that swirled around these questions in the early days of our nationhood. But none contributed more than Thomas Jefferson, in whose home we are gathered today—and his philosophical and political opponent, Alexander Hamilton, whose portrait was hung in an honored place on the walls of this home by the man whom he sincerely opposed.

As a native Virginian, wholly committed by heritage and conviction to the Jeffersonian tradition, now occupying the post of Secretary of the Treasury in which Hamilton put his theories into practice, I have thought much about these two men, their acts and words.

My conclusion is that history, in weaving its seamless web, is demonstrating that, instead of confronting each other down through the ages in irreconcilable opposition, Jefferson and Hamilton are complementary. Fused properly, their contributions constitute the great American tradition of individual rights and collective responsibilities, indissolubly bound, with the function of government being to aid in the realization of both.

Time does not permit a thoroughgoing analysis of this conclusion—only a few reminders may be noted. Let us remember the Jefferson who penned that shattering Declaration that our rights as human beings are inalienable rights, given to us, along with our existence, by God himself. Let us think of the way in which this man, through this document alone, opened the gates of history so that men could walk through them erect and proud of their condition as men, and away from a past, in Jefferson's phrase, of "ignorance, indigence and oppression."

If Hamilton foresaw a future in which America would be primarily an industrial power, he was right. And if Jefferson saw a future in which the states and localities, along with the individuals of that nation needed the full protection from centralized power that the Constitution and laws could give them, he was right, too.

If Hamilton saw that the new nation would be weak if it were to consist merely of a loosely-knit grouping of communities, his idea was sound. Some centralized authority and direction was needed if the new nation was to achieve sufficient power and resources to defend the rights and promote a realization of the responsibilities of its individual citizens and play a role on the world scene. Can we doubt that Jefferson, after two terms as President and the Napoleonic Wars failed to recognize the need for means to assure the continuing independence and growth of the United States?

And if Jefferson saw that the Constitution, which to a great degree owed its passage to Hamilton's influence, failed to provide assurances of individual liberty in its original form, he was right. And he was right when he fought for the immediate adoption of the first amendments which constituted the Bill of Rights and brought the power of the government back into a more equitable balance with the power of the individual citizen.

I would not assign the principle of rights to Jefferson and responsibility to Hamilton. Rather it seems more accurate to conjoin the emphasis by Jefferson on broad human and moral ends to Jefferson and technical and practical concerns with the role of national economic and political power to Hamilton.

An eminent scholar of the Founding Fathers has defined their respective contributions in these terms:

"The Republican experiment was a success and can still serve as a model to all the world, as the founding fathers hoped, because they, by their joint activity, saw the necessity for the constant balance and tension of power and morals. . . . Jefferson contributed the most searching statement of the equal rights of man in terms that he intended to be a common human faith. Ham-

ilton contributed the most searching statement of the strategic means for establishing the economic basis for a society that could operate as a unity in controlling the resources of nature to increase national productivity. These two in their strong but complementary opposition contributed the strategic ideal of an extensive republic. . . . Their dialectic opposition and argument, together with their strong personal qualities and great talents, resulted in securing the national interest for the common pursuit of happiness." (KOCH, *Power, Morals, and the Founding Fathers*)

The views of these two men, I feel, are important to us today. The very fact that they have never been completely resolved has had an effect upon this country which their exponents might never have dreamed of as being possible at the time:

This might best be defined as motion with stability. I mean this in the sense in which a great ship is enabled to rush forward through the waves of the ocean at tremendous speeds, and yet preserve the stability of its decks because of the paradox that there are two huge tops in its hold, spinning in opposite direction, on opposite sides of the ship.

In this analogy, the ship becomes the United States of America. The rough seas become the real dangers which have threatened and are threatening its progress. The speed of the vessel represents the result of the human energy unleashed by the success of the American Revolution. And the two, huge counter-spinning "tops", or gyroscopic stabilizers, represent the balances provided by the ideas of individual freedom and local rights versus individual responsibility for a strong central government—balances, because they oppose each other with equal strength—balances which have, it turns out, complemented each other, and helped assure the strength and steady progress of our country.

On the day one hundred and ninety-one years ago on which the people of the Thirteen Colonies declared that they were free and independent, every person who agreed with the declaration became a new citizen.

Jefferson became a new citizen. Hamilton became a new citizen. Jefferson was thirty-three at the time he wrote the Declaration; Hamilton, nineteen and a captain of artillery. On that day, George Washington, who had held the command of the Continental Army for just one year, was only forty-four years old.

These facts give us a clue to an understanding of the men who fought to create this country. They were young men. They were young giants. The fact is that they set loose a tide in the affairs of the world that has never stopped running.

They won the war of revolution which guaranteed freedom for the new nation, yes. But further than that, they started a revolutionary movement in world history which has never really ended. It is in progress today, gathering strength and direction as it moves. It has been subject to slowdowns and explosive diversions. But ever since it started it has moved restlessly in pursuit of its goal—that pursuit defined by Jefferson: in brief, it has assured our country the liberty in which we can try to achieve what each man defines for himself as "happiness."

The big achievement of these men was that they took ideas out of the printed pages—off the dusty book shelves and away from the quiet libraries, and put them into startling, physical, actual operation.

They took the concept of individual liberty, guided by rule of the individuals themselves, and fashioned it so that it was no longer a concept but an actuality.

And it worked.

And it is still working.

And it is still revolutionary.

Now, since we are the greatest nation on earth—since the revolution which started in 1776 has pushed us forward, with ever-increasing momentum to the point at which we can no longer seek—as a nation nor as individuals—to pursue our dreams alone and apart from the world around us—what are the great issues which face us today?

Many of them involve the now familiar domestic problems of assuring the domestic tranquillity promised in the Constitutional Preamble. They face us wherever we go—in city streets and urban slums and squalor, in suburban settlement and rural backwater. We are engaged in seeking solutions compatible with the great tradition of rights and responsibilities of U.S. citizenship—for example, the right to equal opportunity must be conjoined to the responsibility for avoiding civil disobedience and violence.

These issues involve the rights and responsibilities of U.S. citizenship, we face of necessity because they physically confront us each day. But there are others beyond our borders where more of a choice seems to be presented. It is those on which I would touch.

Let us all fully understand that the international leadership which we will show in our times will do much to determine the future for the world and for succeeding generations of Americans.

We face many challenges. However, there are three which are surely basic:

First, the effort of Communism to impose its will and extend its influence both by outright aggression and by acts of subversion backed by the threat of aggression.

Second, the responsibilities presented to us in our time by the collapse of colonialism and the emergence of new nations of underprivileged peoples who demand, through some system of government, help in seeking relief from hunger, disease, illiteracy and poverty and the right to the pursuit of happiness in the terms of our Declaration.

Third, excessive nationalism, highly visible today in some of the world's more developed nations as well as—and more understandably—in less developed countries, complicating the efforts of nations to work together—multilaterally—to attack common problems and achieve common objectives.

The work set before us by these issues will demand our energies and efforts for long, hard years to come. If any of us entertain the illusion that these stark problems will disappear, or fall to pieces as the result of sudden or simple solutions, we should have shed it long ago.

Let us face another harsh fact: the responsibilities of today's world are not ours alone—either to determine or to bear. They are determined by the realities and events of the world in which we live—often open to our influence but beyond our control. They are shared by all the other nations of the free world—by all people who, with us, cherish freedom and independence and who labor alongside us to further the cause of peace and justice and freedom and well-being throughout the world.

This is hard work that we face. But let us not face it in fear and trembling. We have good reason to be self-confident without being vainglorious; to be realistically capable of assessing our own ability without being deluded by the thought that we are all-powerful.

For we have done great work in our time. We have helped counter aggression in all its guises, open or concealed, throughout the world, in large countries and in small: in Greece, in Turkey, in the beleaguered Berlin of Germany; in Lebanon, in Iran, in India, in Taiwan, in the Congo, in Laos, and now in South Vietnam. Let those who may feel that this country's revolutionary allegiance to the right of a people to live as they desire stopped with the Revolutionary War look at this record and pause. It represents nothing less than a recitation of the list of battle honors for freedom we have earned in your time and mine.

We have not sought to act alone and apart from the rest of the world. With other free nations we have forged effective alliances against aggression—through the North Atlantic Treaty Organization, through the Southeast Treaty Organization, through the Organization of American States, and through the United Nations.

We have not shrunk from the sacrifices which the times have called forth. We have borne the cost of fighting for liberty both in the measurable material sense and in the immeasurable losses we have taken on the battlefield.

Also in our time, I submit, we have not been found wanting in efforts in support of the right to pursue happiness in the developing nations of the world. Since World War II there has been no great multilateral organization for social and economic development which does not reflect our leadership and our support. Let me run down this roll call of progress: the United Nations, the International Monetary Fund; the World Bank, the Marshall Plan, the Inter-American Development Bank, the Alliance for Progress, and the Asian Development Bank. What opportunities in economic abundance and social progress have these institutions opened up throughout the world? We may never know the full answer in our times. But this we know—that in the postwar decades we have devoted a fair share of our wealth and of our resources through multilateral programs—as well as through our own major governmental foreign assistance programs—to the task of helping others increase their share of the world's abundance. In money we have contributed a total of some $100 billion of our national wealth to these objectives in addition to many more billions of privately invested capital.

Far more, we have contributed to these objectives with the personal services of thousands of our citizens who have served this cause and are serving it, under strange, and sometimes harsh and dangerous conditions, throughout today's world.

Never before in history has any nation done so much and at so great a cost to help others gain what we gained through our revolution—the promise of the Declaration of Independence.

We may not always have been right. We may not always have been successful. But we have not been found wanting.

And we will not be found wanting today or tomorrow.

We will continue to yield to no nation in patient pursuit of peace and the works of peace. We will continue to demonstrate, as we do in Vietnam, that we have the determination and the weapons to resist aggression.

We must bear the burden and accept the uncertainties and the unpleasantness and the imperfections that come with such a war as that in Vietnam. It is a war of wills as well as a war of weapons. It is a test of our willingness to endure—to surmount—the strain of constant, continuing conflict whose end is never clearly in sight.

At the same time we must continue—together with other developed nations of the Free World—to carry our share of the burden of leadership in the common task of helping the developed nations realize their destiny and enrich the lives of their people in dignity and freedom. We must be willing to take the initiative in new multi-national efforts to promote free trade, to strengthen the international monetary system, and to make available to needy peoples everywhere the opportunity and the means and the incentives for conquering hunger and disease, and for living under the liberating light of education and knowledge.

We seek for others no more than we seek for ourselves—the opportunity for a full and

free life. Abroad as at home, our efforts reflect our awareness that with might must come maturity, with wealth and riches must come wisdom and responsibility, and with success must come sacrifice.

The challenges before us in the days ahead are too great and the world is too small for any of us to retire into an island of purely private concern—into what one observer has called the "cult of private sunshine and secluded complacency."

It is today, almost two centuries after our war of revolution began, that we understand most deeply all that America is and can be—a land where every man can find not only infinite promise but abundant opportunity for a full and free life.

Nine days ago, on the 50th anniversary of the Bolshevik Revolution, a Soviet Communist party document was issued in Moscow which stated, and I quote:

"The revolutionary rejuvenation of the world, begun by the October revolution and embodied in the triumph of Socialism in the U.S.S.R., has been continued by the triumphant Socialist revolutions in other countries. The emergence of the world Socialist system is the most important historic event after the great October Socialist revolution.

"Imperialism, notably U.S. imperialism, was and continues to be the main enemy of the national liberation movement."

The challenges implicit in these false attacks cannot be ignored.

You and I know that "national liberation" as used in the context I have quoted, means nothing more than the coercion of one state by another to change its freedom for a totalitarian system forced on it by a neighbor.

You and I know that we are in the mainstream of a true revolution—and that it began on July 4, 1776—and not 50 years ago last June 25.

I ask to submit a definition of what our revolution is doing. This definition stands on its own terms against the sterile accusations of "imperialism" contained in the Moscow document which I have quoted. The definition which I am going to quote was written on the occasion of the fiftieth anniversary of our revolution. It was written by Thomas Jefferson, just a few weeks before he died, on July 4, one hundred and forty-one years ago, and it refers to the Declaration of Independence. Here it is:

"May it be to the world . . . the signal of arousing men . . . to assume the blessings and security of self-government. That form which we have substituted restores the free right to the unbounded exercise of reason and freedom of opinion. All eyes are opened, or opening, to the rights of man. The general spread of the light of science has already laid open to every view the palpable truth, that the mass of mankind has not been born with saddles on their backs, nor a favored few, booted and spurred, ready to ride them legitimately, by the Grace of God. These are grounds of hope for others. For ourselves, let the annual return of this day forever refresh our recollections of these rights, and an undiminished devotion to them."

Guided by our undiminished devotion to the rights for which the revolution was fought, and by our sense of responsibility which causes us to work to preserve and extend those rights, our nation moves on today.

To you, who today will become citizens of that nation, I emphasize that the rights for which we are fighting, and the responsibility to fight and work for them, are part and parcel of the lives of every man and woman who can say today, "I am a citizen of the United States of America." They are the two sides of a medal you have earned. To have one side of it alone is impossible.

Being a citizen of the United States means that one accepts the entire medal: the inherent rights which go with citizenship, along with the responsibilities and any future individual hardships which those responsibilities may imply—at the same moment in time.

Whether that medal of citizenship is bright and newly-minted, as will be the case with those offered and accepted today; or whether the medal of citizenship has become dulled because it has been held for a lifetime, it still has these two sides—obverse and reverse—rights and responsibilities; and no one should ever become so accustomed to it—so inured to it—as to ever try to buy his way through life with it on the strength of one side only.

This has not been our history. And as long as our history is guided by this principle, we should have no fear of what the future may hold for us.

A MAJOR THEME FOR 1967 CAPTIVE NATIONS WEEK—REVIEW OF U.S. POLICY TOWARD THE U.S.S.R.

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. BRAY] 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 Texas?

There was no objection.

Mr. BRAY. Mr. Speaker, the period of July 16 to 22, 1967, will mark the ninth observance of Captive Nations Week. Since its inception in 1959, when Congress passed the Captive Nations Week resolution—Public Law 86-90—the observance of Captive Nations Week has progressively grown in this country and abroad. One need only scan the book "Captive Nations Week: Red Nightmare, Freedom's Hope," and he will appreciate the scope and depth of the event for 1966 alone. Not only in every section of this country has the annual observance taken root, but also in the Republic of China, South Korea, the Philippines, Turkey, India, West Germany, Argentina, and many other free world countries.

We cannot ever afford to abandon the 1 billion captive humans in the Red empire. The present tendency to neglect the captive nations is both immoral and harmful to the vital interests of our Nation. In view of imperiocolonialist Russian operations in Vietnam, North Korea, the Middle East, and Cuba, the time has arrived to examine and review fully our policy toward the U.S.S.R. The scourge of Soviet Russian imperiocolonialism has yet to be highlighted in the United Nations.

Every Member has recently received the pamphlet "Review of U.S. Policy Toward the U.S.S.R.: A Major Theme for the 1967 Captive Nations Week." Written by Dr. Lev E. Dobriansky of Georgetown University, the article emphasizes that no such review has ever been undertaken by Congress and that one is long overdue, particularly in the light of recent developments. The article contains a proposed resolution which I, for one, support and have submitted because it is well substantiated by fact. I hope many of my colleagues will do likewise in celebration of this ninth observance of Captive Nations Week. So that the general public may become familiar with this subject, I include the Dobriansky article in full in the RECORD:

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REVIEW OF U.S. POLICY TOWARD THE U.S.S.R.: A MAJOR THEME FOR THE 1967 CAPTIVE NATIONS WEEK

(By Lev E. Dobriansky)

During the period of July 16-22 millions of Americans will again observe in one form or another the annual Captive Nations Week. As in the past few years, they will be joined by increasing numbers of peoples in other lands—in Asia, Latin America, Western Europe, and Africa—where the annual observance has also taken root. Developed into a vital tradition since its inception in 1959, Captive Nations Week is entering into its ninth year of observance, and each year has exceeded in breadth and depth all preceding years.[1] The full spectrum of the 1966 observance, here and abroad, is well described in book form, and thousands of copies have already entered into circulation both nationally and internationally.[2]

AMERICA'S BREED OF PAVLOVIAN DOGS

Captive Nations Week has from the start proven to be a national forum for the discussion and evaluation of U.S. foreign policy, current trends in Cold War developments, and forecasts of Red strategy and tactics in the immediate future. It has become the midway point in any calendar year for the crystallization of thought and action bearing on the Red Empire and its dozens of captive nations. Moscow and its syndicated associates make no bones about their aim to have the Week eliminated, and in our country several circles have responded to Pavlov's bell, salivating with the same desire in behalf of what they call "detente," "peaceful coexistence," "easing of tensions," "relaxation" and other strikingly appropriate physio-psychological terms for the Pavlovian experience. Few will forget *Izvestia's* compliments to the editor of *The Washington Post* for his salivated response, which it characterized as a "realistic understanding of the matter" and then poured on the following for nuclearitizing effect: "in a situation where the relation of power has shifted to the side of Socialism, the U.S. cannot force the peoples of the Socialist countries to adopt its standards without risking the holocaust of a world war. How long do the Capitol and the White House intend to amuse the world with their absurd plans?"[3] And the dog is supposed to rest euphorically until the bell rings again.

As in many other spheres of Cold War activity, the Red attempt to cultivate the breed of Pavlovian dogs with regard to Captive Nations Week is persistent and, in individual cases, successful. In 1966, for example, Radio Riga blurted out, "We recall a meeting with Shabad, a correspondent of *The New York Times*, after the 25th anniversary of Soviet Latvia. He said he had never written about any such 'Week' and would not do it in the future because it was all lies."[4] Interestingly enough, this controlled propaganda agency hammered away at the Week on six occasions. Here are a couple of samples: "The announcement that the so-called Captive Nations Week has been proclaimed, reaches us from the USA like a demagogical ghost . . . It cannot be fully ignored because such manifestations have become an important part of US political attitude (July 17,

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[1] For a capsule account see author's article, "Forget The Captive Nations?", *Washington Report*, American Security Council, July 18, 1966.

[2] *Captive Nations Week: Red Nightmare, Freedom's Hope*. National Captive Nations Committee, U.S. Government Printing Office, 1966, Washington, D.C. pp. 310.

[3] *Izvestia*, Moscow, July 15, 1964.

[4] Radio Riga, Latvian S.S.R., July 23, 1966.

1966). Three days later—"These miserable 'Captive Weeks,' proclaimed officially by Washington, serve not only the purpose of the cold war. The USA is endeavoring to pose, by this means, as a guardian of freedom and right, at a time when she conducts a sanguinary war against the Vietnamese people." Were he alive, Ivan Petrovich Pavlov, the famous Russian physiologist, would be aghast at the psycho-political applications of his theories on conditioned reflexes.

Especially illuminating is the fact that last year Moscow itself changed gears in radical departure as concerns its attitude toward the Week. After seven years of tirades and vehement denunciations it decided to try the technique of mute silence. This stance contrasted sharply with the past and particularly with Suslov's 1965 blast, "Especially disgusting is the villainous demagogy of the imperialistic chieftains of the United States. Each year they organize the so-called Captive Nations Week, hypocritically pretending to be defenders of the nations that have escaped from their yoke." Undoubtedly, by the silent technique the boys in *Agitprop* hoped to minimize the impact of the Week and at the same time further their pretentions of peaceableness and conversion to "good and soft communism." They left the denunciatory task to puppets and subsidiaries, instead. For example, a Red periodical sought to tie the captive nations issue with anti-Semitism, referring to "criminals" who "are active in the organizations of the so-called 'captive nations' . . . have their own press and conduct war-inciting activities through demonstrations, picket lines, etc." [5] The Reds are apparently concerned that the "'captive nations' organizations are often connected with similar organizations in other countries in Europe and Latin America." [6]

If one bothers to scan the book on Captive Nations Week mentioned earlier, he cannot but be impressed by the fact that the spiritual communion extends to all continents of the world. In 1966, for instance, President J. Ongania of Argentina joined the many Chiefs of State in issuing a Captive Nations Week proclamation, urging government institutions and the people to mark the week by appropriate observance. Similar proclamations were issued by Argentine mayors, such as Mayor J. Schettini of Buenos Aires, and Cardinal A. Caggiano devoted a special solemn Mass for the captive nations in the Cathedral of that city. For the first time, too, Australia launched the observance, with Minister V. Meckman and others participating in rallies in Melbourne and elsewhere. Much to Moscow's chagrin, no doubt, the truths about the captive nations in the face of all the alleged "tremendous changes" in the Red Empire will not be allowed to be brushed under the rug of diplomatic expediency and make-believe.

The Week has also served the very important purpose of highlighting the numerous myths a number of Americans have been pavlovized into. For one, not a year goes by without the need for impressing upon our people the nonsensical conceptions still nurtured by many as to the nature and composition of the Soviet Union. Here is an outstanding example of misguided notions commercialized into the millions: "Geographically the largest single nation in the world, the land traditionally known as Russia sprawls across one-seventh of the earth's surface. . . After the U.S. this once-backward nation now produces more steel, oil, electric power, aluminum and cement than any other country. In 1949 the USSR became the second nation to produce an atom bomb. . ." [7] In rudimentary fact, neither the Czarist Russian Empire—the so-called traditionally known Russia—nor the USSR has ever been a "nation," and the present empire's economic advances rest on broad foundations of Russian imperio-colonialist exploitation of over a dozen captive non-Russian nations and countries in the USSR, but one couldn't know these fundamental facts from this superficial, commercialized effort to "inform" the American reader. The untiring dispenser of Kennan's Fables spreads similar nonsense in garbled, sophisticated style, but fortunately few legislators are taken in by his involute language and weak judgments, notwithstanding the mass of conceptual confusion that underlies them.[8] It is a pity, indeed, that through the club alliance in the Department of State the case of Svetlana Stalina was initially entrusted to the dispenser's care, but despite the fears of the club the situation can be properly sanitized by several Congressional hearings.[9] A vaunted 'Russian expert' is scarcely a competent analyst of one who can be tested on her Georgian background.

OTHER ASPECTS OF THE CURRENT ILLUSION

In the course of the 1967 Captive Nations Week several other myths, dominant wishful thoughts, and glaring omissions of thought will doubtlessly be underscored. One, of course, is the myth that the so-called satellites in Central Europe are progressing toward "independence." For a striking expression of this myth, read this: "With the exception of East Germany, Russia has no more satellites, in the sense the term was used for so long. Rumania has defied her, as did Yugoslavia and Albania years ago. Czechoslovakia has proposed Eastern European military arrangements that exclude the Soviet Union. To keep her troops in Europe, Russia has been forced to negotiate status-of-forces agreements, not unlike the ones we have around the world. Where she used to be able to commandeer the production of Eastern Europe for her own use, Russia now sends her raw materials to Hungary and Czechoslovakia and Poland, to supply their growing industries." [10]

Little has it occurred to the Senator grasping at these minor, accidental changes that each of these parts of the Red Empire is ultimately dependent for its survival under a Red regime upon the strength and power of the USSR. Also, the points he raises are given to other more accurate interpretations. The Rumanian contingent of the syndicate, for example, has defied the northern industrial sphere of captive Central Europe rather than what he calls "Russia." In short, there is no shred of substantial evidence that supports this convenient myth and, if as a case in point, the Senator wants to learn about Poland, he would do well to read the excellent summary on developments there as provided by one legislator who states, "Independence and liberalism in Soviet satellites—if Poland is typical of them—are myths." [11] Needless to say, as concerns the captive nations, the peoples themselves, nothing the Senator has said alters, or will alter, their basic state of captivity under the reign of the interlocking, though sometimes squabbling, Red syndicate.

Concerning Vietnam, those who have participated in the Captive Nations Week observances have consistently upheld President Johnson's actions in that heated arena of the Cold War. Criticisms have been directed, however, at the scope of his policy there and the implementation of our measures. Vietnam is a sterling example of our unpreparedness in the Cold War—too little and too late, followed as usual by desperate, last-minute recourse to military arms. At present, our situation there has assumed scandalous proportions, and when we are told that we can look forward to a long, drawn-out struggle, this is really the measure of the price facing us for our Cold War negligence in the past, from 1954 on.

The plight of the 17 million captive North Vietnamese will again be highlighted. It is strange, indeed, that few of our leaders ever discuss this troublesome subject. Yet it is crucial to our winning the war in South Vietnam. Canada's diplomat and former representative on the International Control Commission for Vietnam, Laos and Cambodia, Theodore B. Blockley, has significantly pointed out, "Many of the North Vietnamese whom I met expressed the hope that one day the Americans would 'again' liberate them from tyranny and oppression. The previous liberation, in their minds, was from the Japanese." [12] Characterizing the ICC as not only impotent but a "fraud," the Canadian diplomat has revealed how thousands of North Vietnamese had stormed the Canadian delegation's office in the mistaken belief that exit visas could be obtained. Lagging miserably in ways and means of psycho-political warfare, we haven't even begun to scratch the potentialities of the captive North Vietnamese in the war with totalitarian Hanoi, and this largely with free Vietnamese and Korean means in the spirit of "Asia For Free Asians."

Another chief theme of the 1967 Captive Nations Week observance is the fraudulence of the Russian Bolshevik revolution. Moscow and its associates are planning a tremendous propaganda show this coming November, celebrating the 50th anniversary of this tragic event. Though scarcely any Western journalist or commentator surmised it, even the designation of the new USSR spaceship—"Soyuz"—is symbolically tied up with the forthcoming propaganda show. The emphasis on the "union" of the USSR will be in the forefront to conceal the captivity and exploitation of the numerous non-Russian nations in that artificial state. The sharp contrast these past 50 years between expansive Soviet Russian imperio-colonialism, particularly in the USSR, and the almost complete decolonization process in the Free World should be of basic educational worth to our citizenry.

For those under the powerful Pavlovian influence there will also be the need to stress the anti-anticommunism drive of the Red Syndicate, the deepening reality of the Cold War, and Red economic strategy in the whole East-West trade issue. Those who wishfully think that concepts of captive nations, Red Empire, communist conspiracy and so forth are rigid and deep-frozen representations of thought should begin familiarizing themselves with Red literature. Actually, such people are mental throwbacks to the mid-30s and appetizing meat for the Pavlovian exercise. To mention only one, Moscow's *International Affairs* is replete with articles on exploiting "intellectuals," non-Communists, and liberals in the West for the destruction of anti-Communism. The same applies to those who through conditioned reflexes are under the illusion that the Cold War has ended or is on the verge of ending. The illusion itself is a prime product of Moscow's Cold War management, and this at a time when we are deeply steeped in a heated sector of the Cold War, namely Vietnam itself. Last September,

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[5] Chaim Suller, "Anti-Semitism In The USA," *Political Affairs*, Fall Issue, 1966, p. 26.

[6] Ibid, p. 28.

[7] The Editors of Life, *Handbook of the Nations and International Organizations*, Life World Library, New York, 1966, p. 14.

[8] "Kennan's Version of Why Communist World Is Split," *The Sunday Star*, Washington, D.C., February 5, 1967, p. C-3.

[9] For a timed and planted article see Murrey Marder, "U.S. Fears Svetlana Hill 'Circus,'" *The Washington Post*, April 23, 1967.

[10] Senator Edward M. Kennedy. "Europe And The Next Generation," CONGRESSIONAL RECORD, April 21, 1967, p. 10468.

[11] Congressman Paul Findley, "Poland: The Myth of the Independent Satellite," CONGRESSIONAL RECORD, January 31, 1967, p. 2108.

[12] Associated Press, New York, February 6, 1967.

Pravda summed up the matter this way: "The ways and methods of revolution embrace the whole arsenal of methods in the class struggle . . . including armed struggle." By class struggle is meant divide and conquer in behalf of ultimate Soviet Russian imperio-colonialist power, and the struggle proliferates with varying intensity on every continent, including our own country.

To facilitate Moscow's world-wide Cold War operations, especially in Vietnam, by liberalizing our trade with its empire borders on psycho-political lunacy. The present drive for such liberalization is also a shining example of our Cold War ineptitude, and in the end will result in desperate measures of military intervention, as seen in Vietnam. The matter of trade was brought up time and time again in the fight over the Senate's ratification of the US–USSR Consular Convention, which was the first part of a package deal that spells only a series of American Cold War blunders and losses. It is regrettable that Senator Dirksen, who coud have won great distinction in blocking the ratification, now thinks the USSR has made "a new ball game" for the East-West trade issue by signing a pact in March with Red China to step up the flow of war materials to North Vietnam.[13] No, the ball game still is the old one, and it was best shown during the hearings on the Consular Treaty. That episode alone should convince us of the dire need for a full review now of US policy toward the USSR, rather than for us to bounce haphazardly from issue to issue as the winds blow tactically from the East.

PARAMOUNT SYMBOL OF U.S. POLITICO-CULTURAL LAG

To appreciate how much narrow domestic politics and pressure were exerted on this basic Consular Treaty issue, we can start with the concerned declamations of a lady Senator who changed her mind at the last capricious moment. Senator Margaret Chase Smith of Maine solemnly declared, "I find it difficult to rationalize making a consular treaty with a nation that is helping the enemy kill American service personnel. This situation is completely contrary to the alleged treaty goal of the development of more friendly relations between the United States and Russia."

Concise and taken alone, this statement points to the three essential aspects of the controversy that had significantly surrounded the issue of the U.S. Senate's ratification of the treaty. These basic aspects are: the poor timing for the treaty's ratification, the acute doubtfulness of its advancing "more friendly relations," and the flagrant misconceptions (e.g., USSR is "Russia") justifying the pressing need for a full and thorough review of U.S. policy toward the USSR.

The treaty could not have been pushed for ratification at a worse conceivable time. Signed on June 1, 1964, the convention had not been put to the test of popular interest and criticism until the summer of 1965 when an attempt was made to railroad it through the Senate for ratification. The attempt failed, but was repeated this past January, only to fail again as increasing numbers of Americans, concerned with the USSR's heavy support of Hanoi's aggression against South Vietnam, demanded at least open hearings on the treaty. The situation in Vietnam was radically different in 1964 than it is now. Americans weren't being killed daily by Russian and other communist arms as they have been in mounting numbers since 1965. In March of this year about 100,000 tons of war supplies were shipped into Haiphong, the chief port of North Vietnam, by Red ships from the USSR and the so-called "independent" satellites of Central Europe.

In contemporary circumstances it was not only difficult, as Senator Smith said, to rationalize Senate consent of this treaty, but it was also irrational to accept a pact which by substantive analysis would guarantee a clear, net psycho-political advantage to our prime enemy in Vietnam. The war in Vietnam would not last long if Moscow and its Red associates in Eastern Europe were, in the interest of genuine peace, to cut off their flow of critical war supplies to Hanoi. In this ultimate sense of sustaining power in the war, Moscow, rather than Hanoi, is our chief enemy in Vietnam. Well over 80 per cent of the high-powered items used by the North Vietnamese totalitarians is furnished by Moscow. Even now, long-range Russian weapons, the 140-mm. rockets, have been provided the Viet Cong to extensify the decimation of American lives.

"Subtle" rationalization in support of the treaty and the next step, liberalized trade with the USSR, had gone so far in Washington that it is being argued, "it is not to American advantage to have the flow of Russian aid to Hanoi reduced."[14] The twisted logic of this position is that Hanoi's greater dependence on USSR support as against Red Chinese aid would enable Moscow to influence its compatriot aggressors into peace negotiations. It is small wonder that letters to Senators from citizens across the nation, many of them with loved ones in the war, have ranged in the ratio of 200 to 1 against a treaty with the prime enemy. Senator Charles H. Percy of Illinois, who was elected to represent his alert constituents, actually boasted of defying a ratio of 7,000 to 46 in opposition to the pact.[15] Despite the feelings of many Republicans in the House of Representatives, this and similar actions in the Senate killed the possibility of making this episode an issue for Republicans in the 1968 Presidential election.[16] Only a 3rd Party candidate can make it a live issue.

Following the open, public hearings on the Consular Treaty, an obviously less "subtle" but further rationalization for Senate consent was the CIA's great desire to have the pact ratified. The new pitch to undecided Senators was the opportunity the treaty would provide for broadened CIA operations in the USSR. This so-called "confidential matter" changed the minds of several legislators as well as a few national leaders who had been previously against ratification. The rationalization only demonstrated how few really had bothered to seek convincing answers to poignant questions and points raised during the public hearings. Of course, a number were motivated to favor the treaty by political considerations far remote from its substantive contents, as next year's presidential elections, the open housing amendment, internal Party problems and the like.

The February hearings on the treaty established three general facts which should serve as solid lessons for America's alert citizenry in the future. As shown in the proceedings of the Senate's Committee on Foreign Relations, the three facts are: (1) the clear inability of the treaty's proponents to meet the most fundamental points of criticism against its ratification, (2) a patent lack of awareness concerning the psycho-political ramifications of the pact, and (3) as indicated by outmoded preconceptions used, a deficient and stumbling understanding of the Soviet Union itself, which, behind the facade of "peaceful coexistence" is not only our prime enemy in Vietnam but also the chief instigator of anti-American attitudes and activity in Western Europe, the Middle East, Africa, and Latin America.[17] These easily substantiated facts cast grave doubt on the objective of "more friendly relations" that the treaty is supposed to advance.

One major objection is that the treaty is superfluous and represents a sham performance of improving relations with the Soviet Union. It is part of the present concocted make-believe in detenting the USSR. The objection is firmly based on the Roosevelt-Litvinov exchanges of 1933 that established diplomatic relations between the United States and the USSR. Aside from adventitious references made to a proposed consular convention then and an exemplifying German-USSR Agreement of 1925, Litvinov expressly agreed to the protection of American citizens touring or residing in the USSR in a November 16, 1933 communication. It reads: "Furthermore, I desire to state that such rights will be granted to American nationals immediately upon the establishment of relations between our two countries."

Predicated on the establishment of simple relations, this agreement was never legally abrogated and thus, in international law, has remained in force to the present day. Supreme Court decisions, such as U.S. vs. Belmont in 1937 and U.S. vs. Pink in 1942, as well as a case in New York, are founded on the exchanges. The so-called Russian concession on notification and access in the present treaty is really no concession at all. This right should have been demanded long ago on the basis of the '33 agreements. When this vital point was brought up in the hearings, the chairman, Senator J. W. Fulbright, rightly admitted—for the record shows it—that the State Department was never challenged on this. And this after two years of concern with the treaty! Yet, following the hearings the State Department minced the truth in response to the Committee's inquiry when it predicated the whole Litvinov exchange and declaration of protection on the German-USSR Agreement of 1925.[18] It is amazing that no one in the Senate challenged this stratagem.

Another important legal objection is based on the misrepresentations in the treaty itself, which are clearly indicative of the askewed preconceptions dominating our officials who framed the pact. The treaty is replete with the notion of a "Soviet national," "a national of the sending state," "the national flag of the sending state," and "the national coat-of-arms of the sending state." Even on the basis of the USSR Constitution, not to mention rudimentary political realities in the USSR, there is no such political animal in existence as a "Soviet national," nor are there such objects in existence as a "national flag" or a "national coat-of-arms" of the USSR. These concepts are applicable to the United States, which is a nation-state, but they are myths as concerns the USSR, which is an empire-state made up of numerous, different national republics.

In a court of law, a contract of this sort, dealing in part with mythical objects, would be thrown out for its crass misrepresentations. But worse still, from a psycho-political point of view, Moscow surely must gloat over the unbridged gap of understanding shown by our professed bridge-builders with regard to the many non-Russian nations in the USSR. On the one hand, it naturally welcomes this treaty and its fantastic conceptual contents, for by all evidence the treaty is essentially a diplomatic affirmation of Moscow's imperium in imperio, the Soviet Union itself; on the other hand, it will unquestion-

[13] See on pact Karl E. Meyer, "Hanoi's Move In Sino-Soviet Pact Is Cited," *The Washington Post*, April 20, 1967.

[14] *The Christian Science Monitor*, February 23, 1967.

[15] "Consular Pact Passes 1st Test," *The Evening Star*, March 10, 1967, p. A–5.

[16] Rep. John M. Ashbrook, "The Consular Convention With The Soviet Union—An Issue For the 1968 Presidential Campaign," The CONGRESSIONAL RECORD, January 26, 1967, p. 1775.

[17] *Consular Convention With The Soviet Union*. Hearings, Committee On Foreign Relations, United States Senate, USGPO, Washington, D.C., 1967.

[18] See CONGRESSIONAL RECORD, March 10, 1967, p. 6269.

ably use the treaty in its dealings with the non-Russian nations as prime evidence of the fact that they have little to look forward to from a country that in one breath speaks of "friendship with *all* peoples and in the next doesn't even recognize their distinctive national identities, which Moscow at least nominally does.

Aggravating all this further is the branch principle of consularism, the instrument that supposedly attests to the "national" integrality of the USSR. Regardless of the specious distinction made between the treaty as a body of guidelines and subsequent negotiations on consulate locations, the very proffer of this principle in regard to the multinational USSR reduces the non-Russian republics in that state to a territorial expression of "Russia," negates their distinctive national identities and sovereign popular wills, and creates an additional legal mess where in the United Nations our representatives recognize both *de jure* and *de facto* two original, sovereign Charter members, Soviet Ukraine and Soviet Byelorussia. Again, on this point the State Department played on the weakness of many a Senator with a high-pressure memorandum that blatantly raised the question "Does the Convention prejudice the position of subject peoples incorporated against their will into the Soviet Union?" and then glibly answered it, "No, it does not." [19]

Plainly, if more windows are desired in "Russia," if mutual understanding toward all peoples were a sincere objective, and if we had the foresight to avoid these and other psycho-political disadvantages of the treaty, we would wisely consider the realistic alternative of setting up embassies in Byelorussia, Ukraine, Georgia, and Kazakh Turkestan. This is accommodated by Article 18a of the USSR constitution. It would also be a real test of Moscow's desire for peaceful relations. Moreover, on a reciprocal basis with their embassies in Washington, we would be able to cover their espionage and subversive political activity far more effectively than with "Russian" consulates in Chicago and other cities. It is noteworthy that the State Department has consistently opposed the far more advantageous embassy idea because of the presence of more communists here; yet, with the consulate idea, it would allow for more of them in more vulnerable areas of the country.

Significantly, none of these points and criticisms were challenged by the treaty's proponents. The amateur show staged by Senators Morton and Percy avoided these points entirely, confused "Russia" and the USSR with "the Soviets" throughout and came up with some fantastic interpretations as, for example, Latin American states won't follow us because they haven't in the past, not recognizing that Moscow just began to exert pressure there in a major way in the past ten years.[20] Neither have they or other proponents answered the additional criticism bearing on the real protection of Americans traveling in the USSR. Superficially bandying about the 20,000 figure of Americans touring the USSR annually and the 250 "Soviet nationals" here measures neither the relative intelligence worth of the projected ratio nor the scope of the hoped-for protection. With greater freedom of movement here the specially assigned 250 may in these terms be equivalent or exceed in value the 20,000 there, most of them given to typical American tourism and guided, of course, by overseeing Intourist. Furthermore, it cannot be too strongly emphasized that the treaty's notification and access provision is no guarantee whatsoever against the continuation of arbitrary arrests of American nationals who, if they are important enough to Moscow, can easily be brainwashed in the span of three days. As in the recent Kazan-Komarek case, such Americans can be arrested and held incommunicado by the Russians indirectly on the terrain of their outer empire, in Poland or Czecho-Slovakia. It is noteworthy that almost immediately after the Senate's inept ratification the State Department released a brochure warning Americans, in effect, that travel in the USSR is at their own risk.[21]

The espionage and subversion disadvantages of the treaty were also not met with adequate explanation. The shell game of manipulating the 15 or 20 figure of Russian consular personnel expected here conceals the net disadvantage we face because of several reasons. One is that well spy-trained Russians would enjoy a larger pond to fish in here than we there. Second, the coefficiency of their spy effectiveness is generally conceded to be greater. Third, a point which was completely overlooked though it is already well founded in this country, the Russians will have expanded opportunities for coercion, blackmail of U.S. citizens with relatives in the USSR, bribery, and sundry subversive tactics directed against ethnic groups; and this with unprecedented diplomatic immunity covering felonies such as murder and kidnapping. It doesn't require much imagination to see how little or no reciprocity there exists in this for us.

No reply could be found for the additional criticism that the treaty opens up a Pandora's box of Soviet Russian pressure against every free government in Latin America. With the supposed leader of the Free World extending this benefit to the rulers of the Kremlin, what Latin American government could refuse their request for a similar convention. Beginning with 15 or 20 here we may well end up with several hundred additional Russian operatives in the hemisphere, cloaked with diplomatic immunity and at a time when many of our own officials have been warning us to expect stepped-up Red subversion south of the border. The Morton reply mentioned above is about as lame as one would expect, for we're in the 60's not the 30's.

Finally, Secretary of State Rusk was honest to point out that one objective for the treaty's ratification is its contribution to "increasing trade between our two countries." This is just the first step, a part of a large package. Piercing the vagaries and slogans of "normalizing relations," "advancing peace," "improving communications" and so forth, an internal analysis of the treaty results in a grave disadvantage for us. It will even be graver if our citizens permit the next part of the package deal to be handled as in slipshod a manner as the first one was. For, on trade, we will only be repeating our tragic economic errors of the 20's and 30's in regard to the USSR. Flushed with a supposed victory on ratification, Senator Morton is talking antiquated nonsense when he states, "There are strong indications that a new era is beginning for the peoples of Russia and Eastern Europe. It is in our national interest that we make sure that American ideas and skill become a part of that changing world." [22] He reveals not only his complete ignorance of the Cold War but also of the record of U.S. trade with totalitarian powers.

Enough has been shown here to indicate the glaring politico-cultural lag existing in our country with regard to the USSR. It is almost like an ineradicable blind-spot for some legislators and others alike. However, the matter of accommodating Russian consulates in this country still is not resolved. Proponents of the treaty repeated ad nauseum the point that ratification of the treaty does not necessarily mean the establishment of Russian consulates here, which is a subject for further negotiations. Also, in rationalizing his switch Senator Dirksen stressed emphatically that the "treaty would not enable the Soviet Union to establish a consulate in Chicago or any other city." [23] Not only this, but the citizenry was informed that Dirksen "was assured by Secretary of State Dean Rusk that 'appropriate Congressional Committees' would be consulted before a U.S. consulate was established in Russia as well as clearance with community official before a Soviet consulate could be located in this country." [24] This agreement opens up a whole new area on the issue, and Mayor Daley of Chicago has already declared that his city wants no Russian consulate. As we approach Captive Nations Week, pressure is building up to have other Mayors of our port-cities declare themselves along the same lines. It will be interesting to see what counter-pressure will be brought to bear to overcome the agreement.

TIME FOR REVIEW OF U.S. POLICY TOWARD THE U.S.S.R.

The hearings on the Consular Convention have shown beyond question of doubt our pressing need for a full and thorough review of U.S. policy toward the USSR. On the scale of politico-diplomatic calculation the treaty definitely does not rest on a quid pro quo basis; the net disadvantage is ours. What makes the situation worse is that we, rather than the Russians, have pressed for it; and though the President could initiate negotiations for consulates without a treaty, it has been felt that at least the Senate should assume part of this responsibility. But the treaty is a vestigial remain of the 30's when our knowledge of "Russia" and its global ambitions and operations was quite wanting. Judging by the preconceptions and concepts displayed in the hearings, there still is the want, but will the need for such a review be recognized?

Never in our history has such a review been undertaken to eliminate the conceptual cobwebs which misdirect us into net disadvantageous positions. In part, Senator Roman Hruska has sensed this need in stating that this treaty and other measures "are going to affect the basic philosophy of our relations with the Communist countries." There can be no better time than now to do what we have never done before but should have done long ago.

The author offers a proposed resolution which, in content, can be easily documented and substantiated on the basis of the misconceptions and contradictions to facts uttered by our foremost leaders in the past twenty years, exclusively in relation to the Soviet Union. We rightly pride ourselves in this country on seizing upon the innovative, the new, and the changing. It will be interesting to see whether, with courage and foresight, we can bring into full public view and for unprecedented examination and assessment our policy toward the USSR. The proposed measure reads as follows:

"RESOLUTION ON REVIEW OF U.S. POLICY TOWARD THE U.S.S.R.

"A resolution providing for a thorough review of U.S. policy toward the U.S.S.R.

"*Whereas* in his 1967 State of the Union Message the President declared 'the genius of the American political system has always been expressed through creative debate that offers reasonable alternatives; and

"*Whereas* U.S. policy toward the USSR is most crucial to the issue of global peace or war, and the cumulative evidence of the past

[19] "US–USSR Consular Convention, Questions and Answers," Department of State, February 6, 1967, p. 7.

[20] CONGRESSIONAL RECORD, March 9, 1967, pp. 5992–5996.

[21] Hon. John R. Rarick, "Traveling to Communist Russia?", daily CONGRESSIONAL RECORD, April 10, 1967, p. A1676–77.

[22] "Morton Asks Widening of Red Contacts," *The Washington Post*, April 4, 1967.

[23] "Consul Pact Will Not Aid Spies: Dirksen," *Chicago Tribune*, February 20, 1967.

[24] "Dirksen Says GOP To Back Consul Pact," *The Washington Post*, March 1, 1967.

two decades, including Greece, Iran, Korea, Cuba, the Congo, the Dominican Republic, and Vietnam, casts a reasonable and heavy doubt on the peace-insuring efficacy of the pursued policy; and

"*Whereas* there has never been a thorough Congressional review of our policy toward the USSR, even at levels below another Great Debate, examining and illuminating questionable preconceptions, arrant conceptual confusions, contradictions to fact and principle, and high-level counter-contradictions that have surrounded this policy; and

"*Whereas* proposed particular measures, such as the U.S.-USSR Consular Convention, U.S.-Soviet trade, cultural exchange agreements, etc., depend for their accurate and proper evaluation on the soundness or no of the underlying assumptions and criteria in the general policy; and

"*Whereas* these assumptions and criteria have been too frequently conveyed by official assertions that are patently contrary to fact and/or principle, and especially at this time deserve to be openly and thoroughly examined; and

"*Whereas,* to cite one example, on the highest level an old, imperial Czarist Russian usage, albeit fictional to present conditions, has been revived in the thought 'The common interests of *the peoples of Russia* and the United States are many'; and

"*Whereas,* by way of further example, the notion expressed by one of our Presidents, 'no nation in the history of battle ever suffered more than the Russian suffered in the course of the Second World War,' contradicts the facts that the ravaged territories in the USSR were largely non-Russian and the losses of Lithuanians, Latvians, Estonians, Ukrainians, Armenians and other non-Russian nationals were equal if not greater; and

"*Whereas,* in additional contradition to fact, more than one national leader has voiced the mythical constructions of '200 million Russians' in existence and the USSR as 'Russia,'; and

"*Whereas,* to mention another apt example, a high-level conception misjudges 'areas, such as the Ukraine, Armenia, or Georgia' as constituting 'traditional parts of the Soviet Union . . . an historical state,' which factually has been in existence for only forty-five years; and

"*Whereas,* in sharp contradiction to this quoted misconception, an outstanding official U.S. statement in the United Nations emphasizes: 'An independent Ukrainian Republic was recognized by the Bolsheviks in 1917' and later 'with the help of the Red Army, a Ukrainian Soviet Socialist Republic was established and incorporated into the USSR'; also, 'In 1920, the Soviet army invaded, and Armenian independence, so long awaited, was snuffed out', also, 'in 1921, the Red Army came to aid of Communists rebelling against the independent State of Georgia and installed a Soviet regime'; and

"*Whereas* these selected examples of basic confusion, contradictions of reality, and official counter-contradictions are compounded by growing doubts related to operating principles, double-standards, and policy inconsistencies, even at a time when the USSR and its syndicated Red associates supply the totalitarian Red regime in North Vietnam to kill increasing numbers of American defenders of independent South Vietnam; and

"*Whereas,* on the basis of these and numerous other points of evidence, it is not inconceivable that the forthcoming 50th anniversary of the Russian Bolshevik revolution, which gave rise to Soviet Russian imperiocolonialism and its world-wide aggressive ambitions, might elicit in 'the spirit of peaceful coexistence' harmful expressions virtually equating this fraudulent revolution with our own American Revolution and its symbolization of national independence, individual liberty, and freedom; and

"*Whereas* a genuine policy of peaceful coexistence means progressive reciprocity, substantial reduction of barriers year by year, the absence of controlled movements, an intensified understanding between nations in the USSR and the United States, and surcease from indirect provocation in other parts of the Free World, none of which has been realized in the past decade; and

"*Whereas* a policy founded on basic misconceptions, myths, and internal contradictions generates a grand illusion which in the long run can only lead to disastrous results for our independence and national security and certainly, in the short run and with reference to the nations in the USSR, fails to validate the President's declaration in his 1966 State of the Union Message: 'The fifth and most important principle of our foreign policy is support of national independence—the right of each people to govern themselves and to shape their own institutions. . . . We follow this principle by encouraging the end of colonial rule': Now, therefore, be it

"Resolved by the Senate of the United States of America (or the House of Representatives) in Congress assembled, That a complete and thorough review of U.S. policy toward the U.S.S.R. be undertaken. The review shall be conducted by means of public hearings, designated studies relevant to all essential aspects of the subject, and scheduled symposia consisting of Members of the Senate (the House), representatives of interested areas in our Government, and invited participants from the private sector of our society. The results of this comprehensive review will be made available by publication and other media to the American public. On the basis of the results the Senate (the House) shall determine what 'reasonable alternatives' exist to our present policy toward the USSR."

In the midst of many foolish notions being expressed almost daily with reference to our commitment in Vietnam and the obvious inconsistency, nay irrationality, of policies pursued by the Administration in relation to different but inseparable sectors of the Red Empire, the American people, who in the last resort are called upon to sustain the price of policy misjudgments, are at least entitled to this kind of review—a truly first Great Debate on U.S. policy toward the USSR. Will courage, foresight, and open-mindedness prevail? This is the question for Captive Nations Week, 1967—or are we content to pursue make-believe measures based on crass misconceptions, Pavlovianized reactions, and insular political considerations?

STAMP TO COMMEMORATE THE 50TH ANNIVERSARY OF THE INDEPENDENCE OF THE BALTIC STATES

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, I have today introduced a bill to provide for the issuance of a special postage stamp to to commemorate the 50th anniversary of the independence of the Baltic States.

My bill authorizes the Postmaster General to issue a special postage stamp to commemorate the 50th anniversary of independence of the Baltic States. The stamp would be of such denomination and design as the Postmaster General would determine.

The bill would provide for sale of the stamps to commence on February 16, 1968, which is the 50th anniversary of the independence of Lithuania, the first of the Baltic States to gain its independence.

The illegal and oppressive Soviet Russian control of the Baltic States is one of the great tragedies of modern history and we should take every possible step to dramatize the desire of the Baltic peoples for the restoration of their legitimate independence. I believe that the issuance of a special postage stamp will effectively and dramatically demonstrate that the American people and our Government stand behind the perseverance of the Baltic peoples in their continued hopes for restoration of their freedom under independent governments truly reflecting their national traditions and histories.

STATEMENT OF RUMANIAN NATIONAL COMMITTEE

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. DERWINSKI] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. DERWINSKI. Mr. Speaker, the Soviet involvement in the Middle East war dramatizes a fact that many in the United States had conveniently ignored; namely, the persistence of the Soviet Union in attempting to expand its colonial holdings. It is obvious that the basic motivation of the Soviet Union is to seize control of a number of Arab States depriving the citizens of freedom and producing direct Communist territorial holds in the Middle East. Therefore, it is with great interest that we note the effective and accurate analysis of the Soviet Middle East scheme by knowledgeable observers and students of history.

One very forceful group maintaining legitimate concern over Communist control of Rumania and other Eastern European lands is the Rumanian National Committee. In a special meeting on June 23, 1967, this group issued a special statement on the Middle East crisis which I deem of special significance and place in the RECORD as a continuation of my remarks:

STATEMENT OF THE RUMANIAN NATIONAL COMMITTEE IN CONNECTION WITH THE MIDDLE EAST CRISIS AND THE DECLARATIONS MADE IN THE UNITED NATIONS ASSEMBLY BY THE PRIME MINISTER OF THE U.S.S.R., JUNE 23, 1967

During the United Nations Assembly debates on the Middle East crisis, the Prime Minister of the U.S.S.R., Mr. Kosygin, declared that the Soviet Union defends—and demands that all others, too, respect—the independence and territorial integrity of all nations. We quote:

"While upholding the rights of peoples to self-determination, the Soviet Union just as resolutely condemns the attempts by any state to conduct an aggressive policy toward the other countries, a policy of seizure of foreign lands and subjugation of the people living there." (U.N. Assembly, June 19, 1967.)

In this connection, it is most appropriate to recall the following solemn declaration made by the Soviet government on April 3, 1944:

"The Soviet government declares that it does not pursue the aim of acquiring any part of Rumanian territory or of changing the existing social order in Rumania."

Several months later, by force of arms, the Soviet government imposed on Rumania—with a two-hour ultimatum—a communist-dominated government. Thus, against the will of the Rumanian people, Soviet Russia installed a communist regime that exists there to this day.

The Soviet government denies to anyone the right to annex territory by military action. But, Soviet Russia, at the end of World War II, annexed the Rumanian provinces of Bessarabia and Northern Bucovina (19,752 square miles and a population of 3.7 million), both provinces integral parts of Rumania.

For Soviet Russia to have the authority to make declarations such as that quoted from the address in the U.N. Assembly, a prime requisite would be that she, herself, be not guity of the very acts her representatives call "international crimes" and, moreover, that she renounce the fruits of those aggressions committed—in violation of the principles she, herself, proclaims—against the independence and territorial integrity of other nations.

C. AUSTIN BARKER DISCUSSES GOLD CRISIS

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. KUPFERMAN] 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 Texas?

There was no objection.

Mr. KUPFERMAN. Mr. Speaker, those who consider Fort Knox a reservoir, and those who are concerned with our balance-of-payments problem will find enlightenment on the gold crisis in the very interesting talk given by C. Austin Barker, of the firm of Hornblower & Weeks-Hemphill, Noyes at the Pacific-Northwest Metals and Minerals Conference earlier this year.

The Commercial and Financial Chronicle printed it on June 8, and I appreciate the fact that my constituent, Joseph A. Gimma, brought it to my attention so that I in turn could present it to my colleagues.

Mr. Barker's "golden" discussion follows:

GOLD AS AN ECONOMIC FEVER THERMOMETER

(By C. Austin Barker)

Our economy appears to be more sickly today than a year ago on an international payments basis and it has been getting sicker since 1957. Since 1960 when foreign central banks noted that our gold had become insufficient to cover short-term liabilities to all foreigners, our treasury gold has declined to about $13.1 billion. The amount of gold set aside for the statutory reserve requirement of a 25% gold cover for Federal Reserve notes has risen somewhat since the commercial banks' cash deposit gold reserve requirement was abandoned in March 1965. The gold reserve requirement is now just a little under $10 billion which leaves us about $3 billion free gold. Meanwhile, as of last year-end, our short-term liabilities abroad had risen to over $31 billion. Of this amount $5.1 billion was held by foreign international institutions, and of the balance, roughly, one-half was held by foreign central banks and the other one-half by foreign individuals.

Chart I [chart not printed in RECORD] shows the decline in U.S. gold stocks since 1949, the rise in short-term liabilities to foreigners and the current 25% statutory reserve requirement of gold to cover our national currency. It is interesting to note that two years ago the liquid U.S. dollar liabilities held by foreign central banks and governments totaled $13.2 billion. At year-end 1966 these holdings had shrunk to $12.6 billion, indicating that there is a definite measure of decline of confidence in the dollar by foreign central banks. The dip in the lower curve is the result of the removal of the gold cover for bank cash deposits with the Federal Reserve. The middle curve shows the run on gold that accompanied this policy debate and the Congressional legislation to effect it.

Chart II [chart not printed in RECORD] indicates that our exports of goods and services are growing rapidly and we have the largest trade and services surplus of any nation in the world, largely the result of American business efforts. Yet our spending abroad, largely by the Federal government, has created a perennial payments deficit with no end in sight. And our trade surplus has been deteriorating for several years because of rising costs and prices in our domestic economy due to the spending burden of foreign aid, military defense and our national budget deficit.

Based upon UN data on wholesale prices since World-War II, the purchasing power of the Swiss franc has fallen far less than the U.S. dollar. In the past two years, the purchasing power of the Canadian dollar, French franc and German mark have bettered or equalled the U.S. dollar on this score and for a dozen years the Japanese yen has been the world's most stable major currency. The dollar's record is not a relatively enviable one on this basis.

It is clear that gold serves a role as a fever thermometer in that the rise or fall of gold stock indicates too heavy a payments surplus or too large a payments deficit. The basically simple remedy would be to prescribe easy or tight money, respectively. But there are also other national policies which affect foreign trade balances of goods and services payments deficits which can be examined as collateral remedies.

Despite the practice of many nations, it is still a fundamental economic truth that for the national economic body to remain healthy, it should practice good health habits in the form of sound fiscal and sound monetary policies domestically and internationally. The gold thermometer has already warned us repeatedly that something must be done about the balance of payments deficit. There is no sense in changing the scale on the thermometer because we would only be fooling ourselves. This is what some are advocating by a change in the bookkeeping for our international payments accounting. No government can control fundamental economic forces by legislation or changes in bookkeeping entries.

MONETARY REFORMS

There once was a Greek god named Proteus who, legend says, was a hard man to get hold of because when caught or cornered, he disengaged by simply changing shape. He reminds us of some monetary reformers. As soon as one argument or proposal is exposed or about to be exposed as unworkable in a worldly market place, a new reform shape shows up in the headlines. The sum total over the past decade is that a lot of people are confused or uncertain over what is a sound monetary policy. They are still a little wary of the "free lunch" idea but politicians and political administrators seem to be afraid to adopt standard, disciplined solutions and their inaction creates a fertile field for scholars and government staffers who are emerging as supple innovators of "painless solutions." In the Protean tradition, escape is involved herein, rather than reform. As long as most countries felt there was no doubt that they could convert dollars into gold, U.S. dollars were considered a good supplement to their official gold reserves. This feeling lasted for many years. Now that there is doubt in those minds, some scholars and money managers and officials, primarily from England and the United States, are suggesting new monetary systems.

Some of these plans call for substituting a new kind of borrowing in place of borrowing from the International Monetary Fund because to avoid being paid back with depreciated currency, the IMF has in effect put gold clauses on their loans to avoid this possibility. The new borrowing plan is to give the creditors some sort of composite units which they would hold as a sort of "paper gold" but which would not be subject to conversion into gold. Naturally, all the creditor nations, those with favorable balances of international payments, are critical of these plans, and this is basically the description of most types of reform in international monetary systems in the debates now going on. Yet, as long as the U.S. Treasury and the Administration argue that gold revaluation is simply not in the cards and as long as we have some supply of gold in our Treasury stock, the arguments for non-gold "reform" will go on. If we lose our gold, other nations ultimately may take over the international banker's role and there will be no more "reform" debate.

Almost without exception, these "new" reforms include more government controls, immediately or inevitably. There is little consideration for the free market found in their structure. Some new propositions might even sacrifice our nation's monetary sovereignty. On this score, a United States citizen need not be cynical to be concerned. Many of the supporters of such risky solutions advocate monetary controls artificially to bring about "riskless" interest rates to "punish" the bankers and "reward" the poor. The resultant inflation, which is the cruelest tax of all, would then be checked by government price and profit controls, ceilings, or freezings. If business expansion and growth slow down, the reformers would be ready to have government step in and provide full employment by spending first, which is popular, and raising taxes later.

A popular answer to our concern is usually put in the form of a question, "Would you raise interest rates to solve the payments deficit and cause grave unemployment?"—or—"Are you not a Christian?" Many businessmen cringe at these questions. I suggest there are alternative solutions if we face the problem realistically.

WHAT ARE THE CHOICES?

In today's serious monetary situation we could first tighten money and credit by slowing down the purchase of government securities and by other Federal Reserve measures to prevent an outflow and also to correct the basic economy. However, the economy has already softened somewhat and the Federal Reserve is cooperating in this respect and creating new money to help avoid a recession. Under these conditions we can expect a gradual loss of gold and if it continues, possibly a run on gold.

A second step to solve the payments deficit would be to cut foreign aid temporarily until the Vietnam war is concluded and also to re-examine our policy of non-Vietnam military expenses abroad with a view to our allied nations sharing more of the burden or else we may have to reduce it unilaterally on the grounds that we simply cannot afford the foreign exchange burden. Europe has become stronger now and Russia is preoccupied on her eastern

borders. This decision could be made on a military rather than on a political basis. The armed services have traditionally supported a sound U.S. dollar as fundamental to our national security. "Who will be our friends when our gold is gone?" is a national defense as well as a political question.

A third choice is to raise the price of gold to, say, $70 an ounce. This would be the most orderly of the alternatives because all countries would then do the same and there would be a status quo in this respect. The $13 billion of U.S. gold would become $26 billion and this would buy time for some of the above solutions to be worked out. In itself it would not solve the payments deficit but it would cut off the "crisis pressure."

The fourth alternate solution would be to stop selling gold at $35 an ounce, or at any price. In effect, this would be a gold embargo. Other nations would then either close their "gold windows" or keep them open, but in either case the U.S. dollar would tend to depreciate in relation to other currencies as long as we have deficits. This would be an unstable and unsatisfactory situation and would require other nations to devalue irregularly or set up various counteracting forces in order to avoid an export advantage to America in its trading abroad. Presumably it would be immensely complicated by exchange controls and other controls which would handicap international free trade.

If we closed the "gold window" to foreigners the price of gold would rise because we would then have discontinued the policy of dumping gold on the market to hold it down to $35 an ounce and the demand pressure for gold would increase relatively because of the uncertainties of a worldwide rise in gold prices. However, closing the gold window would slow but not stop the drain on our Treasury gold because U.S. industry buys gold from the Treasury at almost four times the annual U.S. gold mining production rate.

Thus if the gold embargo were continued for an indeterminate period, a fifth alternate remedy would need to be adopted then, or sooner, i.e., an exploration and/or production subsidy on gold for American miners. A subsidy was enacted to encourage uranium production and was very successful. The subsidy could be another "stop-gap" to "bide for time" but on a necessarily long-term approach to give American miners a chance at least to supply our industrial needs for gold.

RECENT GOLD PROPOSALS

On April 6th, the House Banking Committee of the U.S. Congress announced hearings on the legislation releasing some of the Treasury's silver stock from use as backing for silver certificates. The announcement came out about the same time as a disclosure by the U.S. Treasury that the stock of "free" silver had dwindled to less than 100 million ounces for the first time in decades. Only three years ago, it was widely believed that there was a many years' supply of silver in the Treasury's silver stock.

On the same date, April 6th, Mr. Rudolph A. Peterson, President of the Bank of America, in an address before the New York Chamber of Commerce, called for a reappraisal of the U.S. policy for combating the balance of payments deficit and for a relaxation of government controls over foreign lending and investing by American business. He stated that the U.S. piecemeal negative attempts to fix balance of payments problems have failed. And he called for a better understanding of the actual strength of the nation in world economic affairs. What we need, he proposed, is an overall long-range payments strategy which will be economically sound. He noted that the past U.S. approaches on the balance of payments deficit have resulted in short-term tactical moves which have led us astray and caused anxiety abroad about the soundness of the dollar as well as the economic aims of the United States.

One cannot help but agree 100% with this leading banker and especially his desire for a timetable to roll back the pseudo-exchange controls now in existence, i.e., the interest equalization tax and the voluntary restraint program on bankers and corporations abroad. He is taking the strong, long-term forward view on this score and away from the tenets of mercantilism which we are in danger of having imposed upon us more and more. However, I am puzzled in one respect wherein it is stated that the increases in U.S. short-term liabilities abroad are measures of strength not weaknesses just as increases in deposit liabilities of commercial banks are one criterion of their strength. I understand why deposit liability increases are one criterion of strength for a commercial bank so long as the deposit monies are wisely and profitably invested which is the goal of commercial banking. This type of well-managed banking growth is what made the Bank of America the world's largest bank. Nevertheless, I cannot envisage a commercial bank asking its depositors not to withdraw their deposits because the bank would then be in difficulties (unless as a special plea for continuance as with some CD's). This appears to be the analogy of what the U.S. Treasury is doing by asking certain foreign nations not to cash in their claims for gold. Unfortunately, this cannot prevent a surreptitious liquidation by friendly nations of dollars for tangible U.S. goods.

We knew when the United States incurred short-term liabilities abroad that they could be turned into dollars at will and we had guaranteed that those dollars were convertible into gold at will. However, foreigners are not subject to restrictions about gold as U.S. citizens are. U.S. citizens cannot ask for payment in gold of domestic liabilities as, for example, for Federal Reserve notes. But if foreign central banks have accepted dollars as equivalent to gold, they have a choice later (which we do not have) of asking for final payment in gold. Moreover, in what did the U.S. invest the monies arising from these liabilities abroad? In foreign aid gifts or loans, a domestic deficit, or was it expensed abroad for military purposes? Thus, we have no counterpart claims or earnings as a bank has. It is for these reasons that I cannot see the commercial bank analogy in the case of our international short-term liabilities. We simply incur an interest burden when these liabilities grow. To be sure, if we could sell all of our foreign assets, short and long-term and pay off all short and long-term liabilities we would have a surplus of many billions of dollars, but we cannot plan so drastic or far-reaching a liquidation if we are to remain the world's banker and continue free international trading.

Mr. Peterson stated that as a last resort, if the drains on the U.S. gold stock became intolerable, the United States might have to refuse to sell gold. If the Administration can come up with an overall payments strategy which would be economically sound, as Mr. Peterson proposed, there would be no need for the drastic step of putting an embargo on our gold. On the other hand, I would suggest that if the Administration believes that we are going to reach this drastic requirement in the near future, perhaps it should raise the price of gold while we still have sufficient gold in our coffers, which, if doubled, could pay off a substantial part of the current U.S. liabilities abroad owed to central banks and would undoubtedly bring tremendous amounts of gold out of the hoards that investors have been holding as an inflation hedge. This gold undoubtedly would find its way into central bank official gold reserves and answer the gold liquidity problem. It is estimated by one international gold expert that there is between $20 and $25 billion of gold locked up in private investors' hands. A price rise for gold would be a sounder action than the removal of the law requiring 25% in gold as a backing of the U.S. national paper currency. Removal of the 25% gold backing would free up nearly $10 billion of our gold, all of the gold cover, and could cause a drastic run on gold. We all know what happened when Congress removed the small gold backing of commercial bank cash deposits with the Federal Reserve Bank. We lost $1.5 billion of gold in a half year to "free up" $4.7 billion of our gold reserves. The Treasury experts had estimated less than a $400 million outflow of gold if we removed this "outer perimeter" of our gold protection. We can only conjecture the gold outflow if the 25% cover, the "inner perimeter," is breached, particularly with our payments deficit worsening and prospects of a rapidly increasing domestic budget deficit.

As an economist, recognizing the economic-fiscal impasse where the Administration and the Treasury refuse to revalue gold and have not been able to eliminate the deficit in gold drain, I cannot believe the Bank of America is strategically wrong in suggesting that the United States close the "gold window" under these given circumstances. It seems fruitless to tell the government, in effect, that its firmly reiterated policy is wrong. After all, they are our elected officials. Perhaps time will show them a better solution if they adopt a policy to stop selling gold to temporarily solve the emergency of losing our gold and then see the resultant effect on the dollar.

In my opinion, and I have no inside information, the proposal seems to be a very subtle and complicated approach with an educational purpose. Although it is not the best or most orderly solution, it could be turned into a better solution, later, after the price for its educational effect were paid. Thus it would be a step, though somewhat costly, toward order and better than butting one's head against the Treasury's well-publicized stone wall of $35 an ounce and the continuing payments deficit.

I cannot pinpoint the cost of closing the "gold door" but the cost of our nation and to the world of losing all of our gold would be far, far greater in effect than the loss of the $13.1 billion in U.S. Treasury stock. Congress has been spending billions of our dollars in foreign aid to the poorer nations for food and education and billions to fight poverty in our underdeveloped urban areas, including large amounts for education and retraining. The educational effect toward sounder fiscal and national policies in the United States that might be brought about by closing the gold door and noting the results might well be worth the cost. Therefore, I cannot criticize what I believe to be the well thought-out strategic approach to close the "gold window."

I also respect and support the admonitions of the vast majority of banks and most economists that the Administration adopt sound fiscal policies to solve our balance of payments deficit. But what is really to be done, now? Isn't this the overriding question for our national position as the world's international banker and the free world's freedom?

CONCLUSION

In an economy like ours which is geared to emphasize productivity and where politics is geared to popularity, pressures are created which tend to compromise financial and personal integrity. The social ills and fiscal irresponsibility are so much everybody's fault that they become nobody's fault. "Paper gold" solutions are not novel but horse-and-buggy innovations, out of place in a scientific age which needs financial integrity now more than at any other period in history. I could continue to catalog the fiscal-political problems but the big question for the Amer-

ican public remains, "Is the apparent insolubility of this conflict inevitable?" I say it is not inevitable if we guide our national body by diagnosing its economic health periodically with our gold fever thermometer and acting accordingly.

For centuries, gold has been the best money in the world, especially for international trade purposes. He who possesses gold may buy anything that is for sale. This is not always true of other currencies. It is less true of credit. That is why gold is the best hedge against a decline in the purchasing value of a country's currency, or conversely, the best known hedge against inflation where such factors are substantial enough to offset the cost of holding a nonearning asset. Over the past hundred years and more so in recent years, the world's leading international monetary experts have explained in books and treatises why gold is such an important and necessary element of any international monetary system under the economic policies of free international trade. Therefore I do not think it is necessary for me to try to explain why gold is so desirable or so useful for this purpose. Rather, it seems to me that all of the debates that have been going on for the past decade, and more intensely so in the past four or five years, have arisen because of the balance of payments deficits of the world's two key currency nations—the United States and Great Britain, and standard solutions are painful.

Since 1948 to the end of 1966, the gold holdings of all free nations rose from about $33 billion in U.S. dollars to $42 billion, or an increase of about 27%. World trade, on the other hand, measured by imports alone, more than tripled over that period. If we compare this with the free world gold production which has been rising gradually over the last dozen years and is now running at a little over $1.4 billion a year and add the supplemental Soviet gold sales of $300 million to $400 million in the past years (except 1966), you will note that new supplies are not increasing at as rapid a rate as world trade. In recent years most of the new supplies seem to have disappeared into private hoards, because a look at the tables of official gold stocks discloses that they have risen very slightly since 1960 and not at all in 1966. Also, the gap between the two growth rates is largely made up by increased holdings of foreign currency reserves which are almost entirely in U.S. dollars. These inflationary increases were more than the total growth in the official gold stocks and have arisen primarily from the serious U.S. balance of payments deficits since 1948.

As to the arguments of those who cite current statistics on gold production figures to prove that there is not enough gold increase to supply increased liquidity for world trade, we should remind them that our present gold exchange standard is more flexible than the full gold standard, some say even too flexible. But it still serves as a fever thermometer and the reading is clear. If the United States adopts a realistic policy of equilibrium in its balance of payments and proves it, to the satisfaction of investors, worldwide, then gold should come out of hiding in sufficient quantity to solve the gold increase problem for a score or more years. And if this national policy is also followed by a rise in the price of gold to, say, a minimum of $70 an ounce it is possible that new discoveries plus increased production in old gold mines ultimately should solve the problem of gold liquidity with respect to international trade requirements for at least a generation. Proteus can then return to Mount Olympus. I cannot speak for the next generation.

One needs to be a philosopher as well as an economist to try to understand the hopes and fears of humans in relation to gold and other forms of money and investors are human, even if some would classify them into a lower order. If I were to adapt an ancient admonition to describe our monetary reformers it would become, "For the love of (control of) money is the root of all (inflationary) evil."

Some people say that if everyone stopped talking about the "gold problem," the problem would disappear. Longer term investors look at the operating facts and financial performance of a nation whose money they own just as carefully as for a company whose securities they own. If, after investigation, the rumors and discussions turn out to be erroneous, the situation is disclosed in short order. The problem of gold and the U.S. payments deficit is not a sudden, speculative occurrence but has been going on for many years. Until the actual results of our nation's financial performance improves, the gold problem will be with us. It won't be cured by halting the talk or changing the payments accounting rules.

When human nature changes and every man shall work for and with his neighbors, we shall not need gold or any other form of money. Meanwhile, investors must find legal ways to protect their savings even though such self-defense is often criticized by some government officials and money managers.

NASA NEEDS A WATCHDOG

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ANDERSON] 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 Texas?

There was no objection.

Mr. ANDERSON of Illinois. Mr. Speaker, I believe that the following editorial from the Chicago Daily News will be of interest to all Members of the House of Representatives. It pays a well deserved tribute to the work of my distinguished colleague, Congressman DONALD RUMSFELD, of Illinois, for his effective and thoughtful work as a member of the House Science and Astronautics Committee. His suggestions should be adopted if Congress is to fulfill its responsibility to the American people as the editorial writer points out.

His specific recommendation for an independent safety review board for the Space Agency has ample precedent. For some years the reactor development program of the Atomic Energy Commission has been monitored by an independent board of this type. The Joint Committee on Atomic Energy recently held extensive hearings on the manner in which this review board has functioned. I believe that it is the unanimous view of that committee that it is helpful to have the independent views and recommendations on safety by a group of experts who are not under any obligation to justify or defend administrative actions and decisions by those who are employed by the Government within the executive branch.

I hope the conference committee will heed the recommendations of our colleague, Congressman RUMSFELD.

Mr. Speaker, under unanimous consent, at this point I include the editorial referred to:

[From the Chicago Daily News, July 10, 1967]

NASA NEEDS A WATCHDOG

It will be interesting to see how Rep. Donald Rumsfeld (R-Ill.) fares in his fight to preserve his House-approved safety amendments for the U.S. space program. He has pitted common sense against a formidable combination of space agency arrogance and contractors' vested interest. Both the National Aeronautics and Space Administration and the big space contractors have strong influence in Congress. In such circumstances right doesn't always prevail.

Rumsfeld's proposals, airily rejected by NASA, would:

—Set up an independent safety review board to keep tabs on NASA operations and provide a double check for NASA in spotting dangers.

—Require NASA to keep the two congressional space committees fully informed and up to date on its operations.

There is ample justification for these requirements.

Part of it can be found in the scandalous record of fumbling, bumbling and pure carelessness unearthed in the investigation of the blazing death of three astronauts at Cape Kennedy last January. Most of the blame was directed at the prime Apollo contractor, North American Aviation Inc., but some of it had to be shared by NASA, with over-all responsibility for the project.

And part of the justification goes back to the condition President Eisenhower alluded to in his famous farewell speech: the perils of an alliance between big government and the big industries that serve it and profit by its contracts.

Congress, the branch of government in closest touch with the people, has a unique obligation to exert discipline over the executive department's workings. In exotic fields like those of the Central Intelligence Agency and NASA there is an understandable tendency to resent such surveillance. But those same agencies, for all the high average caliber of their work, have demonstrated that when supervision is lacking both arrogance and carelessness flourish.

Rumsfeld is serving the public interest in trying to bring NASA to some kind of accounting.

The bill is before a conference committee that begins consideration this week. NASA succeeded in keeping Rumsfeld-type provisions out of the Senate bill, and Rumsfeld, himself, while a member of the House Science and Astronautics Committee, was not named to the joint House-Senate committee. There is obviously good reason to fear that, unless public concern is expressed, NASA will quietly work its way on the measure and keep the public's nose out of its "private" affairs.

A LETTER FROM VIETNAM

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from North Carolina [Mr. GARDNER] 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 Texas?

There was no objection.

Mr. GARDNER. Mr. Speaker, I have become more and more concerned about our present policy in Vietnam, specifically why we are not doing more to halt the flow of supplies to North Vietnam. For the information and consideration of my colleagues, I quote the following portions of a letter received from an officer serving aboard a ship in the Western Pacific:

For sometime I have meant to write you on a subject, one which both infuriates me and gives me a sense of deep impotence—the continuous stream of Russian and Soviet bloc ships which we sight daily, indeed hourly, in

the Gulf of Tonkin, generally with laden hulls on a northerly course, or riding high heading towards the southeast. As CIC Officer, I am often able to listen in over the radio nets to the many contact reports filed on these Soviet ships, and it is continually paradoxical to me to then read in the next issue of *Stars and Stripes, Time,* or *Newsweek,* that some administration official is pledging all efforts to fight this war and bring our men home quickly and safely. And yet, still these ships steam steadily on, unperturbed by political bombast, carrying the materiel to kill American troops.

For one doesn't have to be too perceptive to understand what is being carried in those hulls, or where they are going. While our carrier based planes are bombing the scattered oil, munition and supply depots and lines of communication in North Vietnam, with our pilots risking their lives over murderous barrages of anti-aircraft weapons, the Soviets are shipping in a flood of war supplies to their North Vietnamese and Viet Cong allies, allowing them to maintain their aggression against South Vietnam. I have the terrible feeling that political expediency and indecision as to the goals of this war are forcing our pilots to lose their lives bombing dispersed targets, when the one stroke of closing Haiphong Harbor and its associated smaller ports could eliminate the necessity for many of these costly strikes over North Vietnam.

It is generally acknowledged that a large portion of the munitions the North Vietnamese need to fight the war are coming in by sea. Were we to use our Navy to control the seas (as we have the capacity so easily to do), we could remove a major Communist supply link to Vietnam and deal a crippling blow to the ambitions of Ho Chi Minh.

I do not pretend to be an expert in the ways of world power politics, nor do I know what effect this further "escalation" of the war might have, but I do know what effect our failure to interdict Communist supply lines, to more effectively fight this war, is having.

I have only to pick up a copy of the UNC Alumni News to see that already several of my classmates—and friends—have died in Vietnam, and to note that a substantial number of the men from the classes preceding mine have died fighting over here. I have only to go down a list of former shipmates who volunteered for duty in Vietnam to pick out a name here, a name there, of men who have been killed in the past year. Both you and I know that more will die in the months ahead.

It is tragic to be killed in any war, even a just war, but it must be of some consolation to the parents and wives of these men, and the men themselves, to know that they are dying for a cause toward which every effort is being made to win, and in which their sacrifice meant something; it is unforgiveable to be killed in a war that our leaders have not the strength to pursue to victory, but are content only to yearn for a dubious stalemate of questionable honor.

I know that you will consider my remarks, sir, and I hope that if you agree with them, you will be able to act in the future to lead America toward a more constructive policy for victory in Vietnam. Only American victory will provide that elusive peace we all seek.

ESTABLISHMENT OF A U.S. WORLD FOOD STUDY AND COORDINATING COMMISSION

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. DON H. CLAUSEN] 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 Texas?

There was no objection.

Mr. DON H. CLAUSEN. Mr. Speaker, today I enthusiastically join those colleagues who have, with great imagination and foresight, called for a joint resolution to establish a U.S. World Food Study and Coordinating Commission.

By cosponsoring this resolution for an 18-member, bipartisan group to study world food problems and what can be done about them, I wish to call to the attention of the House the two major problems which this all-important initiative is intended to deal with—

First, the world problem of food supply and demand brought about by a universal population explosion.

Second, the decline in American agriculture resulting from steadily increasing production costs and farm debts.

Experts tell us, Mr. Speaker, that by 1980—only 13 years away—there will be five times more people to feed throughout the world than are now being fed. Imagine for a moment what this increased demand for food would mean, for example, to famine-ravished India and to the truly underdeveloped and war-torn countries of the world.

Where is this food? Where will it come from? What is the answer? Undoubtedly responsibility for meeting such a crisis will eventually rest with the rich countries—those who presently can sustain themselves—and principally to the United States. But I contend that, unless we plan and act now, neither we nor any other country acting alone or in concert with others will be up to the task of feeding a starving world.

I am not saying that the United States can or should solve or even attempt to solve the world's food problems. On the contrary, passage of this resolution might well avert such a possibility. In any event, however, we cannot ignore our basic responsibility to humanity should this awesome prospect become reality and there seems to be little doubt that the handwriting is on the wall.

The thought of a major world famine—widespread starvation—people dying like flies in the streets and in their homes from hunger and malnutrition—is a disturbing one indeed. More disturbing than that, moreover, is the added thought of a world unable to respond to more than 100 countries pleading and begging for food at our doorstep. Such a situation conjures up in my mind conditions as gruesome as nuclear holocaust in terms of panic and frustration.

I have always maintained, Mr. Speaker, that in the final analysis, the world will choose between communism and freedom, not as a result of war or conquest, but on the merits of what these two systems can offer people everywhere for the greater uplift of mankind. Historically, the Communists have been long on promises but short on delivery and I need only cite the recent Middle East struggle as an example. To meet this serious food challenge of the future, I submit that the forces of freedom—under our leadership—had better get their heads out of the sand to meet this impending international crisis.

We can best approach this objective by being alert for every opportunity to use our great productive capacity as a major weapon in a stronger economic offensive. Hungry people throughout the world are looking to America for guidance in agricultural policy—we must unleash the creative and productive genius of American agriculture. This has the potential of being one of our greatest weapons as we seek victory in the cold war.

Second, Mr. Speaker, is the promise this entire prospect of a subsequent world food shortage holds for the American farmer and our agricultural experts—both from a short-range and a long-range viewpoint. Now is the time for us to plan to avoid these future shortages.

As far back as 1964, I pointed out that there was a dangerous trend in our slumping agricultural economy that had to be reversed. In that speech, I specifically stated:

> The American farmer has always been known as the "Backbone of this Nation" but improper Federal agriculture and fiscal policies have been "chipping away" at his ability to maintain his independence and self-sufficiency. Without equivocation, I stand ready to work for a reversal of this dangerous trend.

When one considers these and other probelms, in the light of the present farm slump in which we find ourselves, grave doubts arise about our ability to feed ourselves 13 years hence—much less any other countries.

Again, Mr. Speaker, we return to the premise on which we began. What is the answer? Unfortunately, there are no readymade solutions which have already been conceived. A beginning, however, is to be found in the preamble to the joint resolution which I offer today and I quote:

> To establish a United States World Food Study and Coordinating Commission to study world food and agricultural needs, to coordinate present United States efforts toward meeting these needs, and to evaluate the future role of United States agricultural and other resources in the light of present and projected world food and population trends.

In summary and in conclusion, Mr. Speaker, it has been said and I repeat here today that the world is rapidly losing the race between an adequate food supply and a growing population. At the same time, the American farmer is fast losing out as his production costs and farm debt hit record highs.

We must, in my judgment, act now by getting the best minds together to study and evaluate the problem and to make constructive, realistic recommendations for meeting this awesome prospect of the future.

I urge the immediate establishment of a U.S. World Food Study and Coordinating Commission in accordance with the provisions of the joint resolution which I offer here today.

REDWOOD NATIONAL PARK

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. DON H. CLAUSEN] 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 Texas?

There was no objection.

Mr. DON H. CLAUSEN. Mr. Speaker, today I again place in the CONGRESSIONAL RECORD information pertaining to the Redwood National Park matter now pending before the House Interior Committee.

Specifically, I will insert my testimony made before the committee on June 27, 1967.

With the proposed park to be located in my congressional district, I hope my colleagues will benefit from the points I make. It will be my intent to do everything possible to keep my friends in the Congress posted on the progress of this important and complicated conservation measure.

Therefore, I include my statement at this point in the RECORD:

Thank you, Mr. Chairman and members, for the opportunity to appear on this legislation to create a Redwood National Park on the North Coast of California. It has been aptly labeled the most important conservation legislation before the Congress, and I concur. Besides the need to create a National Park to give suitable recognition to the coast redwood giants, unemployment in several of the counties in the redwood area has been running at levels up and beyond 15% of the labor force. The economic stimulus offered by a major tourist attraction would be of great help to this area, *providing it doesn't undercut the economic base we already have.*

Today, I expect to take very little of your time. As Congressman from the redwood area, I have presented a plan which I call "Redwoods-to-the-Sea". This conservation package includes a Redwood National Park and Seashore of 53,000 acres in the north as well as two other major units—creation of the 31,500 acre Kings Range Conservation Area near the center of my district and completion of the 53,000 acre Point Reyes National Seashore at the Southern end of my district. This is a regional plan calculated to achieve a balanced development according to priority.

I have done this to encourage legislative action on these three units because of their importance to the future of the area. The Committee and the Congress have an obligation to the Nation's taxpayers to tell the entire story—what is planned in the way of conservation projects and what it will cost.

Too often, there is a tendency on Federal projects to not tell the whole story—yet the projects are authorized—and then watch the costs escalate to astronomical figures.

As Members of Congress, we have a dual responsibility. We must represent the conservation organizations advocating these projects, but we must also represent the people affected and in particular, the taxpayer who must inevitably pay the price.

They are entitled to know the exact costs involved. Further, the people affected must be relieved as soon as possible.

They have been living in a kind of economic hell, under the threat of government action, waiting for these projects to be completed.

I cannot over-emphasize the vital need to take the necessary legislative action to complete the Redwoods-to-the-Sea conservation proposal.

The people of the Redwood Empire will continue to be harassed and restricted until the boundaries of these three important conservation units are established.

No one can make definite plans until the necessary Federal legislative action is complete.

The area is in a depressed condition now because of the uncertainties previously mentioned.

I believe all af you have copies of this map and brochure. With the Committee's permission, I will submit these copies to the Committee for its files.

Rather than go into detail on Redwoods-to-the-Sea at this point, I would like to submit for the record, a copy of a speech I gave before the National Wildlife Federation in San Francisco, and then make one observation. This plan contains a Redwood National Park and Seashore proposal on which, right now, there is substantial agreement. Further, it contains language granting the Secretary of the Interior expanded authority so that the boundaries on this map can be expanded, *providing further agreement is reached.* In other words, I have proposed a compromise that would create an outstanding Redwood National Park and Seashore in its present form and can be expanded to include additional new redwoods and further fruits of compromise through negotiations between the Federal and State governments and private owners. In my judgment, this is the only way you will get a Redwood National Park worthy of the name.

With that brief and general explanation, Mr. Chairman, I will rest my case for today. I believe I may be of much greater service to this Committee in its orderly consideration of the Redwood issue if I yield to other witnesses. Later, when the Committee has isolated the specific problems in creation of a Redwood National Park, and has held field hearings and trips into the area, I will make myself available for any questions or detail work the Committee may desire. As a pilot who has flown the area between San Francisco and the Oregon line nearly 1,000 times, as a native of the area and as a representative of the people in local government and the Congress for nearly 12 years, I feel that I can be of assistance.

Before I close, however, I would like to review very briefly the three major problems involved in creation of a redwood national park in this area, mainly for the purpose of focusing your attention on them early in the hearings. These problems are: (1) Federal acquisition of State park lands to be included in the national park; (2) acquisition of private lands; and (3) the cost.

Regarding the first, I want to congratulate the State of California and the Federal Administration for their diligent efforts to reach agreement on an exchange of Federal lands for the State Redwood Parks. My mail and a number of news stories have indicated an impression that we were undergoing a moratorium on the Redwood issue. Such is not the case. I am well aware of the continued efforts by the State and Federal administrations to reach agreement on acquisition of State Redwood Park lands for a national park. It is my understanding that general agreement has been reached, and I am anxious to hear the testimony of Interior's witnesses on this point.

Regarding the acquisition of private lands, however, I am sorry to report that no such activity has taken place. This is the area affecting local tax base, hundreds of jobs and the economy of the entire area. To my knowledge at this time, I have not learned of any progress or initiative by the Federal agencies in land exchange negotiations between the Federal government and the private land owners involved.

This seems to be a key to future success. If new redwoods are to be added to park lands, the Federal government should be developing a prospectus and the proper forum for entering into negotiations with the private owners.

It is for this reason that I have included Title III in my bill.

The key words to success in establishing a Redwood National Park are "compromise", "negotiations" and "exchange".

There is probably no precedent for some of this, but we've said all along that the Redwood Park "question" is unique and will require different approaches to solutions than any other conservation or park proposal—if you're going to have a worthwhile Redwood National Park.

One final point—the Federal cost to create this park. The Sierra Club's proposal has been estimated at between $120 million and $250 million, depending on the estimator. The Administration's proposal has been estimated by them at $60 million, and I understand this has now been refined to a figure near $100 million. As we all know, Mr. Chairman, cost can be a mortally wounding factor to the proposals for a Redwood National Park. In a year when the Congress temporarily refused to increase the debt limit, when all of us are concerned about government expenditures, closest scrutiny will be given to any park proposal that costs $100 million or $60 million. Only by broad use of exchanges can we create an excellent park at minimal cost, as my bill provides.

I believe this Committee and the Congress has an opportunity to establish a benchmark for future land-use policy that will be extremely beneficial to all Americans as they consider this Redwood Park question.

But in so doing, we must recognize the fact that there are two schools of conservation thought—preservation conservation and wise multiple-use conservation—giving balanced consideration to both.

If you adopt the Redwoods-to-the-Sea concept, tie down the respective boundaries once and for all—you will properly set the stage for a National land-use policy that will greatly enhance the potential for economic growth.

This, in effect, would establish a land-use pattern in the Redwood Empire of California that could be adopted elsewhere.

NEW YORK'S LUCK RUNNING OUT ON LOTTERY SCHEME?

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. WYLIE] 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 Texas?

There was no objection.

Mr. WYLIE. Mr. Speaker, tomorrow this body takes up H.R. 10595, a bill which would prohibit federally insured financial institutions from taking part in lotteries. It is imperative that this legislation be enacted so that banks can immediately be disassociated from the lottery scheme in New York, and to free the banks from any adverse reaction from the public which could result from the lottery. This morning's New York Times reports that the New York State lottery, which had previously been reaching only 50 percent of its ticket sale estimates, has now dropped to 25 percent of its goal.

When the lottery was first conceived, it was estimated that 1 million tickets would be sold a day. However, during the first month of the lottery, only 7 million tickets were sold, and indications are that sales will drop even more in the coming months.

Typical of the reaction by the public to the New York State lottery was the remark by an upstate New York bank

official, whose region had been allotted 1.2 million tickets and had sold a little more than 100,000 tickets.

"Do you know anybody that can use a million unused tickets?" he said in the Times' article. "Maybe we can have one hell of a bonfire."

[From the New York Times, July 11, 1967]

BANK FIGURES SHOW STATE LOTTERY SALES ONLY 25 PERCENT OF GOAL

(By Sydney H. Schanberg)

Nearly complete returns, from the first month of the New York State lottery indicate that sales were only about one-quarter of what the state had predicted.

A survey of the nine regional banks for the lottery showed yesterday that about seven million, or possibly less, of the $1 tickets were sold in June. The state had predicted a sale of $30-million a month, or $360-million a year, and had based its 1967–68 school-aid budget on this forecast. All profits from the lottery are to go for education.

The biggest loser, if the lottery continues to falter, will be New York City, which is supposed to receive $72-million extra in state school aid from the lottery.

The lottery's failure to live up to expectations could thus push both the city and the state closer to seeking tax increases next year—a year when all state legislators are up for re-election and therefore very reluctant to pass any new taxes.

The State Tax Department, which is running the lottery, refused to discuss the sales results yesterday, except to acknowledge that they were "off."

Tax Commissioner Joseph H. Murphy contended that the figures received so far from the regional banks were incomplete and possibly misleading. He said he would make public "the final audited figures" as soon as they were available, possibly early next week.

Officials at almost all the regional banks, however, said the figures they gave out yesterday were either final or close to final, with perhaps a handful of lottery outlets still to trickle in.

The tickets are being sold in about 4,000 banks, hotels and motels around the state; they are also available at a few local government offices and at the harness-racing tracks.

The regional bank for New York City, the Chemical Bank New York Trust Company, declined to release the sales figures for the city, saying that it was up to the Tax Department to make them public, if it chose to. However, sources elsewhere reported that city sales were in the area of 4.5 million.

New York City is the key to the lottery's success or failure; when the state issued its forecast of 30 million tickets a month, it estimated that about 60 per cent of them, or 18 million, would be sold in the city.

The eight regional banks covering the rest of the state reported total sales of about 2.2 million tickets.

One upstate bank official, who asked to remain unidentified, noted that his region had been allotted 1.2 million tickets and had sold only slightly over 100,000. "Do you know anybody that can use a million unused tickets?" he said. "Maybe we can have one hell of a bonfire."

One apparent reason for the lottery's poor performance is the lack of a vigorous advertising campaign. Because of Federal laws that keep lottery advertising off the air and out of magazines and most newspapers, the state is limited generally to highway billboards and posters in buses, subways, commuter railroad stations and the outlets themselves.

LAST MINUTE ADS TAKEN

"There's no question," Commissioner Murphy said recently, "that our promotional efforts are so severely restricted that it's very difficult to get the word around."

The Tax Department allotted $1.5-million to its billboard and advertising campaign. Also, in a last-minute attempt to boost the lagging sales, it took several ads in a few Albany and New York City newspapers during the last week of June. Because of the Federal laws, the ads could run only in the editions that were not put in the mails.

The lottery's slump will have no effect on the size of the monthly prizes. There will still be 240 prizes for every million tickets sold, ranging from $150 up to $100,000. A yearly superprize of $250,000 will also be awarded at the end of the state fiscal year, March 31.

The first monthly drawing will be held in three stages, starting in Albany on July 20 and ending in New York City on July 24 and July 26. The pattern for all the monthly lotteries is expected to be the same, with the prize-drawing for the July lottery, for example to be held sometime in late August.

THE SOVEREIGNTY OF THE PANAMA CANAL

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentlewoman from Ohio [Mrs. BOLTON] 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 Texas?

There was no objection.

Mrs. BOLTON. Mr. Speaker, today I am introducing a House concurrent resolution, identical to the one sponsored by a number of our colleagues, expressing the sense and will of Congress that the Government of the United States maintain and protect its sovereign rights and jurisdiction over the Panama Canal and that the administration in no way forfeit, cede, negotiate, or transfer any of these sovereign rights or jurisdiction to any other sovereign nation or international organization.

Along with a number of my colleagues I am deeply distressed and disturbed at the recent reports that the administration has entered into a proposed treaty with Panama that would surrender U.S. sovereignty over the Canal Zone. While the House has no part in the ratification of treaties, we do have a responsibility to all of the people of the United States to safeguard their interests.

Theodore Roosevelt wrote in December 1918:

> The Panama Canal must not be internationalized. It is our canal; we built it; we fortified it, and we will protect it, and we will not permit our enemies to use it in war. In time of peace, all nations shall use it alike, but in time of war our interests at once become dominant.

These words are just as applicable today. The United States cannot discharge its responsibilities for the Panama Canal with less control and jurisdiction than that to which it is entitled under the 1903 treaty. The Panama Canal is no ordinary enterprise but a vast economic and strategic agency that can in nowise serve two masters or operate under divided authority. Over 70 percent of the Canal Zone traffic either originates or terminates in U.S. ports.

The Panama Canal has a major strategic importance to the United States—politically throughout the Caribbean and Latin America, and economically to U.S. commerce. The United States has to make certain that freedom of transit between the Atlantic and the Pacific exists for everybody. What would happen under this proposed treaty if a Nasser should become President of Panama?

It should seem clear that this proposed treaty is not in the best interests of either the United States or Panama. It will only further the ambitions of a few Panamanian politicians who have used the canal for all these years as a campaign issue to cover up the real problems of their country. Rather than solve any problems, the proposed treaty would give rise to more and very serious problems. Therefore, Mr. Speaker, I urge all my colleagues to join in expressing the will of Congress that it is for maintenance and preservation of U.S. sovereignty and jurisdiction in the strategically important Panama Canal.

FARMERS SUFFER FROM PRICE-DEPRESSING IMPORTS

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from New York [Mr. GOODELL] 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 Texas?

There was no objection.

Mr. GOODELL. Mr. Speaker, once again I must call to the attention of the House the fact that another segment of the American farm community is suffering great damage because of the rising flood of price-depressing imports from abroad.

Many mink farmers—including those in my 38th Congressional District of New York—will be forced to abandon their industry unless the flow of mink pelts into the United States is limited.

I have today introduced legislation that would place a yearly quota on the imports of mink pelts that compete with domestic producers. The rate that these pelts are being imported is an alarming statistic. It is driving down the market price for American mink farmers. Last year 5.7 million pelts were imported and the average monthly rate so far this year is higher than the last.

The mink farmers in my congressional district are suffering great damage from the effects of this competition. My bill would insure that the markets would not be lost to our domestic mink farmers.

Under my bill a quota based on domestic consumption would be placed on imports of whole skins, whether or not dressed, with a duty of 50 percent ad valorem on mink imports in excess of the quota.

DR. JOHN G. SUGG, PRESIDENT, AMERICAN OPTOMETRIC ASSOCIATION

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Arkansas [Mr. HAMMERSCHMIDT] 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 Texas?

There was no objection.

Mr. HAMMERSCHMIDT. Mr. Speaker, on Saturday, July 1, Dr. John G. Sugg, an optometrist from Fayetteville, Ark., assumed the leadership of organized professional optometry in the United States upon his elevation to the presidency of the American Optometric Association.

Dr. Sugg is a native of the State, having been born in Gentry, Ark., in 1922. He was graduated from high school there in 1940, after which he took three semesters of work at John Brown University in Siloam Springs, Ark., and attended the Junior College at Poteau, Okla. Following 3 years in the Navy during World War II, he enrolled in Northern Illinois College of Optometry. Following his graduation there, he established his first practice in Siloam Springs in 1950. He moved the practice to its present location in Fayetteville in 1954, and has conscientiously served his patients and his community.

Dr. Sugg has been president of the Fayetteville Junior Chamber of Commerce and president of the Rotary Club, and served a term on the Jaycees' national board of directors. He is a recipient of the Jaycees' Distinguished Service Award.

This gentleman also has served his profession in an exemplary manner, as chairman of important State association committees, president of the Arkansas Optometric Association, and in the organization of which he is now president. He was director of the department of public information of the American Optometric Association for 3 years; was elected to the AOA board of trustees in 1962, where he served as trustee for the department of optometric practice during his first 2 years on the board. He was elected vice president in 1965, and was trustee for external agencies and liaison trustee for the International Association of Boards of Examiners in Optometry during that year.

Dr. John Sugg accepted further responsibilities to his more than 14,000 colleagues in the AOA when he was designated president-elect at the annual meeting in 1966. In that capacity he functioned as trustee for the association's ad hoc committees.

His other professional affiliations include membership in the American Optometric Foundation and the optometric extension program. He is also a fellow in the American Academy of Optometry.

Arkansas is proud of this native son and father of four, who has attained the highest position which can be conferred by his fellow professionals. We wish him well in his year at the helm of this great organization, the American Optometric Association, which is devoted to provision of the best possible visual care of the American people.

DESPERATE NEEDS FOR WATER POLLUTION CONTROL FUNDING

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Oregon [Mr. WYATT] 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 Texas?

There was no objection.

Mr. WYATT. Mr. Speaker, during the Fourth of July congressional recess, I toured my congressional district each and every day, talking to people, discussing local problems with various groups, speaking, and attending meetings. Other than Vietnam, perhaps the greatest concern throughout my district was for the full funding of the Federal Water Pollution Control Act. My State has a good record in this field, yet much remains to be done and is being undertaken. But the State cannot do it alone. Upon my return to Washington, I found waiting for me a most eloquent plea for full funding from Kenneth H. Spies, the chief engineer of our State sanitary authority. The text of the letter will be of interest to my colleagues because it so graphically describes the problems of a State that is making a huge effort to help itself. When we are discussing $5 billion for the space program, and huge sums for highway beautification, foreign aid, and for the administrative costs of the poverty program, we must attempt to assign priorities with needs like this in mind.

The letter referred to follows:

STATE OF OREGON,
OREGON STATE SANITARY AUTHORITY,
Portland, Oreg., July 7, 1967.

Re Federal grants for sewage treatment works construction.

Hon. WENDELL WYATT,
House of Representatives,
Washington, D.C.

DEAR MR. WYATT: For the past ten years the federal grant programs authorized by PL 84-660 for assisting local communities in the financing of sewage treatment works construction has been of considerable help in the state of Oregon. Now, however, unless Congress substantially increases the appropriation for fiscal year 1968, this federal grant program may be responsible for delaying for an extended period of time the construction of many urgently needed sewage treatment projects in Oregon.

Under amendments to the Federal Water Pollution Control Act approved by Congress in 1966, a maximum appropriation of $450,000,000 for construction grants for fiscal year 1968 is authorized. Of this amount, Oregon's share would be $4,695,050. The President's budget, however, calls for an appropriation of only $200,000,000, of which Oregon is to receive $2,262,550. This will be woefully inadequate to meet the requests made by our communities.

We have just completed our compilation of the applications that we have received for fiscal year 1968 for federal grants under PL 84-660, and for state grants under the bill passed recently by the 1967 Oregon Legislature. These applications which cover 49 projects request a total of $14,324,788 in federal funds and $7,461,738 in state funds.

Enclosed for your information is a summary of Oregon's present sewage treatment works grant requirements. From it you will note that we have 7 projects that received 30% grant offers from the 1967 FY appropriation, but because they did not get under construction before July 1, 1967, they are now eligible for an increased federal grant equal to 50%, and in some cases to 55%, of the total project cost. The increases in these 7 grants amount to $833,533 which must come from the 1968 federal appropriation.

In addition, there were 2 other projects that were approved for federal grants in FY 1967, but they did not receive grant offers because of insufficient federal funds. These 2 projects will require $1,129,500 from the 1968 federal allotment. A third project (North Umpqua Sanitary District) was not approved for a grant offer in FY 1967, but its construction was started during that fiscal year and under the 1966 amendments passed by Congress it is now eligible for a 33% federal grant.

These 10 projects, which were either started or intended to be started last fiscal year, will therefore require $2,032,278 from Oregon's 1968 allotment of only $2,262,550. This leaves only $230,272 to apply toward the 39 new projects which are eligible for at least $12,292,510 in federal grants.

Even if Congress appropriates the maximum amounts authorized for the next two years ($450,000,000 in 1968 and $700,000,000 in 1969), Oregon's allotment will not be enough to fill these requests because it will total only $11,822,600.

In response to the demands of Congress and in order to do their share in abating the pollution of the nation's public waters, the Oregon communities have greatly accelerated their programs for construction of sewage treatment works. The Oregon State Sanitary Authority recently adopted water quality standards and an implementation and enforcement plan in order to comply with requirements of the Federal Water Quality Act of 1965. This plan calls for secondary treatment of all sewage wastes throughout the State within a five year period. It is hoped that these programs will not have to be delayed awaiting the receipt of federal grants. Any assistance you can give us in this matter will be sincerely appreciated.

Respectfully yours,
KENNETH H. SPIES,
Secretary and Chief Engineer.

TRIBUTE TO JOHN QUINCY ADAMS

The SPEAKER. Under previous order of the House, the gentleman from Massachusetts [Mr. BURKE] is recognized for 60 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, the great esteem in which John Quincy Adams is held by his countrymen is shown by such things as the recent visit to the Adams National Historic Site made by Mrs. Johnson, the First Lady, and by the fact that the late President Kennedy opened his book, "Profiles in Courage," with an account of how this great American statesman willingly risked his public career by submerging both personal and regional interests to the national good. I have expressed my own regard for the tradition of public service of the Adams family by introducing a bill which would enlarge the Adams National Historic Site.

Today, July 11, we observe the 200th anniversary of the birth of John Quincy Adams. He was born in 1767 in the North Parish of Braintree, Mass., the son of John and Abigail Adams.

Among his earliest memories were the sights of warfare and revolutionary struggle. With his mother he watched the British attack upon Bunker Hill. During his long life he took pride in the accomplishments of the Revolution and knew his greatest satisfaction in observing the growth and achievements of the American Republic.

In February of 1778, at the age of 11, he accompanied his father on a brief

diplomatic mission to France. In June 1779, they left on a second mission to Europe, the negotiation of a treaty of peace with Great Britain. On this voyage, young John Quincy Adams began the diary which he continued with minor interruptions until a few years before his death in 1848. Prof. Samuel Flagg Bemis has said of this diary that it is "the greatest personal record ever set down by anyone in the United States."

In it are described the men and events of the early years of our beloved country as seen by one of America's finest statesmen. Only the high points can be mentioned in the brief sketch of his distinguished career that I can offer on this occasion.

He was graduated from Harvard College in 1787 and then studied law for 3 years in the Newburyport office of a lawyer who later became chief justice of Massachusetts. Adams then practiced law, wrote politically controversial newspaper articles, and in 1794 was appointed the American representative to the Netherlands. He served in a similar post in Berlin. In 1801 he resumed his law practice in Boston.

In 1802 he was elected to the Massachusetts Senate. In February of 1803 he was elected a U.S. Senator by the Great and General Court of the Commonwealth. In many of the stands that he took as a U.S. Senator he earned the wrath of the Federalist Party, and his Senate career came to an end in 1808. He had previously been appointed Boylston professor of rhetoric and oratory at Harvard, where he now concentrated all his energy and ability. Despite his disagreements with the Federalists, he was not a Republican. Neither did he fully support the Republican administration, and he refused a Republican offer of a congressional nomination. Suffering the fate of many independents of that period and of later ones, he was regarded with suspicion by both parties.

When James Madison became President of the United States, he appointed Adams the American representative at the Russian court. Adams participated in the peace negotiations with Britain after the War of 1812, and was then appointed American Ambassador to Great Britain, serving in a post his famous father had once occupied with great distinction.

In 1817 he was invited by President Monroe to serve as Secretary of State. The most important negotiation conducted by Adams in this important Cabinet post was the treaty for the cession of Florida by Spain to the United States. While the Spanish treaty was in the making, Missouri applied for statehood and a struggle arose on the issue of the exclusion of slavery. Adams approved of the Missouri Compromise. He believed that the measure excluded slavery in territories and States formed in the area north of the dividing line. He saw clearly that the principle involved in the Missouri Compromise had momentous possibilities that might even lead to the dissolution of the Union. To him the controversy over Missouri was the "titlepage to a great tragic volume." His opposition to slavery was strong, and in his diary he noted that a life devoted to the problem of emancipation would be one "nobly spent or sacrificed." In foreign affairs, the Monroe Doctrine, enunciated by President Monroe on December 2, 1823, owed much to the influence of Adams as Secretary of State.

As the presidential election of 1824 approached, Adams was one of four candidates. The office of Secretary of State which he occupied had by custom come to be regarded as a steppingstone to the Presidency. During his term as Secretary, however, Adams had done very little in practical ways to advance his prospects. When the returns were in, Jackson had received 99 votes. Adams 84, Crawford 41, and Clay 37, Support for Adams had come from New York and the New England States. With Crawford seriously ill, the decision in the House of Representatives rested with the supporters of Clay. Clay's dislike of Jackson made him support Adams. Adams received the votes of 13 States to Jackson's seven.

In his inaugural address, Adams stated a broad plan of internal improvements for the country. In his annual messages, he set forth his ideas for directing the powers of the Federal Government toward improving arts and sciences, and for establishing a national university, astronomical observatories, and other enterprises and activities designed to improve the general welfare.

Opposition took shape in Congress. A majority of those elected to Congress in the middle of his presidential term were opposed to Adams. In the bitter presidential election of 1828 he was defeated by Jackson. He returned to Massachusetts where he expected to remain in retirement in Quincy. The people of the Plymouth congressional district had other plans for him, however, and he was elected as their Representative to the 22d Congress by a large majority. He was reelected for eight successive Congresses, serving for 17 years less 10 days. Neither before nor since has a Member sat in the House of Representatives who possessed so rich and varied an experience as he did. He was a former President who had an insider's knowledge of the political history of 40 years both at home and abroad.

He was industrious and conscientious in discharging his duties as a Member of the House of Representatives. He served on many important committees and prepared reports which covered a great number of the issues of public policy of his time. As a debater he was listened to with respect and sometimes with fear. His integrity was unquestioned, his information was vast and ready, and his manner of speech was direct, forceful, and sometimes caustic.

On September 17, 1842, Adams gave to his constituents a full statement of his conduct during his service in the House of Representatives in the form of a study of the administrations of the successive Presidents of the period. It was called "An Address of John Quincy Adams to His Constituents of the 12th Congressional District." He described his conception of what the South and the slave power had done and had wished to do, and the extent to which their policies had been aided by a sacrifice of principle by the North. It was the last political document of importance prepared by Adams, and vividly recapitulated 12 years of American politics at the national level as seen by a leading participant.

On November 19, 1846, he was stricken with paralysis while walking in Boston, but recovered enough to take his seat in the House on February 16, 1847. One year later, on February 21, 1848, just after he had responded to the call of his name in the House Chamber, he suffered a second stroke. He was carried to the Speaker's room in the Capitol, and died there on the evening of February 23.

The next day, the Speaker officially announced to the assembled House Members the death of their venerated fellow Member. Eulogies followed, and the Members of the House unanimously agreed that a committee of one Member from each State and territory of the Union should be appointed to escort the remains of their esteemed colleague, the Honorable John Quincy Adams, to the place designated by his friends for his interment. Thomas Hart Benton said of him in the Senate:

> Wherever his presence could give aid and countenance to what was useful and honorable to man, there he was. Where could death have found him but at the post of duty?

The funeral ceremonies in Washington and elsewhere assumed the proportions and significance of a national pageant. Thousands filed past his coffin as it lay in a committee room of the House of Representatives. On Saturday, February 26, from sunrise to noon, cannons were fired in salute to the departed statesman. At 10 minutes before noon, the Speaker called the House of Representatives to order. The President of the United States entered and took his place at the right hand of the Speaker. Then came the Justices of the Supreme Court, senior officers of the Army and Navy in full uniform, the diplomatic corps in formal attire, all taking their seats in order right and left of the aisle in front of the rostrum. The Senate followed, the Vice President taking his place at the Speaker's left. Finally, the son of the deceased, Charles Francis Adams, other members of the family, and close friends came in and seated themselves in a row reserved for them. Then, after a prayer, entered Senators Webster and Davis of Massachusetts, preceding the coffin.

On a catafalque in the space directly in front of the Speaker rested the mortal remains of John Quincy Adams. The silver-mounted coffin bore a plate with an inscription that had been written, at the request of the Massachusetts delegation, by Daniel Webster. It read:

> John Quincy Adams, born an inhabitant of Massachusetts, July 11, 1767, died a citizen of the United States, in the Capitol, at Washington, February 23, 1848, having served his country for half a century, and enjoyed its highest honors.

The Chaplain of the House preached a funeral sermon. A choir sang a closing hymn, and the cortege moved out of the Capitol through the east front, joining a

civic funeral procession which had been formed at the portico.

Not since the city of Philadelphia had paid similar homage to its beloved Benjamin Franklin had there been such public testimony to a deceased American statesman. The funeral procession that honored John Quincy Adams reflected the nature of his 60 years of public service, years that extended from the American Revolution to the end of the Mexican War. Slowly the procession moved out of the Capitol Grounds on its way to the Congressional Cemetery to which Adams in his lifetime had accompanied so many of his friends and colleagues.

First marched the military companies of Washington with a funeral band. Many times had Adams reviewed them in the District of Columbia.

Then came the Chaplains of the House and Senate, and the clergy of the District. In his day, Adams had worshiped at all the churches of Washington and had been personally acquainted with most of their pastors.

Next followed the Committee of Arrangements, composed of one Member of the House from each State and territory. Young Abraham Lincoln represented the State of Illinois.

A Committee of Escort similarly represented the States and territories. Then came the funeral carriage, flanked by 12 honorary pallbearers, including John C. Calhoun. Adams had known Calhoun as a friend and colleague during his Presidency, and had argued with him many times. Each had thought ill-natured things about the other in the heat of political controversy, yet each had respected the other as a man and a statesman.

The family, represented by Charles Francis Adams and Mary Hellen Adams, followed in carriages after the hearse. After them came the Sergeant at Arms of the House and the Members of the House, preceded by the Speaker and the Clerk. Behind the House were the Senate and its officers in corresponding order.

After the Congress, marched the President of the United States, James Polk. The Justices of the Supreme Court followed. President Madison had appointed Adams to the Court, but Adams had declined the office.

Next came the foreign diplomatic corps. Adams had been America's greatest diplomat during the first half century of our independence when were laid the foundations of American foreign policy.

Finally followed a procession of Government officials, military and naval officers, members of State legislatures, the Corporation of Washington, the Columbia Typographical Society, the faculty and students of Georgetown College and of the Columbian College, and members of literary institutions, fire companies, and other organizations and societies of the District of Columbia. With all of these Adams had had close and friendly relationships during his many years in the Nation's Capital.

Following these national honors the body rested temporarily in the tomb of the Congressional Cemetery pending its conveyance to Quincy. A week after the ceremonies at Washington, the Committee of Escort entrained to take John Quincy Adams back to Massachusetts.

John Quincy Adams' death at his post of duty touched the imagination of his countrymen as nothing had since the deaths of John Adams and Thomas Jefferson on the 4th of July in 1826, the 50th anniversary of American independence. People sensed in a dramatic way the breaking of the last personal link between the Founding Fathers and the men of a new and uncertain era. All along the funeral train's route, flags were at half-mast. Business was suspended in the towns where the funeral party stopped for local tributes. Along the countryside people stood with bowed heads as the train passed by with its black-draped car. The Nation experienced an outpouring of eulogies, elegies, obituaries, requiems, odes, poems, orations, sermons, resolutions, biographical sketches, anecdotes, reminiscences, and editorials in praise of the venerable Yankee patriot and public servant. Newspapers printed selections from his verse, quotations from his letters and his sayings, illustrations of his steady habits, and statements of his religious opinions. The obsequies developed into what amounted to a countrywide ceremony, a rejoicing that the Republic should have produced such a great and honorable man and so notable a Christian as John Quincy Adams.

Boston, which would not make John Quincy Adams wholly her own while he lived, now took him to herself in death. Upon news of his passing, the Massachusetts Legislature, which four times had declined to elevate him from the U.S. House of Representatives to the U.S. Senate, listened to eulogies and passed resolutions extolling his republican simplicity of manners, his elevated morals, his Christian virtues, and his reverence for religion and its institutions:

> With melancholy pleasure, we behold such a public servant, when summoned to his final account, falling at the post of his duty.

Bostonians thronged the streets when the funeral train arrived. A distinguished local committee received the escort, and amid tolling bells took the coffin to Faneuil Hall, where many were waiting in mourning. Conspicuously placed inscriptions listed the State and National posts that Adams had held from boyhood through old age. Over the entrance to Faneuil Hall, grasped in an eagle's beak, was a placard:

> This is the last of Earth—I am content.

Beneath:

> John Quincy Adams, aged 81, Born a citizen of Massachusetts. Died a citizen of the United States.

Between the galleries above the auditorium were these words of George Washington in 1797:

> John Quincy Adams is the most valuable character we have abroad and the ablest of all our diplomatic corps.

Adams' onetime enemy and later friend, Joseph T. Buckingham, State senator from Middlesex County, who had delivered a eulogy in the legislature, received the body from the congressional committee and consigned it to Mayor Josiah Quincy of Boston for delivery to the townsmen of Quincy. Adam's lifetime friend, Mayor Quincy, said:

> This is no mere pageant. The spots on which this bier rests on its journey to the grave will not be marked by visible tokens . . . but associations and recollections shall cluster there, inspiring the living with the spirit of the dead; and, should the time ever come when distance and difference of interest shall seem for a moment to weaken the bonds of the Union, we will remember that our sister States sympathized with us in our grief as readily as their fathers rushed to our assistance in peril.

Tomorrow, he said, the townspeople of Quincy would mourn the loss of a fellow citizen not so much as a statesman but as a friend:

> He will be "gathered to his fathers," and how great is the significance of the expression. When again shall the tomb of a President of the United States open its doors to receive a son that has filled the same office?

All that was mortal of Massachusetts' illustrious son remained in the Cradle of Liberty until the following day, when escorting committees, National, State, and municipal, entrained for Quincy. There a town meeting had already adopted resolutions of affection and respect "to the truthful expositor of the principles upon which our republican institutions are based, a champion of the universal rights of man, and a promulgator of those ideas of human freedom shadowed forth in the Declaration of Independence and destined yet for a long time to agitate the world, till the rights of man, as man, are everywhere fully and practically acknowledged."

A marshaled procession of town fathers and Norfolk County officers met the State and National escorts at the then new railroad station.

After a brief repose at the Adams Mansion, they followed the remains to the Stone Temple, under a final salute of gunfire from atop Penn's Hill, where the boy John Quincy Adams and his mother, Abigail, had watched the Battle of Bunker Hill across Back Bay. Amid the tears of old friends and neighbors, the pastor, William Lunt, preached a moving sermon based on a text from Revelation 2:10:

> Be thou faithful unto death, and I will give thee a crown of life.

Then Adams' neighbors carried his remains to the family tomb that he himself had prepared in the churchyard.

Perhaps the best epitaph to the memory of John Quincy Adams was the one that his son Charles placed on the front wall of the Unitarian Church in Quincy:

> Near this place reposes all that could die of John Quincy Adams, son of John and Abigail Smith Adams, sixth President of the United States. Born 11 July, 1767, amidst the storms of civil commotion, he nursed the vigor which nerves a statesman and a patriot, and the faith which inspires a Christian. For more than half a century, whenever his country called for his labors, in either hemisphere or in any capacity, he never spared them in her cause. On the twenty-fourth of December 1814, he signed the second treaty with Great Britain which restored peace within her borders; on the twenty-third of February, 1848, he closed sixteen years of eloquent defense of the lessons of

his youth by dying at his post in her great national council. A son worthy of his father, a citizen shedding glory on his country, a scholar ambitious to advance mankind, this Christian sought to walk humbly in the sight of his God.

Mr. McCORMACK. Mr. Speaker, on this July 11, we observe the 200th anniversary of the birth of one of the greatest sons of Massachusetts, and one of our outstanding Americans, John Quincy Adams.

He was born in 1767 in the North Parish of Braintree, the son of John and Abigail Adams. He was the only son in American history to occupy the great office which his father had won before him, the Presidency of the United States.

He served his country for many years and in many different roles. He accompanied his father when the treaty of peace was negotiated which ended the Revolution. He was an American representative in the negotiations which terminated the War of 1812.

He served as an Ambassador to Great Britain, as a member of the Massachusetts Senate in 1802, and as a U.S. Senator from Massachusetts from 1803 until 1808. He was the American representative to the Government of the Netherlands.

George Washington said of his diplomatic activities:

John Quincy Adams is the most valuable character we have abroad and the ablest of all our diplomatic corps.

John Quincy Adams was appointed Secretary of State by President Monroe. The Monroe Doctrine of December 2, 1823, was in large measure the result of the labors of Adams as Secretary of State.

He won the Presidency in 1824 in an election contest decided in the House of Representatives. His inaugural address contained a masterful plan for American internal improvements; and in foreign affairs he was a master.

After the strenuous presidential election campaign of 1828, and the election of Andrew Jackson, he returned to his beloved home in Quincy, Mass., where he expected to enjoy the retirement from public affairs to which he had long aspired. Yet he was not permitted by the voters of the Plymouth congressional district to remain inactive. He was elected by them to the U.S. House of Representatives beginning with the 22d Congress, and was reelected to the next eight Congresses, serving for almost 17 years before his death on February 23, 1846. It was in the House of Representatives that John Quincy Adams made a major part of his most notable record.

His death, universally lamented, came as he was at work in the Chamber of the House of Representatives in which he had served with such distinction. He was the only former Chief Executive in our history who served in the House after his presidential term.

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

Mr. BURKE of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. PHILBIN. Mr. Speaker, I commend and congratulate the gentleman in the well for the very brilliant and exhaustive and illuminating and impressive and eloquent address he has delivered on one of the great leaders of American history, John Quincy Adams. I recognize that the distinguished gentleman in the well of the House, my good friend the Honorable JAMES ANTHONY BURKE, has the great honor and privilege of representing the district that was once represented by the great President John Quincy Adams. I might say he is an illustrious successor of a very illustrious Member of the Congress and a very illustrious President.

I feel anything I might say with respect to the contributions to our country of one of our great forebears might be like carrying coals to Newcastle, but nevertheless I want the gentleman to know how much I appreciate hearing this and how very impressive his remarks were regarding this great American. I associate myself with his remarks and the analysis and recital the distinguished gentleman has made about John Quincy Adams.

Mr. BURKE of Massachusetts. I thank the gentleman for his contribution.

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

Mr. BURKE of Massachusetts. I yield to the gentleman from Missouri.

Mr. HALL. Mr. Speaker, I join the distinguished gentleman from Massachusetts and my fellow member on the Committee on Armed Services in commending the gentleman in the well for this timely and most appropriate recognition of our sixth President.

John Quincy Adams has long been one of my favorites in history. I am constantly impressed, as I walk the halls of this Capitol, that he once walked here. I oftentimes go to the place in the old House Chamber, now Statuary Hall, where he always resided. Rumor and story are that he had a certain place where he could overhear, because of the acoustic effects, the Members of the opposition in their plans and strategy sessions.

Most of all, however, John Quincy Adams was recognized by the first Senator from Missouri, elected by the Missouri Assembly and known now as a magnificent Missourian in book and recorded prose.

At the risk of tittering when greater larks sing on high. I would like to join the gentleman, because I think John Quincy Adams' greatest contribution was the fact that he recognized that in a representative republic it was perhaps as great an honor to represent the people in this body as it was to be elected as the Chief Executive Officer. He served in the House of Representatives after having served as the sixth President of the United States. I certainly compliment the gentleman in the well. I wonder oftentimes whether we fail to appreciate the fact that such great men in history have walked these same halls where the gentleman in the well and others of us strive mightily to emulate our predecessors. I thank the gentleman for what he has brought to the body today.

Mr. BURKE of Massachusetts. I thank the gentleman for his contribution.

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

Mr. BURKE of Massachusetts. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, I want to add my commendation to the gentleman in the well for bringing this to the attention of the House. I believe in my first study of history I felt a great sense of disappointment that John Quincy Adams was elected rather than "Old Hickory," Andrew Jackson. But I have since recovered from that and, following the illustrious career of the great President Adams and also following the illustrious career of the gentleman who is now in the well, who represents the same district, I share the sentiments of all those who honor John Quincy Adams for his great service to the State of Massachusetts and to the Nation.

Mr. BURKE of Massachusetts. Mr. Speaker, I thank the gentleman for his contribution.

Mr. IRWIN. Mr. Speaker, I would like to join my colleagues in the House in calling attention to the important anniversary occurring on this date—the birth 200 years ago of John Quincy Adams, destined to become the sixth President of the United States.

John Quincy Adams was the famous son of a famous family—a man who gave most of his life to dedicated service for his country.

He was a man who served in the House of Representatives from the great Commonwealth of Massachusetts for nearly 17 years. He was a man who rose to the high office of President of the United States—a man who after losing presidential reelection in 1828 nevertheless continued to serve his country by returning to the House of Representatives until his death in 1847.

But John Quincy Adams also served his country in other ways than as an occupant of the White House or a Member of the House of Representatives.

In 1794, he served with great distinction as the American representative to the Netherlands and later in a similar post in Berlin.

He was a member of the Massachusetts Senate in 1802 and 1803 when the people of his State via the Great and General Court of the Commonwealth sent him to the U.S. Senate.

In 1817, John Quincy Adams was invited by President Monroe to become Secretary of State, an office he held until he was himself elected to the Presidency.

John Quincy Adams was a great statesman, a great patriot, and a great American who represented a congressional district in Massachusetts now represented by an equally outstanding American, an equally great statesman and patriot—my distinguished colleague and good friend, the Honorable JAMES A. BURKE.

Mr. ANNUNZIO. Mr. Speaker, I am happy to associate myself with the remarks of my distinguished colleague from Massachusetts, the Honorable JAMES A. BURKE, who has requested a special order today to commemorate the 200th anniversary of the birth of John Quincy Adams.

It is indeed appropriate that we observe this anniversary, for John Quincy Adams was the sixth President of the

United States from 1825 to 1829. All of us are familiar with the contributions of this great American patriot, soldier, and statesman who served his country in the diplomatic service, as Secretary of State, in his State legislature in Massachusetts, in the U.S. House of Representatives, in the U.S. Senate, and as President of our wonderful country.

His whole life was dedicated to public service, and his sincerity and dedication of purpose in the best interests of the people of America were evidenced time and time again during his career. Indeed, our sixth President's depth of feeling for his beloved country can best be expressed in his own historic words when he delivered his inaugural address on March 4, 1825:

> Intentions upright and pure, a heart devoted to the welfare of our country, and the unceasing application of all the faculties allotted to me to her service are all the pledges that I can give for the faithful performance of the arduous duties I am to undertake.

My distinguished colleague, Congressman BURKE, represents the same congressional district of Massachusetts which John Quincy Adams represented so ably for nearly 17 years. Mr. Burke was elected to the 86th Congress, and was reelected to the 87th, the 88th, the 89th, and the 90th Congress. His outstanding service on the House Ways and Means Committee and in the Congress have merited the admiration and confidence of both his colleagues and his constituents. It is indeed a privilege to serve in this body with my distinguished colleague from Massachusetts who is continuing to serve his country in the same noble and lofty traditions established by his predecessor, John Quincy Adams.

It is my pleasure to join in this commemoration of the 200th anniversary of the birth of a great American—John Quincy Adams.

Mr. KYROS. Mr. Speaker, John Quincy Adams, diplomat, Senator, Congressman, and President of the United States, created one of the most remarkable and valuable careers in the service of this Nation ever recorded. Although we are now commemorating the 200th anniversary of his birth, his place in history has not been eroded, his brilliant contribution has not been dimmed.

Had his service to the country been limited to his diplomatic efforts, his skillful handling of American affairs in the Netherlands and Russia, and his talent as a negotiator at the peace conference with England after the War of 1812, his work would be memorable. Had his single term as U.S. Senator been his only public role, with his stanch defense of the Louisiana Purchase and his courageous support of President Jefferson's measures of retaliation against overbearing Britain, that too would have been memorable.

Had his presidential term, at the outset of America's industrial development and western expansion, during which John Quincy Adams worked diligently for advancement in those areas, been his final accomplishment, it would have been a memorable climax to an outstanding career of public service.

But, weary and frustrated, John Quincy Adams answered once again the call of his fellow citizens and returned to Washington as U.S. Congressman; there to write perhaps the most outstanding chapter of his career. For as Congressman Adams, the aging statesman became the forceful advocate of a firm foreign policy by opposing the cavalier French attitude toward its obligations to this Nation, and of fiscal responsibility by supporting the controversial Bank of the United States. Most important, John Quincy Adams spoke out, virtually alone, against the notorious "gag rule" which suppressed the political activities of those who opposed slavery. Year after year he ceaselessly attacked the tactics of those who preferred the old order to civil liberty.

John Quincy Adams' probity and strict integrity, his courage and unflinching independence, enfused his campaigns to promote the national interest above those of State and party. His vision and endurance, his steadfast refusal to desert a cause he thought right are qualities that serve as a model for those who have followed him into public service.

John Quincy Adams, in public office for most of his six adult decades, has earned a place in history as a magistrate who sacrificed all for his country and his conscience.

Mr. CONTE. Mr. Speaker, it is with a considerable feeling for history that I rise today to join Congressman BURKE in honoring the 200th anniversary of the birth of John Quincy Adams, of Massachusetts.

A distinguished son of one of America's most fervent Revolutionary families, he helped to perpetuate a dynasty which for well over a hundred years has continued to provide the Nation and the Commonwealth of Massachusetts with thoughtful, sensitive, and intelligent leadership. As Secretary of State, as President of the United States, and as a Member of this great deliberative body he contributed mightily to the successful growth and development of the United States.

John Quincy Adams was a frequent visitor to my own district in western Massachusetts. On one such visit he wrote that the view from Pocumtuck Mountain overlooking historic Deerfield "is a view unexcelled by none, not excepting the Bay of Naples." So like an old friend and with a profound admiration for his unusual intellectual attainments, I join with my distinguished colleague from the eastern part of the Commonwealth in paying this tribute to John Quincy Adams whose greatness in history is secure and in recent years ever growing.

Mr. BROOKS. Mr. Speaker, Massachusetts has produced many great patriots and leaders, among them President John Quincy Adams, our sixth President.

The 11th District of Massachusetts has been particularly blessed in that it was represented here in Congress by President Adams for almost 20 years. On this day, the 200th anniversary of the birth of that great American, we salute the great State of Massachusetts and its outstanding Representatives both past and present.

The 11th District at present is represented by a man well qualified to serve in the tradition of his illustrious predecessor. Our colleague, JAMES A. BURKE is a highly respected and effective Member of this body. We who have the pleasure of serving with him congratulate the people of his district on their excellent choice and good judgment in sending such a capable and dedicated person to represent them in the U.S. House of Representatives.

Mr. MORSE of Massachusetts. Mr. Speaker, I am delighted that my distinguished colleague, the gentleman from Massachusetts [Mr. BURKE], has taken this time today in recognition of the 200th anniversary of the birth of John Quincy Adams, our sixth President and for nearly 17 years a Member of this body. Massachusetts can be justly proud of a number of statesmen who helped forge the foundations of our freedom. Certainly, no family was more distinguished than the Adams. Two Presidents and numerous other public figures from the Commonwealth have carried the famous name of Adams right into our own time.

It was a measure of the esteem in which John Quincy Adams was held that the people of his congressional district returned him to the U.S. House of Representatives after his unsuccessful bid for reelection against Andrew Jackson in 1828. With characteristic Yankee stubbornness his constituents insisted on retaining the benefits of his public service, even though the country as a whole had failed to return him to office.

The long and active career of public service of John Quincy Adams reminds us of the statement of another famous Adams, Samuel Adams who, a month after the signing of the Declaration of Independence, said:

> I ask no greater blessing than to share with you the common danger and the common glory.

In marking the birth of John Quincy Adams today, we also mark a notable tradition of public service.

Mr. KEITH. Mr. Speaker, for almost 17 years the 12th Congressional District of Massachusetts was represented in the U.S. House of Representatives by one of the outstanding statesmen of early American history. Following his defeat in the bitter presidential election of 1828, John Quincy Adams, the able if controversial sixth President of the United States, was pressed into service by the people of the Plymouth Congressional District. Although population changes have altered the makeup of the 12th District, much of that original district remains in my congressional district, and I am particularly honored to join my colleagues today in paying tribute to my predecessor.

John Quincy Adams, who was born just 200 years ago today, served his Nation and his constituency conscientiously and tirelessly. One of the ironies of history is that this dedicated statesman was not fully appreciated until his death at the age of 81. When the Nation learned of his death following a fatal stroke in the House Chamber, however, John Quincy Adams was accorded the highest honors and praise. Eulogies, ora-

tions, and obituaries in acclaim of the venerable public servant flooded the Nation. Even the Massachusetts Legislature, which had four times refused to elevate the Congressman from the 12th District to the rank of U.S. Senator, passed resolutions extolling his manner, his morals, and his virtues.

Mr. Speaker, if John Quincy Adams was not accorded as much respect, love, and admiration as his 60 years of public service merited while he lived, at least his fellow countrymen realized upon his death that America had lost one of its outstanding statesmen. I am indeed awed at the thought that such a man was my predecessor in the U.S. House of Representatives—awed, and more than a bit inspired by the example of this illustrious son of Massachusetts and the United States of America. John Quincy Adams was, as his son declared in the epitaph on the front wall of the Quincy Unitarian Church, "a son worthy of his father, a citizen shedding glory on his country, a scholar ambitious to advance mankind."

Mrs. HECKLER of Massachusetts. Mr. Speaker, July 11 marks the 200th anniversary of the birth of John Quincy Adams of Braintree—Quincy—Mass.

The people of the United States best remember him as the sixth President of the United States, following James Monroe and preceding Andrew Jackson. My colleagues may remember that the House of Representatives voted him into the Presidency following his failure to win an electoral college majority over Henry Clay and Andrew Jackson. The people of Massachusetts also remember that John Quincy Adams served with distinction in the Senate and in the House of Representatives. However, many people may forget that John Quincy Adams also served as a major policymaker with great distinction in James Monroe's Cabinet.

Prior to his appointment as Secretary of State, John Quincy Adams served as American Minister to the Netherlands, Prussia, England, and Russia. His careful study of European politics led him to believe that the security of the fledgling United States lay in the development of a strong republican form of government, necessary to counteract the aggressive power and intentions of the European nations. As Secretary of State, 1817 to 1824, he successfully continued his advocation of a strong Union despite the opposition of the "weak constructionists." This opposition later hampered his efforts as President.

Mr. Speaker, his efforts to form a strong Republic are best illustrated by the policy position adopted during his tenure as Monroe's Secretary of State. In successfully advocating the purchase of Florida and the prohibition of slavery in most of the Louisiana Territory, despite the opposition of the "weak constructionists," he strengthened the development of Presidential power, necessary for a strong Union. With full realization of the security requirements of our country and the significance of this country to independence movements in Latin America, he became the principal architect of the Monroe Doctrine. This doctrine and the foreign policy aspects of Washington's "Farewell Address," have served since as the historical premises of American foreign policy.

Truly, the pinnacle of public acclaim and personal achievement for John Quincy Adams was his election to the Presidency. However, I believe that his successful efforts in Monroe's Cabinet produced the most lasting effects for the development of our republican form of government. There is no question in my mind that in word and deed this great patriot and son of Massachusetts provided essential cornerstones for our Union which emerged greatly strengthened from the test of the Civil War.

John Quincy Adams, like Abraham Lincoln, was concerned with the preservation of this Union, "the last, best hope of earth."

Mr. BOLAND. July 11 is the 200th anniversary of the birth of John Quincy Adams, a truly great son of the American Revolution and of Massachusetts. When he was born in 1767, the son of John Adams and Abigail Smith Adams, the stirring events that were to lead to our national independence were the concern of Americans throughout the colonies. With his mother he witnessed the Battle of Bunker Hill as a boy, watching the patriots of the Boston area subdue the power of the mighty British Army. With his father he traveled to the peace negotiations which ended the War of Independence with the triumph of American arms.

He served his beloved country for many years, always with a full measure of devotion and intelligence. He was our ambassador to Great Britain and to the Netherlands. He was a U.S. Senator from the Commonwealth of Massachusetts. He was Secretary of State under President Monroe, and helped in formulating and drafting the famous Monroe Doctrine which was enunciated in a message of December 2, 1823.

As the sixth President of the United States, Adams wisely guided his country in domestic and foreign affairs. After his Presidential term he served his Massachusetts constituents for almost 17 years as their Representative in the U.S. House of Representatives.

He died while still active in the affairs of that House and of the Nation. His death brought forth expressions of admiration for him and his record of public service from all parts of that country which he had served so well. In observing the anniversary of his birth, we pay respect to the memory of one of our country's greatest men.

Mr. ST. ONGE. Mr. Speaker, today marks the 200th anniversary of the birth of John Quincy Adams, sixth President of the United States. I would like to join with our distinguished colleague from Massachusetts, the Honorable JAMES A. BURKE, in paying tribute to an American who dedicated his life to his country.

Adams started his career in government in 1782, at the age of 15, when he joined his father in Paris and acted as an "additional secretary" to the American commissioners negotiating the peace treaty concluding the War of Independence. He then returned to the United States to attend law school, after which he opened a law office in Boston. Adams wrote a series of papers controverting some of Thomas Paine's doctrines in the "Rights of Man," and later another series which supported the administration's neutral policy toward England and France. Soon after these writings, President Washington appointed him Minister to the Netherlands and other posts followed later.

In 1802, John Quincy Adams was elected to the Massachusetts Senate, and the following year he was sent to Washington as a U.S. Senator. He was not a strict party man, and his support of the 1807 embargo, recommended by Jefferson, met extreme opposition which ultimately resulted in the naming of a successor to his Senate seat.

President Madison appointed Adams as one of the American commissioners to negotiate a treaty of the War of 1812. The result was the Treaty of Ghent in 1814.

He served as U.S. Minister to England, and subsequently in 1817 became Secretary of State in President Monroe's Cabinet. The Monroe Doctrine, which dramatically has affected U.S. foreign policy since its formulation in 1823, was primarily the work of John Quincy Adams during his term of office as Secretary of State.

The 8 years of Monroe's Presidency are known as the "era of good feeling." As his second term drew to a close, the era of good feeling among his official advisers ended rapidly. Adams; Calhoun, the Secretary of War; and Crawford, the Secretary of the Treasury, each aspired to succeed him. In addition, Henry Clay and Andrew Jackson were also candidates for the Presidency.

No candidate received a majority of the electoral votes, however, and the election was taken to the House of Representatives where Adams was elected President after Henry Clay had given him his support. In return, Adams named Clay the Secretary of State. Unjust charges of "bargain and corruption" followed, and the feud thus created between Adams and Jackson greatly influenced the history of the United States.

Adams served only one term in the Presidency, from 1824 to 1828. He was defeated in his bid for a second term by Andrew Jackson. After 2 years of private life, Adams once again decided to return to public service. In 1830 he was elected to Congress where he served until his death in 1847. It was said that in some respects his service in Congress was the most noteworthy part of his career. While in Congress he was an avid opponent of the extension of slavery and the champion of the right of petition. His prolonged fight for the repeal of the so-called "gag laws" was one of the most dramatic contests in the history of this body. Adams contended that these gag rules were a direct violation of the first amendment to the U.S. Constitution and refused to be silenced on the question. When it was suggested to him that his acceptance of this position would degrade an ex-President, Adams replied that no person could be degraded by serving the people as a Representative in Congress.

Mr. Speaker, John Quincy Adams had a distinguished career of service to his country. Few men in American public life have possessed more intrinsic worth, more independence, more public spirit, and more ability than the man we honor today on the occasion of the bicentennial of his birth. He well deserves this honor as a great statesman and leader of our country during the early and formative years of our Nation.

Mr. BATES. Mr. Speaker, I am very pleased to join with my distinguished colleague the gentleman from Massachusetts [Mr. BURKE] in recognition of the 200th anniversary of the birth of John Quincy Adams, a great servant of both my State and my Nation.

I gladly pay tribute to an outstanding son of Massachusetts who served his State and his country with great distinction over a long and illustrious public career. John Quincy Adams eagerly applied his abundant talents to a number of elected positions. Our Nation is better for having had the benefit of his energy and his wisdom at a vital phase of its development.

Many people remember John Quincy Adams principally for his term as the sixth President of our United States. He served that noble position ably. Those of us who serve in the House of Representatives, however, feel a special kinship with him because no one exemplified more the lofty position of the House of Representatives in our governmental structure than the man we honor today. By his action in serving in our distinguished body, after his term as President, John Quincy Adams demonstrated clearly his appreciation for the coequal standing of the independent branches of the Government. This principle of independence and equality of stature is one of the most valuable foundations of our Republic.

Once again I thank the distinguished gentleman of the House of Representatives for permitting me, on this occasion, to offer this tribute to the memory of a distinguished American.

Mr. HALPERN. Mr. Speaker, on July 11 we celebrate the 200th anniversary of a great American who served for almost 17 years in the House. John Quincy Adams is known to most Americans as the sixth President of the United States. Few know that after his Presidential term he came to the U.S. House of Representatives where he served both his district and his country with all his great ability, all his vast energy, and all his broad experience of men and issues.

He was born in 1767 in Braintree, Mass., where the revolutionary enthusiasm that would lead eventually to the assertion of American independence from England was strong indeed. With his mother, Abigail Smith Adams, young John Quincy Adams even watched a battle of the revolution being fought, the battle of Bunker Hill. He was a true son of the Revolution, just as he was a true son of that doughty patriot, John Adams. In all of our long history, John Quincy Adams was the only son of a President of the United States to himself become President.

On February 13, 1778, as a boy of 10, John Quincy Adams boarded the frigate *Boston* with his father who has been named one of three commissioners to negotiate a treaty with France. John and John Quincy Adams arrived in France when American prestige was almost entirely lacking. By the careers of both father and son that prestige became a force to be feared in the councils of the great powers of the world of their eras.

John Quincy Adams was graduated from Harvard College in 1787 and then studied law for 3 years. He practiced his profession, wrote political articles for newspapers, and received an appointment in 1794 as the American representative to the court of the Netherlands. After serving as the American representative in Berlin he returned to Boston to practice law.

He was elected to the Massachusetts Senate in 1802. The following year he was elected by the Massachusetts Legislature to be a U.S. Senator, and served until 1808. Then came energetic service to his alma mater, Harvard, as a professor of rhetoric and oratory. He left academic life to serve his country once again when President Madison named him the American representative to the Russian Government. Adams served as a member of the group which negotiated a treaty with Britain ending the War of 1812 and as Ambassador to the Court of St. James.

He became Secretary of State in the Monroe administration, directed the negotiations by which Florida was ceded to the United States by Spain, and was responsible in large measure for the principles embodied in the Monroe Doctrine.

As President of the United States from 1824 to 1828 he served his beloved country with determination, skill, and foresight. Returning to his Massachusetts home after his Presidential term, he found that his services were again required by his friends in the Plymouth Congressional District. To both his constituents and his country he rendered distinguished service for almost 17 years as the only former President of the United States to serve in this body.

We salute his name and memory on this 200th anniversary of his birth.

Mr. O'HARA of Illinois. Mr. Speaker, I commend my able and warmly esteemed colleague from Massachusetts [Mr. BURKE] for his special order commemorating the 200th birthday of the sixth President of the United States and a former Member of the House of Representatives, John Quincy Adams.

My joy in participating in this occasion is a very personal one. Victoria Adams, a lineal descendant of John Quincy Adams, was a high school teacher in the city which is my home and which I love, Chicago. Victoria Adams taught American history at Calumet High School, in the district adjoining the second, which I have the honor to represent. Moreover, Victoria Adams spent her last days in the Second District and she was well known at the University of Chicago.

After her death, her will disclosed that Victoria Adams had willed her fortune of $85,000 to the University of Chicago to establish scholarships in American history for the students of Calumet High School.

John Quincy Adams was a great American. He was Secretary of State in the Cabinet of President Monroe and gave dynamic force and drive to the Monroe Doctrine. He was elected President of the United States by the House of Representatives, of which later he was a Member and in which he died in his 81st year. The couch upon which he died is now preserved in the office of the Clerk of the House.

Mr. Speaker, the district in Massachusetts served in this historic body for so many years by the great American whose memory we honor today is indeed signally fortunate in the type of representation it has enjoyed. I know of no one in this body in the 90th Congress who is held in higher esteem and affection than John Quincy Adams' successor, the Honorable JAMES A. BURKE.

Mr. DONOHUE. Mr. Speaker, we pay tribute today on July 11 to the sixth President of the United States, John Quincy Adams, born 200 years ago in 1767 during the crisis-filled period that preceded the Revolution.

He served his country long, faithfully, and well. He accompanied his famous father, John Adams, to the treaty negotiations that brought the Revolution to its victorious end. He participated in the negotiations with Britain which ended the War of 1812.

He served as one of his country's best diplomats when he was America's representative to the Netherlands and to Great Britain, and President Monroe's Secretary of State. George Washington once said:

> John Quincy Adams is the most valuable character we have abroad and the ablest of all our diplomatic corps.

When the Monroe Doctrine was enunciated in a Presidential message of 1823, the arduous work of Secretary of State Adams was responsible for many of its great principles.

He was an able U.S. Senator from Massachusetts, dedicated President of the United States, and, for almost 17 years until he died in 1846, an exceptionally distinguished and conscientious Member of the House of Representatives.

John Quincy Adams was one of the greatest Americans of all time. On the 200th anniversary of his birth we salute his achievements; we pay homage to his record of public service; we honor his memory.

Mr. CORMAN. Mr. Speaker, there are many brands of courage but few have been as commemorative as the courage that typified John Quincy Adams. This Massachusetts man's fortitude was of such caliber that another inimitable man from Massachusetts, the late President John F. Kennedy, saw fit to feature the resolute deeds of John Quincy Adams in his Pulitzer Prize winning book, "Profiles in Courage."

Few men have exercised their capacity for vision to the extent that was true of John Quincy Adams. Devoted to the principles imbued in him by his parents, John and Abigail Adams, he did not subvert his concept of national responsibility for the more immediate interests of his constituency. Risking his own popularity, he stood for the acquisition of western lands that were to add immeasurably to the vast richness of our

Nation. Though most of his constituents were merchants, he backed the Embargo Acts in an effort to strengthen first his country and, therefore, his own district.

This strength did not waver, his course withstood the hurricanes of time and circumstance. His perception encompassed not only his Nation but the globe. He envisioned a cohesive, autonomous hemisphere and implemented the Monroe Doctrine to insure its reality. President Kennedy once said:

> This country cannot lie still in the harbors but must set sail.

John Quincy Adams served with distinction at that stormy helm.

I join with my colleagues on this the 200th anniversary of the birth of John Quincy Adams in giving this stalwart and noble statesman the tributes after his death that were due him in his lifetime.

Mr. MURPHY of New York. Mr. Speaker, today we commemorate the 200th anniversary of the birth of John Quincy Adams. It is much less a celebration of his birth, however, than it is a celebration of his accomplishments. The present shape of our Government and of our Nation were both influenced by his efforts.

During his lifetime of public service, Mr. Adams held a variety of important positions. He served as Ambassador to Great Britain and as the American representative to the Netherlands. He was a member of the Massachusetts Senate, a U.S. Senator from Massachusetts, the Secretary of State under President Monroe, President of the United States, and served nearly 17 years in the House of Representatives.

His accomplishments in these positions were equal to the importance implied by their titles. In foreign affairs he was a strong advocate of a firm foreign policy. He was one of the chief negotiators at the peace conference with England after the War of 1812. As Secretary of State he played a key role in the formulation of the Monroe Doctrine, a policy as important today as it was in 1823.

His domestic accomplishments were equally impressive. He successfully advocated the purchase of Florida and defended the Louisiana Purchase. As President he proposed a broad plan of internal improvements and generally promoted the western expansion and increased industrialization throughout the Nation.

He was one of the earliest and most vocal opponents of slavery, and once wrote that a life devoted to the problem of emancipation would be one "nobly spent or sacrificed." He spoke out, virtually alone, against the "gag rule," which suppressed political activities of those who opposed slavery.

Mr. Adams was the only ex-President ever to serve in the House of Representatives, and his 17 years in this body produced some of his greatest accomplishments. His death, following a stroke on the floor of the House, was a dramatic climax to a distinguished career. The legacy he left for the generations which followed remains today as an example of the great accomplishments of a truly brilliant and dedicated public servant. We who serve in the House today would do well to emulate his example.

Mr. O'NEILL of Massachusetts. Mr. Speaker, in a country such as this where so much of what we now have we owe to the wisdom and courage of our forefathers, it is right to occasionally take time out to acknowledge their contribution to America. John Quincy Adams was certainly one of those to whom we owe the most, and on the occasion of the 200th anniversary of his birth, I wish to express my appreciation of his accomplishments.

Adams devoted the greater part of his life to public service both at home and abroad. In 1802, after serving for 7 years in Europe, he was elected to the Massachusetts State Senate, and 6 months later he was elected to the U.S. Senate. Adams went from here back into diplomatic service and was largely responsible for the peace settlement following the War of 1812. As a diplomat, Adams was greatly responsible for the truth of his own description of U.S. foreign relations:

> America, in the assembly of nations, since her admission among them, has invariably, though often fruitlessly, held forth to them the hand of honest friendship, of equal freedom, of generous reciprocity. She has uniformly spoken among them, though often to heedless and often to disdainful ears, the language of equal liberty, equal justice, equal rights.

In 1817 President Monroe appointed Adams Secretary of State. In filling this position Adams drew on his vast wealth of political experience and as usual he served with tremendous vigor. A great deal of the credit for the Monroe Doctrine belongs to him.

Adams became President in 1824. During his term in the White House he worked hard to bring about a large variety of improvements, especially in the field of education. He pursued these goals incessantly and with a self-restraint which was true to his concept of the ideal government.

In 1831 Adams began a period of service in Congress almost 17 years long which was probably the high point in his long public career. This made him the only ex-President ever to serve in the House. He was always knowledgeable and conscientious, and he served on many of the most important committees. Throughout, he brought all of his influence and powers to bear in defending the rights of man.

In February of 1848 he suffered a stroke from which he never recovered, just after responding to the call of his name in the House. Few have devoted themselves to the pursuit of their ideals with the persistence, honor, and courage of John Quincy Adams.

Today we do well to follow Adams' own advice which he quoted from a barbarian chieftain who defended his country against the Roman invasion:

> Think of your forefathers and of your posterity.

Mr. MINISH. Mr. Speaker, I am pleased to join with our distinguished colleague, the gentleman from Massachusetts [Mr. BURKE], in observing the 200th anniversary of the birth of a great American, John Quincy Adams. Ambassador, Congressman, Senator, Secretary of State, and President, Adams was a truly remarkable statesman and patriot.

As just one example of President Adams' noble legacy to our Nation's history, I would like to speak of one of his lesser known qualities—a brave and forthright respect and sympathy for the rights of minority groups. This characteristic of the gentlemen from Massachusetts is best illustrated by the Georgia-Indian controversy of the mid-1820's.

Pressure from wealthy plantation owners in the South caused the Indian Office to proclaim the Treaty of Indian Springs between the United States and the Creek Indian Nation. Signed in 1825, before Adams took office, the treaty was approved by the Senate. But the Creeks repudiated it and charged fraud. When after investigation, Adams found the Indians correct—the treaty had been signed by a Creek with no authority to agree to such a pact—he denounced the agreement as void.

Adams' respect for the Indians' rights was not widely shared and his action crippled him politically in the South and West. Historians, in fact, cite this incident as a contributing factor in President Adams' reelection defeat of 1828. This generation of Americans would do well to emulate John Quincy Adams' understanding and courage.

The residents of the 11th District of Massachusetts have reason for pride in the quality of their public servants as exemplified by John Quincy Adams and their present Representative, JAMES A. BURKE. As did his illustrious predecessor, Congressman BURKE enjoys the respect and esteem of all his colleagues in the House of Representatives for his ability, integrity, and patriotism.

Mr. ULLMAN. Mr. Speaker, I want to join with my good friend and distinguished colleague from Massachusetts [Mr. BURKE] in paying tribute to a great citizen.

John Quincy Adams, the son of the second President of the United States and himself the sixth President of the Republic, was above all an American. He foresaw a Nation based upon liberty and freedom which would stretch from ocean to ocean. From this vision he never strayed. As a young Senator, his support of the Louisiana Purchase led to condemnation by his Federalist colleagues from New England who had urged him to follow a sectional rather than national policy. His continued support for the territorial expansion of the new nation eventually alienated him from his former partners and led him into the party of the Jeffersonian Republicans.

As a Republican Secretary of State, his advocacy of freedom was not limited to the United States, and he worked for recognition of the right of peoples everywhere to throw off unrepresentative and tyrannical governments. Adams, one of the principal authors of the Monroe Doctrine, rejoiced at the end of Spanish colonial rule in South America.

A man of uncorruptible integrity, he steadfastly refused to become the partisan of any political faction. His blunt-

ness made him somewhat unpopular among his colleagues, but he never compromised when he felt the interests of the Nation were at stake. In all of the many positions in which he served his Nation and his God, he did what he believed was right without regard to the political consequences.

After his defeat for reelection to the Presidency in 1828, he planned to retire from public life; but in 1830, he accepted a nomination to the House of Representatives with the proviso that, if elected, he be allowed complete independence. Following his subsequent election to Congress, Adams embarked on what may have been the most monumental part of his career. The next 17 years were marked by a continuing fight against slavery and for the preservation of American liberties. A firm nationalist, Adams was an even more stanch believer in the principles for which the country stood. When the right of petition was circumscribed by the infamous "gag rule," Congressman Adams used every resource at his disposal to eliminate this violation of the first amendment. It was to his credit that he helped forge the link between the issues of freedom of speech and slavery, a tactic which significantly aided the antislavery forces. Adams had always believed the Declaration of Independence to be as much a part of the law of the land as the Constitution and that slavery was therefore antithetical to the American idea of universal equality. His untimely death in 1848 temporarily left a void in the meager ranks of those fighting what he termed the southern slavocracy, but the vacuum was soon to be filled by Charles Sumner and other proteges of Adams.

John Quincy Adams, Senator, Secretary of State, President, and Congressman, led perhaps the fullest career of public service of any American, past or present. His greatest memorial has been the growth of the continental American Nation dedicated to freedom and premised on the idea that all men are created equal.

GENERAL LEAVE TO EXTEND

Mr. BURKE of Massachusetts. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject of this special order.

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

There was no objection.

POSTAL RATES FOR NONPROFIT ORGANIZATIONS—AS WE GO DEEPER INTO THE RED, THE POSTAL SERVICE GETS MORE NONPROFIT EVERY DAY

The SPEAKER. Under a previous order of the House, the gentleman from West Virginia [Mr. HECHLER] is recognized for 15 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, sympathy for a worthy cause is a good old American trait, but it has gone hogwild in the setting of ridiculously low postal rates for churches, charities, and other nonprofit organizations. This is an area which Congress has long regarded as a "sacred cow." in advocating a more rational approach to postal rates, I have been besieged with arguments like the following:

"Would you penalize your poor country churches, struggling to mail out their weekly church bulletins? How can the Little Church in the Wildwood possibly survive if its fund drive is crippled by higher postal rates? Would you slap the crippled children in the face? Are you against the community chest? What about Father Flanagan's Boys Town and the Christmas seals?"

It is high time that Congress took a cold, hard look at the facts. Third-class mail was established as a special category in 1928—39 years ago. In the past 39 years, the rate for bulk mailings of nonprofit organizations have gone up exactly one-fourth cent, from 1 cent per piece to 1¼ cents per piece. In sharp contrast, over the same 39-year period, first-class rates have shot up from 2 cents to 5 cents. First-class rates, in other words, have already increased 150 percent during a period when third-class nonprofit rates went up a meager 25 percent. And the administration bill proposes a further increase in first-class rates to 6 cents.

When you consider that nonprofit third-class postal rates have gone up only one-fourth cent in the last 39 years, contrast this with the price of other items. In 1928, you could buy a pound loaf of bread for 9 cents; today, the cost is about 22 cents. In 1928, you could have a quart of milk delivered to your home for 14 cents; today, the price is doubled to about 28 cents.

HUGE VOLUME INCREASE IN NONPROFIT MAIL

As the postal rates for nonprofit organizations remained extremely low, more and more nonprofit organizations began to take advantage of the situation through larger mailings. These organizations now account for 17 percent of all bulk-rate third-class mail, as compared with only 8 percent in 1952. In the same period, the volume of nonprofit third-class mail has shot up 250 percent—from slightly over 800 million pieces to nearly 2.9 billion pieces of bulk-rate nonprofit third-class mail. Now let us contrast that with other third-class mail. During the same period since 1952, commercial bulk-rate third-class mail increased 58 percent, while the total mail volume was going up 52 percent over the same period.

In addition to the volume increase in third-class mail, many new organizations appear to be getting in under the nonprofit umbrella. The law defines a "qualified nonprofit organization" as "religious, educational, scientific, philanthropic, agricultural, labor, veterans or fraternal organizations, or associations not organized for profit and none of the net income of which inures to the benefit of any private stockholder or individual."

Many nonprofit organizations are now mailing neckties, pins, souvenirs, and other items for which they are seeking monetary contributions. A number of these items are unsolicited. The increased volume of such unsolicited items slows the delivery of mail, and also competes with private enterprise firms forced to pay higher postal rates.

NONPROFIT RATES SHOULD BE 50 PERCENT OF COMMERCIAL RATES

The Postal Policy Act of 1958, which is Public Law 85–426, states:

> Postal rates and fees shall be adjusted from time to time as may be required to produce the amount of revenue approximately equal to the total cost of operating the postal establishment less the amount deemed to be attributable to the performance of public services.

Title II of the 1958 act also prescribed that the minimum charge per piece for third-class matter mailed in bulk by nonprofit organizations should be 50 percent of the charge for commercial mailings. As a result, when the commercial third-class bulk rate was raised from 2 to 2½ cents on July 1, 1960, the rate for other nonprofit organizations went up from 1 to 1¼ cents.

But in 1962, when the rates for commercial mailings were raised in stages to their current bulk rate level of 2⅞ cents, the bulk rates for third-class mailings remained frozen at 1¼ cents. In addition, the 1962 legislation actually reduced the nonprofit bulk pound rate by about 40 percent. This was accomplished by reducing the pound rate on circulars mailed by nonprofit organizations from 16 cents to 9 cents, and on nonprofit books and catalogs from 10 cents a pound to 6 cents a pound.

I feel strongly that we ought to return to the policy established in the Postal Policy Act of 1958—that rates for nonprofit organizations should be 50 percent of the rates for commercial mailings. That is why my bill, H.R. 99, provides for a bulk rate of 2¼ cents a piece for nonprofit organizations, and 4½ cents a piece for commercial bulk mailings.

Several critics have pointed out that percentagewise the rate increases for nonprofit organizations are steeper than for commercial organizations. But that is only because these rates are initially so low. As Postmaster General O'Brien very fairly pointed out in his testimony on May 9 before the House Postal Rates Subcommittee:

> Even with the proposed increased such organizations would still maintain large and valuable postal preferences. Currently, the public service cost of handling nonprofit mail exceeds $200 million yearly, nearly 40 percent of all public service costs.

ADVISORY PANEL ON POSTAL RATES

In 1965, the Advisory Panel on Postal Rates, headed by former Representative Robert Ramspeck of Georgia, made some very pertinent observations on postal rates for nonprofit organizations:

> We question whether these subsidies should be intermingled with postal rates. If there is merit in these subsidies, they should be identified and included as direct payments from the budgets on the Federal agencies charged with overseeing public welfare activities. Since rate policy and subsidies are now commingled, the Postmaster General is in a position that compels him to propose rates based on extraordinary welfare considerations as well as on conventional value-of-service and cost criteria . . . Funds for subsidies should be provided by direct appropriations, to the agency over-

seeing the welfare activity, rather than as a hidden cost in the postal budget.

Philosophically, the increasing subsidy to the nonprofit organizations has disturbed thoughtful students. What it means is that the general taxpayer is forced to pay to make up the postal deficit caused by causes in which he may not believe. "Why should I be taxed to subsidize someone else's religion?" pertinently asked a writer from Pittsburgh. The question well might be raised also whether the Post Office Department, with the prime responsibility of delivering the mail on time—which it increasingly finds difficult to accomplish efficiently and speedily—should also be burdened with extending assistance to all sorts of causes.

Our colleague, the gentleman from Kentucky [Mr. SNYDER], a few months ago gave me a packet of junk mail he had received from one of his constituents, T. A. Hamilton, of 3709 Hillsboro Road, Louisville, Ky. Over a period of several weeks, Mr. Hamilton accumulated packages including three neckties, two throat lozenges, a plastic thermometer, a package of Christmas cards, two packets of name and address labels, a recipe book, a gasoline credit card, numerous catalogs and coupons, and a set of gummed stickers with prayers printed on them.

CHARITABLE CONTRIBUTIONS SHOULD BE FROM THE HEART

All of this material came to Mr. Hamilton unsolicited, and most of it came from nonprofit organizations at the low nonprofit, third-class postal rates. Many sent articles of merchandise and asked for a contribution. Mr. Hamilton probably spoke for a great many people when he said:

I have nothing against charitable organizations. However, I believe that our giving to such organizations should come from the heart, and should not be placed under the pressure of modern-day merchandising.

Under the current rates, it is really fantastic what and how much a nonprofit organization can mail. Up to eight publications can be mailed by these organizations under the nonprofit second-class rates for as little as 1 penny. Furthermore, there is no extra charge for long hauls. For 1 penny, the post office will take these eight publications mailed in New York and deliver them in Hawaii.

If a nonprofit organization wishes to make a fund solicitation through third-class mail, the post office will deliver four fund solicitation letters for only a nickel. These rates have been the same since 1962, although other postal rates were raised in that year.

NEW RATES ON NONPROFIT ADVERTISING

I am pleased to note that the administration bill contains new language to cover nonprofit publications that carry more than 10 percent advertising. There will be a moderately higher rate scaled upward in proportion to the volume of advertising carried by these publications. This is essentially the same postage principle which has long been applied by Congress for commercial publications. Yet under the new proposal, nonprofit organizations would continue to receive huge postage concessions.

As my colleagues are aware, the Internal Revenue Service is looking into the problem of tax exemptions and advertising in nonprofit publications. It is my understanding that Congress will be asked to curb the tax exemptions that permit churches and other charitable organizations to buy up firms which then operate in competition with taxpaying businesses. I believe this is a healthy development, and many prominent church officials have endorsed these moves.

The postal deficit which is caused by third-class mail sent by nonprofit organizations has been rising. The difference between fully allocated costs and the revenues received from nonprofit third-class mailings was $58 million in fiscal year 1963. These costs rose almost 62 percent in 3 years for a total of $94 million in fiscal 1966, and are now estimated to be running at a rate of about $100 million a year. The deficit caused by second-class nonprofit mailings has risen to about $110 million per year. This means that the annual deficit of second- and third-class nonprofit mailings runs over $200 million annually. Perhaps this could be labeled "How To Fail in Business While Really Trying."

In conclusion, I trust that the Congress will face up to this problem directly and raise the rates on both commercial and nonprofit mailings when the postal rate bill is considered.

INVESTMENT IN FUTURE EDUCATION

The SPEAKER. Under previous order of the House the gentleman from New York [Mr. HALPERN] is recognized for 20 minutes.

Mr. HALPERN. Mr. Speaker, in this technological age, our stockpile of highly skilled manpower is as important to the economic welfare and military defense of our Nation as our stockpile of industrial raw materials and nuclear weapons.

We must depend upon our colleges and technical schools to train these leaders of the future, and we must take steps now to be certain that our colleges will be able to do the job properly.

The problem goes far beyond the question of providing trained technological manpower. Virtually all Government agencies—at all levels of government—depend upon colleges for vital research into such fields as medicine, public health, defense, agriculture, space technology, air and water pollution, sociology and many others.

Our colleges must meet the demands of today, and the demands of the future. And as for the future, all of our institutions of higher education face an increasing problem during the next decade.

It has been estimated that 10 years from now, 12 million young men and women will be seeking entrance to institutions of higher learning in the United States.

Our college plants will have to double their present capacity to handle that wave of applicants. Faculties will have to be greatly expanded, and that means we must start now to train the scholars who will become part of those faculties.

Our problem will go far beyond that of capital improvements to the college plant, and manpower expansion in the faculty. Many young men and women from families in the lower income brackets will strive for the opportunity to enter colleges, posing these questions:

How can we make it possible for the brainpower of these young people to be utilized for the Nation's good? How can we make it possible for colleges, junior colleges, and technical schools of our country to expand and serve all of the scholars who are knocking at their doors?

It has become more and more the custom, in the past few years, to look to the Federal Government to solve such problems. Federal grants have become the panacea for all our ills.

But together with such Federal paternalism must go Federal control. Higher education must yield some part of its autonomy when it depends upon Federal handouts.

Localities must give up their home rule prerogatives.

How much better it would be, how much more in keeping with the principles of American free enterprise, to devise a way in which the private sector of the economy could provide the funds to make it possible for our colleges and universities to expand and serve the growing demand from the youth of America.

How much better it would be if every child in America could look forward to at least a basic nest egg on which he can focus his hopes for future higher education.

A plan which can accomplish just that was outlined in this House not long ago by the distinguished gentleman from Iowa [Mr. SCHWENGEL]. He called it the Iowa plan, in deference to its State of origin.

It is a great plan—so great, that it could very well be called the American plan. Today, I have introduced a bill to put a large part of that plan into operation. Later, I know, Mr. SCHWENGEL will introduce additional legislation to clarify some aspects of the plan, and to add to it.

Briefly, the plan involves a program under which parents would purchase educational investment certificates to provide at least part of the funds to make it possible for their children to attend institutions of higher learning.

A parent could purchase one $50 educational certificate each year of a child's life, until the child reaches the age of 18—the usual age for college entrance.

For each $50 certificate purchased in this way, the parent would be entitled to a $50 deduction from his annual income tax. For example, a parent buying three $50 bonds for three children, might have a total income tax liability of $600 in that year, but he would have to pay only $450.

In cases of lower income families, some parents may not have enough tax liability at the end of a year to make it possible to take advantage of a full $50 credit for each child. In that case, a grandparent, an uncle, or another rela-

tive could buy a certificate, and he, too, would be entitled to a $50 deduction.

If no relative can buy certificates, a friend designated by the parents can assume the responsibility. It would be no burden at all, because each $50 certificate would entitle the purchaser to a $50 tax rebate.

If a certificate is purchased each year of a child's life until he is 18, the accumulated funds, with interest added, would amount to about $1,400 at college entrance age.

After the young student has entered college, his parent would be entitled to an additional tax deduction of $100 a year during the 4 college years, providing $400 more—or $1,800 in all—to help pay the costs of tuition, books, fees, and educational material.

Educational investment certificates would be sold by banks, savings and loan institutions and insurance companies approved by the Secretary of Health, Education, and Welfare, or his designated representative.

The educational investment certificate program would accumulate $25 billion in the private sector of the economy to help expand higher education facilities. That would be money distributed and used without Federal controls. It would be money put to the best use by those who know best how to do the job—the educators themselves.

At the same time, such a program would give many Americans an opportunity to become shareholders in the Nation's future, and would offer opportunities to many deserving young men and women who might not otherwise manage to get to college.

Under this plan, there should be no reason why each young man and young woman capable of college study should not find a nest egg waiting to help him toward higher education when the time comes.

Estimates place the annual cost of tax credits under this program at approximately $2.6 billion, but that would not be the net cost. Many present Federal-aid programs would no longer be necessary, and that would reduce the cost.

Let us not forget that we grant investment tax credits as a spur to the economy, and the cost to the Government in 1967 is estimated at about $2.6 billion. Certainly, we can afford an equal amount for stimulation investment in our future scientists, mathematicians and teachers.

L. B. J.'S ORDER FREED LORAIN DOPE BOSS: JUDGE OBJECTED

The SPEAKER. Under previous order of the House, the gentleman from Ohio [Mr. ASHBROOK] is recognized for 10 minutes.

Mr. ASHBROOK. Mr. Speaker, this heading appeared in the Cleveland, Ohio, Plain Dealer on Tuesday, July 4, 1967, "L. B. J.'s Order Freed Lorain Dope Boss: Judge Objected."

Today, I have called upon the Justice Department to release information regarding the questionable circumstances surrounding the surprising and unwarranted release of an Ohio hoodlum, Johnny Gay, who got out of custody by order of the President of the United States.

As the article in the Cleveland paper stated:

> Nearly everyone in Northern Ohio knows him (Johnny Gay) from the cops to the Costa Nostra.

Gay was a big narcotics pusher. In 1962, Federal agents described him as the "largest source of heroin in the State of Ohio." They said he was in the narcotic business as a wholesaler.

U.S. District Judge James C. Connell, an eminent jurist, the sentencing judge, said:

> Gay for reasons of his own chose to live a life spiced up with crime, narcotics, prostitution, bigamy and whatever degrading thrills he was susceptible of absorbing, over a long period of time, and with malice aforethought every day involved.

Judge Connell ordered Gay imprisoned until 1972 but today this hoodlum is free. It cannot be doubted that "someone up there—Washington—likes him." The President has the obligation, I believe, to tell us what considerations prompted Gay's early release despite the objection of the U.S. judge who best knew the facts of the case.

The commutation was granted over the objection of Judge Connell and the U.S. attorney's office in Cleveland, Ohio. What particular political pressure was Gay able to bring to bear? What well-placed attorneys were able to wrought this miracle—or should it be called a travesty of justice? The eyes of the Nation have been on the Congress and the alleged wrongdoing of Members of the House and Senate. Would this case stand the same light of day as was shone on Senator DODD?

The people, yes, and we in the U.S. Congress, have a right to know what magic Gay seemed to have. He did not even qualify for the usual requirements for release—namely, a job. He has been unemployed 4 of the approximately 6 months he has been out of Federal custody.

Something smells very bad. Johnny Gay has in his possession a document bearing Lyndon B. Johnson's name. A U.S. judge, those charged with the administration of justice, Congressmen, and the public have a right to know just how it got there. Will you tell us, Mr. President?

The articles from the Cleveland Plain Dealer are most illuminating on this subject. I include them at this point:

[From the Cleveland Plain Dealer, July 4, 1967]

L. B. J.'S ORDER FREED LORAIN DOPE BOSS: JUDGE OBJECTED

(By Doris O'Donnell and Harry Stainer)

LORAIN.—Johnny Gay is back in town.

Nearly everyone in Northern Ohio knows him—from the cops to the Cosa Nostra.

Before he was sent to prison, he was a big narcotics pusher. In 1962, federal narcotics agents described him as "the largest source of heroin in the State of Ohio." They said he was "in the narcotic business as a wholesaler."

U.S. District Judge James C. Connell, the sentencing judge, said in 1962: ". . . Gay for reasons of his own chose to live a life spiced up with crime, narcotics, prostitution, bigamy, and whatever degrading thrills he was susceptible of absorbing, over a long period of time, and with malice aforethought every day involved."

He ordered Gay imprisoned until 1972.

Today Gay is free.

Today Gay is a big man with a presidential commutation that helped cut his prison term in half.

The commutation was granted over the objection of Judge Connell and the U.S. attorney's office here.

What magic got him out while others remain in prison without friends, without influence? Why and how did people prominent in social, civic and police circles in Lorain back his release in writing?

To find out The Plain Dealer assigned two reporters to crash through the curtain of bureaucracy, to talk with people on Broadway, Vine Street, Dallas Avenue and in the "campito," a mixed Negro-white-Puerto Rican community in Sheffield Township.

They came up with a story bigger than Johnny Gay.

It is the story of a city.

The Johnny Gay who bolted to freedom more than five months ago by executive clemency of the president of the United States once owned a bar in downtown Lorain, called Johnny's Bar. It was a black and tan honky-tonk hangout for action and action people—booze, girls, numbers, narcotics.

Until forces of Cleveland and Detroit police, federal narcotic agents and Coast Guard intelligence men moved in on Gay in 1962, Gay operated high, wide and handsome. Lorain law enforcement people were conspicuously absent in the raid that bagged Gay as a narcotic pusher.

In 1956 Gay beat a marijuana charge. But a Negro bootlegger and friend of Gay's, Mrs. Zetta Brown, caught in the same illegal marijuana trap, served 10 years in a state prison. She was paroled a few days ago from Marysville, O., Reformatory for Women.

In 1962, Gay's luck was bad.

Doors of the federal hospital-prison for narcotic addicts at Lexington, Ky., closed on him July 11, 1962.

Only days before, Judge Connell doled out two five-year sentences to run consecutively.

No parole was to cut the sentence, Judge Connell said. When he went to Lexington, Gay was 45, fat and paunchy. About 215 pounds. Balding.

At age 49, he had served four years, six months, two weeks of his prison term.

Doors flew open for him Jan. 20. Out strode Johnny Gay, trimmer and thinner, with a piece of paper signed by Nicholas D. Katzenbach, former U.S. attorney general and now a U.S. undersecretary of state.

Lyndon B. Johnson's name appears twice in bold, black, block letters. The paper shows that executive clemency was granted June 9, 1966. Probation will be up Jan. 1, 1969.

The Department of Justice has rules governing applications from any federal prisoner for executive clemency. One covers pardons. One covers commutations or reduction of prison terms.

The eligibility rule for a commutation is:

"A petition for commutation of sentence, including remission of fine, should be filed only if no other form of relief is available, such as from the court or the United States Board of Parole, or if unusual circumstances exist, such as critical illness, severity of sentence, ineligibility for parole, or meritorious service rendered by the petitioner."

The attorney general's office reviews all such petitions, and then the attorney general advises the president whether the request is warranted.

"Whenever a President notifies the attorney general that he is denying a request for clemency," the rules state, "the attorney general or the pardon attorney, shall so advise the petitioner and close the case."

Gay said in his petition that his father, a stroke victim, was dying, that his 10-year

sentence was unfair and that his record at Lexington had won the praise of the staff. He said appeals to the district court had failed.

Gay's presidential commutation, according to Reed Cozart, U.S. pardon attorney, was based on an evaluation that Gay's sentence was "disparate." His two five-year terms, or 10 consecutive years, were, Cozart said, "disparate" in the national picture for first offenders. Most narcotic violators serve the maximum of five years.

Gay's 10-year term was knocked down to seven years.

His term was further reduced to four years, six months and 20 days by virtue of "good time" earned at Lexington.

Statutory and meritorious good time earned by Gay at the prison-hospital amounted to 1,328 days.

A statutory credit is "good time" earned by prisoners who work in production or industrial programs.

Gay was not engaged in these areas but still received staff review board credits for work he actually did.

Meritorious credit is for "acts of heroism" or comparable endeavors. Gay earned his for "extraordinary" performances at Lexington, based on opinions of staff doctors who either worked with him or observed his conduct and actions.

Presidential commutations are a rarity in the Cleveland area. Few law enforcement agents can recall another like the Gay case.

Even Cozart could not name another Ohioan who had received executive clemency in recent years.

During the Eisenhower administration, a Justice Department spokesman said, there were 1,157 presidential pardons and commutations. Under the late President Kennedy, there were 575 in a three-year period. But in 12 months, President Johnson has approved 566, nearly as many as Kennedy did in three years. President Johnson has granted 420 pardons, and 146 commutations, such as Gay's.

One highly placed federal official said: "There are more of them all the time. They always go to the worst ones. The criminal element gets to the politician."

But Cozart denies that any kind of political or other influence figured in Gay's release or any other. He cited the case of Jake (The Barber) Factor, a West Coast figure who reportedly contributed to President Johnson's campaign fund from behind bars. This delayed clemency. When freed, Factor told newsmen he gave an identical sum to U.S. Sen. Barry Goldwater, at the time a presidential candidate.

It is not impossible to tell the story of Gay's commutation without looking back into Gay's career.

It is like dropping a rock in a pond. Ripples widen and widen.

Ripples spread from Gay into the city, to persons in all walks of life. Many lives have intertwined with Gay's.

Gay was arrested April 30, 1962, after an exhaustive investigation lasting more than six months.

Since 1960, tipsters had been telling police and federal agents of weekly purchases of narcotics at Gay's place of business.

Arrested with Gay were Curtis Orr, then 33, and his sister, Virginia Orr, then 25, Miss Orr was Gay's barmaid.

From March 1, 1962, until the arrests, federal agents contended, Gay and the Orrs illegally bought, sold and transported heroin. The trio, singly or in pairs, made flying trips to Chicago and New York. The three were charged with a total of 21 counts, or separate offenses. Gay alone had 18 counts.

The charges in Gay's indictment state he bought, sold and transported 10.06 grams of heroin. He sold 10.02 grams to a narcotics agent on March 11, 1962, and 0.04 grams on April 30.

With Orr, Gay bought and sold 28.54 grams to federal agents, and Gay and Miss Orr illegally sold 9.88 grams of heroin to agents. For all purchases, two agents paid $1,375.

Gay pleaded innocent to 18 counts. Faced with a possible prison term of 90 years, he changed to a guilty plea on six counts. The other 12 were dropped.

Gay pleaded guilty—along with Curtis Orr—to selling 9.88 grams—about one-third ounce—of heroin to federal narcotic agent Arthur Lewis and another special government agent March 17, 1962. He also pleaded guilty to selling, again with Orr, 14.62 grams to Lewis and another agent March 27, 1962.

Later, in motions to reopen his case, Gay claimed he did not understand how he was pleading because he was incompetent due to the use of drugs.

At Gay's trial, his attorney, John P. Butler, Cleveland criminal lawyer, told the court: ". . . I realize that the charge is very serious. Nothing could make me more conscious of that fact. I do not mitigate the seriousness of the charge.

"He had a distinguished record of service to the government and while in service in the Merchant Marine, on one occasion, he was torpedoed. He suffered from shock . . . I realize that serving the government under elements of peril may not justify the use of narcotics but this is his explanation for his original involvement."

The judge was not deterred. Three sentences, each of five years, he held should run concurrently. On three other five year terms, he again ruled a concurrent course. But the two sets were to be consecutive.

"So it will be 10 years in the custody of the attorney general," Judge Connell said.

(Heroin is a drug made from morphine. Morphine, in turn, is a drug made from opium. Both are addictive drugs. Gay reportedly was selling "cut" heroin as opposed to "pure" heroin.)

(Records show that at the time of Gay's arrest federal narcotics agents found Beta Lactose milk sugar, which is used to "cut" or dilute heroin for resale. They confiscated, too, a wire screen strainer used to sift heroin in the cutting process for resale.)

Curtis Orr received a total of six years on three counts. Miss Orr received two years, or two two-year terms, running concurrently. She served her term at Lexington too. Paroled in 1963, she returned there voluntarily for treatment on a voluntary basis for five months. Gay bigamously married Miss Orr in Chicago on August 23, 1960.

In a written document later denying Gay's plea that he was a pauper and wanted a new trial without counsel, Judge Connell wrote:

"Gay made a drug addict out of this young colored girl (Miss Orr) when he made her his agent for buying and selling drugs, and then married her in Chicago, and lived with her in rooms above his dope den. He fooled her into believing he was divorced."

Miss Orr, now off parole, lives in downtown Lorain and it is an open secret, say Miss Orr's friends, that she and Johnny Gay have broken up. But they still communicate with each other, and neighbors of Miss Orr's have frequently seen Gay's car parked in front of her Broadway apartment.

Relatives of Miss Orr told reporters that when she returned to Lexington for treatment she gave her marriage certificate to Gay, who has never returned it.

Mention of Johnny Gay in Lorain always raises the question of whether he was an addict.

And why he served all of his term at Lexington instead of a federal maximum security prison. (One advantage of a regular prison is that prisoners earn money for working. At Lexington, Gay did not earn any money.)

And how he happened to get the presidential mandatory release.

Some people stare in disbelief when it is mentioned.

Lorain Mayor Woodrow Mathna said: "That takes a lot of pull, a lot of influence. I have an idea who got it for him."

Lon. B. Adams, a Lorain lawyer, was Gay's first lawyer of record following his 1962 arrest. He recalled that Gay was held briefly in Cuyahoga County Jail. He was released on $25,000 surety bond, for which Gay's wife pledged their home, valued at $35,000 with $15,000 mortgage, and the bar property, valued at $55,000 with a $20,000 mortgage. The Orrs could not make bail and were held in jail.

On May 4, four days after his arrest, Gay was admitted voluntarily to Hanna Pavilion of University Hospital, Adams said, for "psychiatric treatment." Gay remained until May 19. The diagnosis of his condition was "suspected narcotic addict."

The court record quotes from a federal probation department report on Gay's condition requested by the probation officer from Dr. James W. Jolliff, psychiatric resident at Hanna Pavilion:

"Dr. Jolliff stated that the defendant did not experience any withdrawal symptoms and that the diagnosis would therefore have to continue the term 'suspected' since it was based entirely on the defendant's statement of a history of drug addiction.

"Dr. Jolliff stated that the defendant gave no evidence of psychosis or any major mental disorder and appeared to be experiencing a personality disorder that was not uncommon in the case of individuals who had just been arrested for a major law violation."

The doctor said Gay remained longer than necessary because Gay "stated that he was experiencing suicidal tendencies . . ."

Judge Connell ordered Gay to Lexington for treatment as an addict and then to be transferred to a prison.

Lexington, begun back in the mid-1930s, was known as Lexington Farm for Narcotic Addicts. Many famous stage, movie and athletic stars have been voluntary patients there. It later became the U.S. Public Health Service Hospital. Today it is the National Mental Health Institute Research Center. Even those affiliated with the hospital admit more failures than successes among patients.

A pre-sentence report, detailing Gay's background, was available to Judge Connell, and also to Washington officials who handled his commutation request.

In this, Gay admitted using morphine off and on from 1943 to 1958. After 1958, Gay said he used it more frequently. He said he was worried over his investment in a low-income housing development in East Lorain.

Dr. Jimmie D. Hawthorne, a U.S. Public Health Service officer at Lexington, where he is second in command, said whether Gay was a heroin user was dependent entirely on "Gay's story."

He said Form N-62 was submitted with Gay's pre-sentence report from Cleveland. No medical examination records were attached.

The form read: "I, Gerald Celebrezze (then an assistant U.S. attorney) hereby certify that it is my belief that such a convicted person is an addict within the meaning of the law and authority that established the U.S. Narcotics Farm."

GAY TRIED HAND AS LAWYER, BUT JUDGE KO'D HIS APPEAL

A year after Johnny Gay was sentenced to a 10-year sentence for illegal sale, possession and concealment of narcotics, he tried unsuccessfully to appeal.

From the federal hospital for narcotics addicts at Lexington, Ky., he sent self-authored legal pleas to U.S. District Judge James C. Connell in July, 1963. He was broke, he wrote. Hs asked the court to hear his petition without counsel.

The judge viewed Gay's request and commented:

"Since his requests are ambiguous, this court will consider this filing as in the nature of a motion to vacate sentence, on the ground that he claims he was not mentally competent on his plea.

"We will consider it as in the nature of the suggestion that Gay says he did not know what he was doing when he pleaded guilty to the various charges against him at the time and consider this as a motion that his plea of guilty be vacated."

The judge questioned Gay's claim that a psychiatric hospital "saw fit" to hold him for three weeks. A doctor's report, the judge noted, said Gay remained voluntarily because he had suicidal tendencies.

The judge observed: "So, immediately after Gay was arrested for his busy life of crime, he voluntarily tried a hospital escape and it did not succeed.

"And from the above report, it was very proper that it failed," the judge added. "And the foregoing amply demonstrates that Gay's first claim that he was so influenced by drugs during his crimes that he did not understand what was going on, and that he was too unable to comprehend his own plea of guilty, is another untenable fabrication."

Connell included major portions of the probation officer's report in his order denying Gay a new trial on a pauper's plea in July, 1963.

The probation report stated:

"The defendant has an extremely unsavory personal reputation in the city of Lorain. This reputation is derived from the manner in which he has operated his nightclub since he purchased it in 1956.

"There is a feeling in the community that the defendant has operated a ring of prostitutes at his club. The county welfare department director advised the probation officers that in the past several years girls have come to his department for assistance stating that they had been prostitutes and that when they became pregnant, they were put out on the street.

"According to the welfare director, these girls identified themselves as 'Johnny Gay's girls.'

"However, police authorities in Lorain advised the probation officer that they never had reason to believe that this defendant was personally involved in any prostitution ring.

"They were of the opinion that he permitted prostitutes to solicit openly at his club and for years the club has had the reputation of being the place to go to get a woman.

"The defendant, when questioned by the probation officer regarding prostitution occuring at the club, denied any personal involvement with prostitution. However, he admitted that prostitutes did solicit at his club and that he permitted this activiy because to stop it would 'ruin his business.'

"The defendant was apparently more concerned with making money than he was with his personal reputation or the reputation of his place of business."

Connell then drew a conclusion:

"This Court considers that his claim of not having conscious control of himself during his 'crimes,' of not understanding his lawyer, of not being fairly treated and of being irresponsible for his actions, is a most frivolous and malicious fabrication. The motion in forma pauperis is dismissed as frivolous and malicious."

[From the Cleveland Plain Dealer, July 6, 1967]

JOHNNY GAY WOOS STAFF: TERM CUT BY 1,328 DAYS

(By Doris O'Donnell and Harry Stainer)

At Lexington, Ky., where the National Mental Health Institute Research Center now operates facilities for drug addicts, Gay became No. 66862.

The tattooed ex-Marine and bar owner became something else, too, a veritable wonder to the hospital staff.

He was there to serve 10 years for numerous violations of federal narcotic laws.

But he could not envision himself stuck in prison for that long. He was 45. He wanted out.

Many prisoners become jailhouse lawyers. Gay went this route, too, using the hospital library for legal research.

He bombarded U.S. District Judge James C. Connell, who had sentenced him in 1962, with legal requests to appeal the conviction and sentence. He had only 10 cents to his name, he said, and wanted the court to hear his petition without counsel.

Gay charged a miscarriage of justice. He charged he was incompetent at the time he pleaded guilty to 18 narcotics charges. He charged his lawyer "took advantage of his incompetence" and promised he would get a five-year sentence and parole. Judge Connell here denied each motion.

Judge Connell used remarkable language in denying Gay's appeal. The judge wrote:

"One can learn something of the mental capacity of a defendant by the way he goes about the business of committing an offense. Of what did Gay's crimes consist? He was in the criminal business which requires more cunning and ingenuity than most others, and he brought to it more cunning than others.

"He was in the business of successfully buying narcotics; finding the sellers; using dupes to make the purchases; then finding the buyers; transmitting to buyers on a successful financial basis and scale; successfully selling only to those he can trust; successfully selling only to known addicts; successfully avoiding sales to government agents.

"No one could possibly have worked up the lucrative business he enjoyed, and at the same time have been so mentally incompetent that he didn't know what was going on around him, or what he said to others, or what they said to him."

He added: "The agents had no easy time with Gay, for Gay brought unusual intelligence, daring, perception and generalship to his nefarious business."

But Gay was not easily deterred.

Gay wrote probation officials. He appealed to the Legal Aid Society in Lexington. He was shooting unerringly at a target—freedom.

Printed application forms for executive clemency are available to all federal prisoners. At Lexington few inmates—only six to eight of about 700—might take advantage of them.

Gay not only took advantage of them, he directed his father, John Gay, a retired steelworker, to get signatures of friends and relatives. Gay wrote a long autobiography, not sparing intimate details of his life, to support his application.

Reed Cozart, U.S. pardon attorney, evaluated the Gay written document, with 14 signatures of friends from Lorain, Cleveland and Lexington as particularly candid. Gay discussed his interracial and bigamous marriage to a former barmaid, Virginia Orr. Cozart was convinced Gay wasn't trying to hide anything.

The Plain Dealer learned who signed the petitions. Names of letter writers were not made available by federal officials.

While the commutation machinery was grinding slowly through the U.S. Justice Department, Gay did not sit around and hope or pray. He had another angle or two. It was to earn time off his sentence by his behaviour at the Lexington hospital.

Dr. Jimmie D. Hawthorne, M.D. assistant to Dr. Robert Rasor, director of the Lexington hospital recalled Gay came to Lexington's Cobb Hall in 1962 in a state of "depression."

Once improved, he was given a clerical job with the staff that handled psychological testing of inmates. Dr. Hawthorne stressed that Gay did not administer tests. He gathered the papers, prepared them for evaluation. Paper shuffling, really.

"He also oiled the machinery on the call system," Dr. Hawthorne said.

The call system involves getting patients safely from security quarters to interview offices for appointments with staff, clergy or visitors.

"Our biggest problem has been separating men from women, preventing them from stopping off en route to appointments or turning up missing at some point along the way," the doctor said.

Before Gay, there were problems of this kind with inmates.

After Gay, none, Dr. Hawthorne said.

A greenhouse had been abandoned. (Dr. Hawthorne explained Lexington officials had discarded an old concept that narcotic addicts needed fresh air and farm work as forms of treatment. The hospital is on 1,000 acres of rolling Kentucky landscape, and farm animals once roamed its blue grass.)

But Gay, "as a voluntary thing," revived the greenhouse greenery.

"While here he was a model patient," Dr. Hawthorne said. "He planted the inner court—turned it into a horticultural garden. He and a professor of romance languages at the University of Kentucky had much in common with the garden."

The professor taught English to Spanish-speaking patients. Gay accompanied the professor into the city of Lexington on occasion.

Gay was an Episcopalian as a youth. At Lexington, he switched to Catholicism. He wrote a booklet on the changes in the liturgy of the mass. He directed incoming patients, who were Catholic, to the chaplain. The Protestant chaplain tried to recruit Gay, too.

The Catholic priest, in exchange, wrote letters of appeal on Gay's behalf, to U.S. Senators Frank J. Lausche and Stephen M. Young of Ohio. He also wrote to U.S. Sen. Robert F. Kennedy, N.Y. Gay said each senator replied that the matter was under investigation by the Justice Department.

Gay's good deeds did not go unnoticed. It earned him time off his sentence. His file is filled with reports by the hospital review staff. Gay was also a guinea pig for the hospital's research project and had an opportunity for post-graduate work in the newer drugs, including LSD.

At Lexington, the U.S. Public Health Service tests drugs, real and synthetic, to learn if they are addictive and "safe" for mass consumption.

During July and August, 1965, Gay took part in four psychological studies—one was a reaction of skin to heat. None, Dr. Hawthorne said, required Gay to take any form of opiate drug.

Dr. Hawthorne said Gay got "lump sums" of good time for his "meritorious performance on a high level," as determined by the staff review board. Normally, Dr. Hawthorne said, this is reserved for "acts of heroism." He cited a person who rescued trapped patients from a stuck elevator.

"But Gay had sustained superior performances over and above what was expected," he said. "When a clerk was off he performed the clerk's duties for three months."

On Dec. 24, 1966, Gay received a furlough. He went to his parent's trailer home at 3948 Reid Avenue, Lorain, where his father was stricken. Earlier the father had suffered a stroke. Gay went unescorted under new rules of Lexington. Persons who saw Gay in Lorain last Christmas were dumb-founded.

Why was Gay kept at the hospital. Why wasn't he transferred to a security prison where drug racketeers usually go?

"At no time," Dr. Hawthorne said, "did the hospital staff feel that we had done all we could for Gay. He continued to fight his

legal battle. He was upset. He had letters from his family (two daughters) which upset him. We felt that 4½ years—his stay at Lexington—was short. He needed to be here.

"He left here not dependent on any drug. He had a great deal of psychology treatment and benefited from it, but whether it will sustain him—?

In Washington, Gay's No. G-80 document, the appeal for presidential clemency, with signature of family and friends was fortified with dozens of letters. Cozart handled all of them. He is a veteran of 25 years in penal work. He was one-time deputy warden of the federal prison at Leavenworth, Kan.

The progress report from Kentucky, March 4, 1966, Cozart said, stated that Gay "had been an addict for many years and was now cured."

HERE ARE CONDITIONS OF GAY'S FREEDOM

The Cleveland office of the U.S. Board of Parole provided The Plain Dealer with a list, detailing conditions for a federal parole.

John A. Gay, while free on a mandatory release by virtue of executive clemency, is under the jurisdiction of the Cleveland parole office. The area includes northern Ohio, and extends south to Mansfield, O., where Gay is now employed.

The rules are that a parolee may not leave the limits of the district without permission of the parole officer.

The conditions also prohibit drinking alcohol to excess, the purchase, possession or use of narcotics or other habit-forming drugs and avoiding places where drugs are illegally sold or used.

Parolees also may not associate with persons who have a criminal record or associate with persons engaged in criminal activity.

Firearms are forbidden without written permission.

In addition, a parolee may not act as an informer or special agent for any law-enforcement agency.

[From the Cleveland Plain Dealer, July 7, 1967]

GAY JOBLESS 4 MONTHS—LIVED OFF HIS OLD IOU'S

(By Doris O'Donnell and Harry Stainer)

LORAIN.—It isn't every day that a felon gets a presidential commutation and walks out of federal custody into freedom.

John A. Gay did.

With the precious document bearing Lyndon B. Johnson's name, Gay was supposed to have a plan—a home, a job, a way of life within the law.

The hard-won presidential document travels with Gay, the former Lorain narcotics pusher. He keeps it in a shoebox in the trunk of his father's car, which he now drives.

Gay was released from the federal hospital for narcotics addicts at Lexington, Ky., last Jan. 20. But it was May 2 before he went to work on his first job in Mansfield, O., as a salesman for Majestic Homes, a real estate development. He told his employer he had been in a clinical research hospital. He stayed at the Mansfield YMCA. He and the job parted company a few days ago.

From January until May, he had numerous problems, but no job. His father, John A. Gay Sr., was in a nursing home, the victim of a stroke. His aged mother, Mrs. Lillie Gay, was unable to drive the family car. Gay took her to and from the nursing home daily.

Plain Dealer reporters checked Gay's activities with the federal parole office in Cleveland.

"That's a ticklish one," an officer there said. "He's supposed to have a job. That's a condition of the release. He's come up with several plans. He wanted to go to Chicago, then Philadelphia. And to Thailand. But none of his plans were realistic."

Michael J. Keenan, Gay's probation officer, explained that under a mandatory presidential release, such as Gay's, Justice Department reviewers apparently considered that Gay, a divorced man, "had a home with his mother, could depend upon her for sustenance and that the regular requirements for employment could be waived."

Gay came out of the hospital-prison with two suits of clothes given him by a former brother-in-law, Frank J. Nardini, 3330 E. Erie Street, Lorain. Nardini is board chairman of Lorain, Inc., an $11-million real estate holding company.

Nardini and his wife, Laura Dandrea Nardini, while driving to Florida last January dropped off the suits when they visited Gay at Lexington.

Gay barely had cigarette money.

Barmaids and tavern owners along Broadway in Lorain say Gay has been collecting on old IOU's the last four years. One businessman with a reputation for losing heavily at gambling is reportedly repaying Gay money loaned him before Gay went to prison.

Gay at that time said his outstanding debts totaled $25,000.

Gay told reporters that his former wife, now in Florida, returned IOU's to him which she was unable to collect.

Reed Cozart, U.S. pardon attorney, told a Plain Dealer reporter that the U.S. Bureau of Prison's report on Gay showed "he had reestablished contact with his wife and family and they (the bureau) gave him good credit there."

This facet of Gay's commutation record bears scrutiny.

His daughters are married. One lives in Philadelphia, the other in Chicago.

His wife, Mrs. Dorothy Dandrea Gay, divorced him in December, 1962, about six months after Gay landed in the addict hospital in Lexington.

The Gays were married March 8, 1940, at Napoleon, O., Mrs. Gay filed for divorce May 18, 1962, less than three weeks after Gay's arrest for narcotics.

When she filed for divorce, she was awarded temporary alimony and custody of one minor daughter. She received a restraining order to prevent Gay from selling his property, which included an apartment house at 7520 Everett Court N.E. here.

Her lawyer, Joseph A. Ujhelyi, all the time noted that "she is fearful he will dissipate" his property.

Mrs. Gay has since remarried. She is Mrs. John Ferracane, 2625 N. Andrews Avenue, Fort Lauderdale, Fla. Her husband runs a bakery and restaurant there.

Gay's own family—his mother, and a brother, George Lewis Gay—termed the divorce "an agreement" between the Gays. One Lorain lawyer called it a "phony divorce."

Expectations were that the Gays would be reunited when he was free and that his property meanwhile, would remain in his control indirectly.

A police source said the divorce was to enable Mrs. Gay to keep the liquor license for Gay's tavern in her name.

Gay, as a convicted felon, would not be able to hold a permit. But on June 21, 1962, while Gay was out on bail awaiting trial, a state liquor agent showed up at his tavern, Johnny's Bar, demanding the license. It had been revoked.

Gay did not have to check Lorain County courthouse records to see where his property went while he was away. It was gone. It had passed from his wife's hands to her brother's, and then to a Lorain policeman, a long-time friend of Gay's.

Gay's Bar and other properties went through an involved series of transfers after his sentencing which, reliable informants told The Plain Dealer, were designed to hold them in a sort of "safe-keeping" for Gay when he became free. But it did not work out that way in each case.

Gay's business and moneymaking career began after World War II. He and John Mariotta formed Associated Builders Supply Co., Inc. Then Gay decided to go into business for himself. He had been working with his brother's wife, John Dandrea, and Nardini in Associated Builders and the construction business run by Dandrea and Nardini.

He sold his interest in Associated Builders and bought old Rebman's Recreation at 1038–40 Broadway for $105,000 with $30,000 in cash down. He ran it as Johnny's Bar.

On May 15, 1962, before Gay's trial in July and his conviction, followed by the divorce, he quit-claimed title to his wife on three lots on Falbo Avenue, where his $35,000 home was located.

There was a $23,000 mortgage with the Lorain National Bank on March 6, 1962. It was paid off on May 17, 1965.

Mrs. Gay, in 1963, mortgaged the three lots plus two others on Broadway to Ben Hart, a Broadway tavern owner, who later was shot to death. The price: $34,534. She took another $7,500 mortgage on the three Falbo Avenue lots, paying it off on May 14, 1965.

On May 11, 1965, Mrs. Gay—listed as unmarried on court documents—then deeded sublots 73, 74 and 75 on Falbo Avenue to Peter and Juanita D'Agnese. Tax stamps totaled $38.50. Taxes are $1.10 per thousand evaluation, indicating a $35,000 transaction.

D'Agnese, former owner of the Lorain Broadway Lumber & Materials Co., runs a bar at 651 Broadway, which Gay's daughter and son-in-law once ran.

Also back on May 15, 1962, Gay quit-claimed title to sublots 8 and 9—his bar property at 1038–40 Broadway—to his wife.

Lawyer Ujhelyi, longtime chairman of the Lorain County Democratic organization, did not transfer this deed for nearly three years—or until May 11, 1965.

Records show that Mrs. Gay, on March 15, 1965, deeded the bar property—which was occupied then by another bar to her brother, John Dandrea Jr., 219 Missouri Avenue, Lorain.

Dandrea is vice president of Associated Builders, Inc., secretary-treasurer of Lorain Trucking Co., Inc., half-million dollar shareholder and director of Lorain, Inc. and a principal in American Dock & Dredge Corp. There were no stamps on this transaction between brother and sister.

On March 26, 1965, Dandrea took a $25,000 mortgage on 1040 Broadway from Central Securities National Bank of which another brother-in-law, Nardini, is a director. It was released Nov. 24, 1965.

Dandrea sold this property to John Kochan on Nov. 22, 1965. Tax stamps total $34.10. Central Securities National Bank holds a $20,000 mortgage on Kochan. It is a 12-year note payable at $200 a month.

Kochan, 3565 Toledo Avenue, has been a Lorain patrolman 21 years. Kochan and Lorain Police Sergeant Richard L. Griffith were acquitted in 1964 of beating a confession from 18-year-old Angelo Morales. Their trial was in U.S. district court here.

Kochan said his father, a retired steelworker, put up the money for the bar property. Kochan said a friend, Miss Margaret Dziama, rents from him. She is the liquor permit holder of the Tally-Ho Bar, 1040 Broadway.

Kochan answered when reporters called the bar.

Johnny Gay, since his release from prison, said he hangs out at places run by old friends. One is the Picadilly on Broadway, the other is Kochan's place which Gay calls "Johnny's place."

"Might as well give them the business," Gay said.

Reporters asked a Lorain vice squad officer whether Gay has been in old hangouts. He

said he saw Gay in two Broadway night spots in recent weeks.

Another police officer said he heard Gay was an informer for the federal government and that he's "bound to be trouble."

[From the Cleveland Plain Dealer, July 9, 1967]

GAY DEFENDS RELEASE BY "COURT OF LAST APPEAL"

(By Doris O'Donnell and Harry Stainer)

LORAIN.—John Alfred Gay said the federal government put him in prison and that it also was "the court of last appeal" to get him out.

"I was given a sentence over the minimum," he insisted, "and there had been no chance for probation or parole. A presidential commutation was the court of last appeal."

Gay was sentenced to two five-year terms for illegal purchase, sale and concealment of narcotics. The terms were to run consecutively. The maximum sentence for federal narcotics violations is five years per count. With time off for good behavior, a narcotics convict can be freed in less than five years.

Gay, by a presidential order, had his sentence commuted to seven years. This was further cut by time off for good behavior. He was released in 4½ years.

Gay spent three hours with Plain Dealer reporters recently. He answered questions freely, smiled, smoked. He was pleasant, almost charming. He made no bones about disliking publicity.

"If something comes up about me in the newspapers," he said, "I'll relocate. I'd give my commutation back to the President if you print anything about it and me."

Gay sat in the shadow of his parents' mobile home at 3948 Reid Avenue, Lorain. He held a yellow legal pad on his lap, but he wrote nothing on it.

He explained that "social service workers at Lexington" told him of the commutation forms in 1964 and that he began preparing them. He had already tried to pry the hospital doors open with the assistance of Cleveland lawyer John P. Butler and failed. Next he tried the Legal Aid Society of the University of Kentucky.

"An offshoot of my interest in the commutation," Gay said, "was that immediately after sending my petition in, I helped a man named Taylor, an illiterate from New York. We both got seven-year commuted sentences, and we both got out the same time."

Gay said he was investigated for two years by the U.S. Justice Department.

Nathaniel R. Jones, an assistant U.S. Attorney here, said that on Jan. 18, 1965, the U.S. pardon attorney notified the U.S. attorney's office here that the Gay case was under consideration. The Gay file was sent here and reviewed. Jones then wrote the following letter to the pardon attorney, Reed Cozart.

"The seriousness of the offences committed and the period of time over which they were committed, compels this office to the belief that a reduction in sentence at this early date is not warranted, Judge Connell (James C.) concurs in this view."

Jones said the Gay file was returned to Washington in March, 1965, and "we heard nothing more until we were notified of the commutation in June, 1966."

These reporters asked Gay if was a narcotic addict, and if so, whether his assignment to Lexington was based on his own statements about using drugs.

"It was based on my own statements pretty much," Gay said. He explained that after his arrest in 1962, he was not given either a medical or psychiatric examination by the federal court.

"I was a heroin addict," he said, "and for this I received intensive psychotherapy."

Looking back at his preprison life, Gay said:

"I was unstable, I led a dual life. Now, I know where I want to head. I want happiness and contentment. I want to be out of the public eye."

Gay, an ex-Marine, who was also the master on a tanker in the Merchant Marine, said he started taking morphine while in military service.

Why? "The result of being scared."

He saw service in the Mediterranean Sea, the Indian Ocean, the Persian Gulf and the Sea of Japan.

After the war, he said he and John Mariotta started Associated Builders, Inc., in Lorain and later lined up with his two brothers-in-law, John Dandrea and Frank J. Nardini, in Dandrea & Nardini.

"I wanted to try to run my own business," he said. "Rebman's (recreation and bowling) looked like a terrifically good business venture. I sold my interest in Associated Builders and bought the place."

Nardini had said Gay's interest in Associated Builders was around $20,000 but Gay said: "I had more than that coming."

Gay then ventured into the home construction business, operating Dixie Construction Co. along with his Broadway tavern.

Gay said it was during this period that he began using drugs oftener. "I used to get morphine from a doctor here in Lorain," he said. "He's dead now."

Gay said that a John S. a Cleveland Negro, "had connections" for getting heroin.

"I was buying for my own use," Gay said. John S. brought in the federal agent. In my case, the police claimed I sold the agent $1,370 worth of heroin. I've never seen this money."

Gay said "the buys" (for heroin) were all set up in advance. John S., Gay said, set them up.

Speaking of his use of drugs, he said:

"It calmed my anxieties, my nerves, and lessened my sex inhibitions. After I had used it too long, I knew I was physically and psychologically addicted.

"I took it during the height of Dixie Construction," Gay said, explaining he had built 40 or 50 homes in the low-price range.

Gay's barmaid, Virginia Orr, and her brother, Curtis, were convicted also in cases growing out of the purchases made by under cover agents at Gay's tavern.

"The Orrs used drugs before I knew them. They used what I gave them. We used it together," Gay said.

"I'm sorry for what I did. I can't turn back the clock," he said.

Gay said he was "mentally unbalanced" by narcotics when he bigamously married Virginia Orr in Chicago in 1961. Gay said that after the second-floor bowling alleys above his tavern were destroyed by fire, he built an apartment over his tavern where Miss Orr lived.

He said the reason he pleaded guilty to six counts of illegal possession of narcotics in 1962 was because he could not "tell my wife and family about Virginia Orr."

His bigamous marriage, he said, is now invalid or the original marriage contract was illegal. (Gay's wife, Dorothy, divorced him shortly after he went to the prison hospital.)

Gay said Miss Orr was in the Lexington hospital twice while he was there, once because of her sentence, and again voluntarily.

"I tried to get her to school. She was in Lexington five months the second time. I got her enrolled in a federally subsidized school, took her to classes. She went three times and dropped out.

"If she ever needs help, I'll help her," Gay said.

Gay charges a conspiracy sent him to prison.

"There was a conspiracy but I broke the law; the sentence was not justified," he said.

He said that during the years he worked, "I gave everything materially to my wife. I signed everything over to her after my arrest. We agreed about the divorce. We discussed getting together when I got out. I gave her everything materially, but I didn't keep love in the home."

Gay said his former wife has recently returned to him cognovit notes from persons who owed him money.

Gay said he has an apartment building in Cleveland which he is selling on land contract. He draws income from that.

Olimpio Giannini, owner of the Antlers Hotel in downtown Lorain and a bootlegger during prohibition days, said Gay approached him with a business proposition after Gay's release in January.

"I told him I didn't want a sporting house here," Giannini told reporters.

Are you in prostitution? reporters asked Gay.

"I can make money easier than that. I won't go in that direction," he replied.

Gay wound up the interview by relating "a trip" he took on LSD while at Lexington. He said he also tested barbiturates, drugs used in the national space program, and marijuana.

Reporters tried to interview Miss Orr, calling at her downtown Lorain apartment and at the home of her parents in Sheffield but were unable to contact her.

From official sources, they learned that Miss Orr, now unemployed, had been a close friend of Leroy Burns.

Burns is one of six defendants under indictment in a theft of thousands of pills from a Cleveland wholesale drug firm earlier this year.

VICE RAID NETS LORAIN HOTEL BOSS

LORAIN.—Olimpio Giannini, owner of four Lorain hotels, was released on $5,000 bond after being charged late Friday with keeping a place for prostitution, procurement and attempted carnal knowledge of a 15-year-old girl.

Giannini, 72, was one of four men arrested Friday night in a prostitution raid at his Antlers Hotel, largest hotel in Lorain.

The Antlers is located just a half block from the Lorain City Hall and police station.

The three other men who were arrested and charged are Joseph Church, 39, of 1038 W. 21st Street, a bellboy and bartender at the Antlers; and Frederick L. Atkinson, 30, and Lawrence Keegan, 24, residents of the hotel.

The four were arraigned before Lorain Municipal Judge John Kolena. Giannini will have a preliminary hearing July 14 on the charges.

Atkinson is charged with five counts of procurement, three counts of carnal knowledge of the 15-year-old and harboring a female for prostitution. His bond was set at $17,500.

Church and Keegan, charged with carnal knowledge of the 15-year-old, had bond set at $2,500 each.

Lorain police said their investigation was aided by the 15-year-old girl who gave statements about previous experiences at the Antlers. She is being held in the Juvenile Detention Home.

U.S. PARTICIPATION IN FIAT-SOVIET AUTOMOBILE PLANT

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] 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 West Virginia?

There was no objection.

Mr. ASHLEY. Mr. Speaker, it is my privilege to be chairman of the Subcom-

mittee on International Trade which reports to the House Committee on Banking and Currency. During hearings on April 11 and 12, relative to the Export-Import Bank, the question was raised as to whether the Bank should be permitted to extend up to $50 million in credits to cover purchases in the United States of machine tools for the Fiat automobile plant to be constructed in the U.S.S.R.

This led to additional questions as to whether the U.S. Government should permit at this time the expansion of trade with the Soviet Union and the Communist countries of Eastern Europe, and whether the Export-Import Bank should be allowed to finance such expanded trade. These questions, as well as statements made recently before this body and to the press, have made it clear to me that there are widespread misunderstandings and misconceptions with respect to the Fiat-Soviet automobile plant transaction in particular and to our Government's East-West trade policy in general.

For more than 3 months a bipartisan group of members of the International Trade Subcommittee—Representatives JAMES HARVEY, CHESTER L. MIZE, THOMAS M. REES, and myself—devoted intensive study to the Fiat transaction, including discussions in depth with U.S. Government officials and representatives of the American machine tool builders industry. Between December 7 and 19, 1966, we traveled to Italy and the Soviet Union as well as to other countries.

We discussed in further detail the Fiat transaction with officials of the Italian and Soviet Governments, with officials of the Italian Fiat automobile company, and with other private industrial and banking representatives. Our report, representing the combined opinions of the four of us who conducted this intensive study, was published on March 1, 1967.

Perhaps it will be useful, Mr. Speaker, to set forth the basic facts regarding this proposed Fiat-Soviet auto plant which explain why my subcommittee colleagues and I endorsed U.S. participation in this transaction by allowing exports of U.S. machine tools with Export-Import Bank financing. Our position was based upon these findings:

First. Permitting U.S. firms to supply, and Export-Import Bank to finance, up to $50 million worth of U.S. machine tools for installation in the Fiat automobile assembly plant in the U.S.S.R. will not jeopardize the national security and welfare of the United States.

We are assured that the Department of Commerce will carefully review each application for the export of all tools and equipment for this automobile plant in the Soviet Union. Equipment normally required for the manufacture of light automobiles, like the Fiat passenger cars to be built in this plant, has already been determined by the Commerce Department to be peaceful goods. Based on my personal discussions with Commerce Department officials during our study of this transaction, I am confident that, as required by section 3(a) of the Export Control Act, they will not approve any machine tool exports to the U.S.S.R. that would be detrimental to U.S. national security and welfare.

All of the equipment involved has well-established uses in the production of civilian-type automobiles, but some might also be used for strategic purposes. The Department of Commerce has announced that export approval of such equipment would be less likely. The Department assures us that it will evaluate such equipment against a number of factors before acting on export applications. Factors that will be considered are—

First. What are the alternative uses of the equipment, and are these of military significance?

Second. Are the quantities and types of equipment requested normal for the job and for this proposed plant? The risk of diversion from automobile production to strategic uses will be carefully assessed.

Third. Is comparable equipment available abroad? Would U.S. export denial effectively prevent Fiat and the Soviets from obtaining such equipment from non-U.S. sources?

Fourth. Does the equipment incorporate significant technology that is extractable?

Fifth. Would export approval adversely affect production of equipment for the U.S. defense effort?

Sixth. Is the equipment ordered by Fiat from the United States an integral part of a large package and, therefore, unlikely to be used for any other purpose?

In weighing these factors the Department of Commerce will consult the Departments of Defense and State and other interested agencies.

Department of Commerce officials have informed me that, according to their technical advisers, only a few of the machines expected to be ordered by Fiat are likely to have alternative uses in the production of military vehicles or other items. This is because machine tools for the production of the small Fiat cars and their components generally are not applicable to the production of heavier components required for military vehicles. Moreover, spokesmen for the American machine tool builders industry have advised our subcommittee group that there is no domestic shortage of automotive machine tools of the types likely to be installed in the Fiat plant. Current order backlogs of the American firms are considered normal.

Our subcommittee group concluded that some exports of autos from this plant may develop, but we are convinced that such exports would be small. Several reasons support this conclusion. The types of Fiat autos to be produced will be specially adapted to peculiar Soviet needs in terms of road and weather conditions, and they are likely to have very limited sales appeal elsewhere. Moreover, internal demand in the U.S.S.R. far exceeds its current and proposed automobile production goals. Finally, the new plant is not scheduled to enter into full capacity production until 1974—7 years from now.

In evaluating the risk to our national security and welfare, we should not overlook the magnitude of the Soviet capital investment for this plant. We should consider also the additional capital investments they will later need to make for roads, service stations, gasoline, steel and other production materials. Needless to say, the capital that the Soviets invest in this plant and these related activities will not be available for investment in military production.

Second. The Fiat-Soviet automobile assembly plant will provide benefits to the United States and the free world.

Secretary of Commerce Trowbridge wrote our distinguished colleague, the gentleman from Texas, WRIGHT PATMAN, chairman of the Banking and Currency Committee, on April 12 of this year that—

> The product of this plant—light automobiles—is a peaceful item which will in the years to come provide better transportation and increase the standard of living for the people of the USSR, even though the first customers may be their government officials.

I agree with this. It is in our national interest to encourage through peaceful trade with the Soviet Union the improvement of their consumer economy. Even if the Soviet leaders try to keep these Fiat autos from public consumption by restricting their use to Soviet Government officials, I believe that the clamor of the Soviet people for these cars will compel the Soviet leaders to make them available before long to the Soviet people.

The $50 million that U.S. firms will get for their equipment and the additional returns accruing from sales of their foreign affiliates and licensees should help to improve our balance of international payments, to provide profits for American manufacturers, and to sustain wages and work for American labor. Certainly these are worthwhile benefits to the United States.

Third. The Fiat-Soviet automobile plant will be constructed even if the United States refuses to participate with equipment exports and financing.

Intensive study of this matter has convinced me that our refusal to permit equipment exports and/or credit will not prevent this plant from being constructed by Fiat in the Soviet Union. This conclusion is based on discussions with government and industry officials, here and abroad. In his April 12 letter to Chairman PATMAN, Secretary of Commerce Trowbridge stated:

> It is also quite clear that with or without U.S. equipment or financing the USSR can obtain this and other modern light automotive manufacturing plants from Italy and other Western European countries.

In the face of this judgment, it is difficult to understand why we should deprive American business and American labor of the benefits that will accrue from U.S. participation, or why we should want to impair U.S. relations with Italy and the Soviet Union. We would be cutting off our nose to spite our face.

Fourth. The proposed Fiat-Soviet automobile assembly plant has the solid support of the administration.

President Johnson and the late President Kennedy have been given solid support for this transaction by the Departments of Defense—including the Joint

Chiefs of Staff—State, and Commerce, as well as the Export-Import Bank and other interested agencies.

It is in full accord with U.S. Government policy to maintain contacts with the Soviets which can lead to more normal relations and to encourage the Soviet leaders and people toward peaceful cooperation and open societies. Trade in peaceful goods with the U.S.S.R. and the Eastern European countries helps us to achieve these objectives by promoting contacts and exchanges.

This transaction, like other peaceful trade actions, represents a constructive step toward achieving that "balanced strategy for peace" and the diminution of mutual suspicions and fears that has long been the policy of the United States.

If ever we are to use our trade policies and measures flexibly and purposefully—instead of negatively or passively—to promote a wider range of constructive relationships between the U.S.S.R. and the United States, then now is the time and this Fiat-Soviet auto plant is one of the means.

Fifth. The Vietnam war should not deter us from acting at this time but should, instead, impel us to act now.

It is easy—and perhaps even popular—to say that we should drop the Fiat matter until the Vietnam war ends.

I urge U.S. participation in this transaction now because I am firmly convinced that this is the right thing to do at this time. By seizing the opportunity at hand, we will be acting in a constructive manner to ameliorate the international situation outside the Vietnam orbit.

In the final analysis, Mr. Speaker, the Congress has a responsibility to support and implement our Nation's foreign policy. President Johnson defined our objectives last October 7 when he said:

> Our task is to achieve a reconciliation with the East—a shift from the narrow concept of coexistence to the broader vision of peaceful engagement.
>
> Americans are prepared to do their part. Under the last four Presidents, our policy toward the Soviet Union has been the same. Where necessary, we shall defend freedom; where possible we shall work with the East to build a lasting peace.
>
> We do not intend to let our difference on Vietnam or elsewhere prevent us from exploring all opportunities. We want the Soviet Union and the nations of Eastern Europe to know that we and our allies shall go step by step with them as far as they are willing to advance.

In summary, Mr. Speaker, it strikes me that it is in our enlightened self-interest to promote closer relationships, including trade with the Soviet Union, at this time. I am not unmindful of the fact that the Soviets are supplying North Vietnam with arms and materiel that are being used against our fighting men. Nevertheless, our basic purpose is to achieve a stable and lasting peace, and this requires not only that aggression be thwarted but that positive efforts be made to fully explore and maximize areas of mutual interest. We must look beyond Vietnam and recognize that the responsibility for maintaining peace and security will rest primarily with the United States and the Soviet Union for many years to come. As a country, I think we have had enough experience to be able to be realistic about communism without adopting rigid attitudes which only thwart discussion and heighten dangers in an already dangerous world. Certainly we are sufficiently mature and confident as a nation to be able to meet with those countries with whom we have disagreement and to seek accords which promote the cause of peace.

MICHAEL V. DISALLE ADDRESSES YOUNG DEMOCRATIC CLUBS OF MISSOURI, INC.

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. ASHLEY] may extend his remarks at this point in the RECORD and include extraneous manner.

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

There was no objection.

Mr. ASHLEY. Mr. Speaker, recently a distinguished former Governor of Ohio and my very good friend, Michael V. DiSalle, addressed the State convention of Missouri Young Democratic Clubs. Governor DiSalle reviewed the history of great Presidents, pointing out that the truly great ones were often attacked and reviled and that President Johnson will rate a high place in history as a devoted servant to the preservation of peace.

Governor DiSalle's illustrative comments to this youthful audience evidences once again the intellectual breadth and wisdom of this great American and I commend his remarks to the attention of my colleagues, as follows:

ADDRESS BY MICHAEL V. DISALLE AT YOUNG DEMOCRATIC CLUBS OF MISSOURI, INC., 1967 STATE CONVENTION, JUNE 10, 1967

It is a privilege to share the platform of this convention with so many distinguished Democrats. It is a particular pleasure and honor to come to Missouri that has given not only the Democratic Party but the Nation and the world so many great leaders. No Democrat, no American and especially one who has worked for him could resist paying homage to that greatest of all of your fellow citizens, one of the Nation's greatest Presidents and one of the world's all-time great leaders—Harry S. Truman. The Nation is firmer in its democracy and the free world stronger in its resolve as a result of his courage and wisdom. It has been these qualities so capably demonstrated by Harry S. Truman that have brought the Democratic Party from Jefferson to Johnson as the oldest political party in world history and the most consistent in its sponsorship of a greater dignity for the individual. A dignity which incorporates equality of opportunity for all.

From May 13, 1792, when Thomas Jefferson founded the Democratic Party, his philosophy has influenced the course of the party's programs. To those who look back and who would like to read history out of context, it is safe to say that Jefferson's vision did not contemplate a strict construction State's rights party. He did not foresee his party urging that the States be given the authority to deny persons the rights and blessings of American citizenship.

The Jefferson purpose was to create a party which could be really democratic in its makeup, in its partisanship, in its purpose and its method. In fact, it was to be a party that would represent one of the great natural views of government.

Today the Democratic Party remains strong in its advocacy of State's rights, even in the face of those who seek to confuse this doctrine with license to take away from the individual the rights reserved to him under our Federal constitution.

As a sidelight, today in these troubled times we might just quickly review that the Democratic Party still contends that the individual must be protected from the excesses of a powerful government, whether that government is that of a State or of a nation. It is because of this constant maintenance of this thread of continuity that the Democratic Party today exists as the oldest political patry in the world. The foresight of Jefferson remains as the wisdom of today's Democracy. We cannot look back at Jefferson, his philosophy, his wisdom, his vision, without marveling at his ability to foresee the future. This at a time when no thought was being given to nuclear energy, let alone the advances in communication or transportation that have since taken place.

His wisdom is practically confounding when we re-read his letter to Monroe in response to Monroe's request for advice in the promulgation of the Monroe Doctrine. In this letter, amidst much sound advice, he asked a question, "Do we wish to acquire to our own confederacy any one or more of the Spanish provinces? I candidly confess that I have ever looked on Cuba as the most interesting addition that could ever be made to our system of States. The control which, with the Florida point this island would give us over the Gulf of Mexico and the countries and isthmus bordering on it as well as all those whose waters flow into it, would fill up the measure of our political well-being." He then dismissed this thought because of the danger of war and risking the enmity of England. Many of us today wish that his musing had been resolved in the affirmative.

It has been said that Andrew Jackson, produced the most turbulent administration in our political history. This, of course, is subject to question, since turbulent administrations seem to be the trademark of Democratic presidencies. At least through the time of Wilson, no other president engaged in such furious and continuous political conflict. It was perhaps the strong feeling on the needs of democratic government which led him to write, "Distinctions in society will always exist under every just government. Equality of talents, of education or of wealth cannot be produced by human institutions.

In the full enjoyment of the gifts of heaven and the fruits of superior industry, every man is equally entitled to protection by law, but when the laws undertake to add to those natural and just advantages, artificial distinctions, to grant titles, gratuities and exclusive privileges to make the rich richer and the potent more powerful, the humbler members of society—the farmers, mechanics and the laborers who have neither the time nor the means of securing the favors for themselves, have a right to complain of the injustice of their government. Consequently, the philosophy which governs the thinking of the Democratic Party today is that which motivated not only Jefferson and Jackson, but other strong Presidents such as Madison and Monroe, Van Buren and Polk, Grover Cleveland, Woodrow Wilson, Franklin D. Roosevelt, Harry S. Truman, John F. Kennedy and now, Lyndon B. Johnson.

When we scan the record of progress for which these Presidents have been the architects it brings to mind an old Winston Churchill story. Engaged in a particularly difficult campaign in his own constituency, he complimented his opponent on his humility and said that it was an admirable quality but, he added in true Churchillian style, that his opponent certainly had a great deal to be humble about! So we, too, can compliment our Republican opponents on their admirable humility but agree with Churchill that in comparing the record of the two po-

litical parties, our opponents certainly have a great deal about which to be humble.

The life of the Democratic Presidents during the period in which they held office was not an easy one. There was a constant uproar, instigated, motivated and kept alive by those who have always feared and still fear a truly democratic society. Whereas today we honor Jefferson and Jackson, this was not the case during the period in which they were promulgating the programs for which today they are admired and honored. In our own lifetimes we can think of the abuse received by Franklin D. Roosevelt and the position he now occupies in history. We can remember, especially in this area, that the popular sport during the administration of Harry Truman was to revile him, to downgrade him, to abuse him. Today, no fair-minded person can doubt that he has already achieved a great place in history which time will only serve to emphasize and increase.

The man whose assassination shocked the world, John F. Kennedy of revered memory, was the target of many who sought to stop his march toward national progress. Today, the image-makers are not painting a very kind picture of Lyndon B. Johnson but, just as it was difficult to imagine the positions now held in history by Democratic Presidents of the past, here too, history will write a much more favorable page on the stewardship of Lyndon B. Johnson and Hubert Humphrey.

We are today again involved in a vexatious conflict which saps our energy, our resources and our humanity. The struggle for peace certainly overshadows the fact that progress is being made in areas of domestic concern. The disruptions that occur in families certainly lead to impatience and dissatisfactions, but regardless of how badly we want peace and how much we strive for it, unless our opponents want peace, its achievement within our lifetime, the achievement of a kind of domestic tranquility that we all long for, can remain beyond our reach. This is a situation where the President needs our understanding, our prayers, our assistance and the patience that will help deal with situations which, in many instances, are beyond our control. We must never forget that for the first time in our experience we are dealing with a rival power which denies the theory and the practice of our society.

We must keep in mind that today wherever we are engaged in the defense of democracy, that regardless of the color of our opponents' jerseys the quarterback is always the same, the name of the game regardless of tactics is always the same and that is, "Beat the United States"—the last capable defender of the free individual, the last obstacle in the path of our opponents' goals of world domination.

They challenge the existence of a democratic philosophy anywhere in the world. In spite of all of our efforts this competition will not disappear. In truth, we will have to live in the same world with this rival. But what we do today will determine whether this living together will be in servitude or in equality. We cannot overlook the facts of the Vietnam conflict as they now exist.

We cannot hide, we cannot blind ourselves to the fact that the so-called "peasant" Vietcong, the grossly under-rated North Vietnamese, are carying on a conflict which has every indication that they are possessed of the world's most modern equipment, a seemingly inexhaustible source of supply, that they engage all forms of terrorism and that the techniques, equipment and supplies are being furnished by those foreign powers who are most critical of the United States' involvement and our attempts to preserve a base for freedom in Southeast Asia.

That there is dissent in this country is not unusual, nor is it new. Today we honor the revolutionists who made possible the existence of this free Nation but we must not forget that certainly their cause was not blessed with the unanimity of opinion of all those who were residents of the Colonies during that difficult period. The War of 1812 certainly produced its share of dissent, even though at that time we were fighting for freedom of the seas.

During the War between the States, dissent and opposition occurred, not only between the States but down to families and within families. Brothers fought on each side for what each thought were his principles. During that conflict, Abraham Lincoln was faced with the burning of draft headquarters, rather than draft cards. There are areas in the country today which changed political affiliation over our involvement in World War I and World War II.

All of us who lived during the hectic early fifties remember the attack on communism, Korea and corruption.

Today, the free world, including Richard Nixon, pays to Harry Truman the homage he deserved then, for his courage in taking the action necessary to stop communism in its attempt to enslave another nation. That there is outspoken dissent today is just further evidence to the world that democracy continues to exist and to grow while we strive to protect it for others.

Although there can be no limitation on intellectual dissent, there can be no justification where those extremists may call the President and the Vice President of the United States, "murderers," the stupidity and the extremism of the Stokely Carmichaels must be tolerated in the interest of the protection of a Democratic society, but certainly they need not be accepted without counter-attack and exposure. It is because of the President's position during these difficult days that we will continue to see him buffeted by wave upon wave of attacks and counter-attacks.

Those who today are being classified as "hawks" complain that he is not doing enough to bring the conflict to an end by intensifying the military action. Those whom we refer to as "doves" complain that he is not doing enough to bring peace through negotiations. It should be becoming more evident that our position is to seek an honorable peace, limiting the military action as much as possible and urging unconditional negotiations through every means at our command. Attempts by other nations have been spurned. Attempts at Papal intercession have been rejected. Direct communications by the President himself have been turned down. It is evident that every attempt is being made to discredit us and to paint a picture of an imperialistic nation which desires to subject a small and weaker nation to its will.

Too many in our Nation today are overlooking the excesses of the opposition. The words of Communist leaders are being quoted against the announced positions of American leadership. Since when do we assume that the leaders of a philosophy that we have long distrusted are speaking in the interest of Democracy? Since when can we assume that their interest is our future and our success? Shouldn't we remember that we cannot afford to be the Little Red Riding Hood of the 20th century? The bear has sharp teeth—all the better to destroy us if we lose our sense of perspective.

The critics of our Viet Nam policy have been numerous and vocal. It certainly is not too much to hope that they will join in paying tribute to President Johnson for his masterful performance in handling the current Mid-East crisis.

Working around the clock, pressing incessantly for a solution that would restore peace in that constantly troubled area, drawing on the experience of hours of visiting and getting to know the heads and important personages of other nations, he has brain-trusted our world-wide diplomatic network, while at the same time keeping our anxious legislators informed and in check, and our military forces in readiness. Certainly this outstanding effort on the President's part will rate a high place in the history of the world as a devoted dedication to the preservation of peace.

The latest attempt to frighten the Democratic Party and to try to take advantage of those who lose perspective is the new line that is being peddled, and that is that peace can only come with a Republican victory in '68. Those who are trying to sell this line point to Korea as an example—that it was only after President Truman left office was it possible to negotiate the peace. Those who tell us this fairy tale overlook our continued involvement in Korea, where 15 years later 50,000 men are still committed and billions of dollars have been and still are being spent.

The President is often referred to by his detractors as a completely political animal who seeks only his self-preservation as a politician. How inconsistent can we be, not to give full support to Lyndon Johnson who is staking his political future on what he believes to be the honest posture that must be maintained by this Nation if we are to maintain our commitments and our unsolicited position as the leader of freedom in the world. It is time Democrats review our history and the positions held by Democratic presidents in the past which, although attacked and reviled during their administrations, today constitute the most glorious pages of our history.

Today our Republican opponents are not certain whether to embrace youth or age. If their nominee is young they will base a campaign advocating the role of youth. If he is older, they will support experience. The Democratic Party is always young. A member of the John Birch Society at 24, is older than a Democrat of 83. Lyndon Johnson as the nominee of the Democratic Party in 1968 will have the experience necessary and the youthfulness of ideas, ideals and a willingness to devote himself to the furtherance of peace and increasingly improve standards for not only Americans but freedom-loving people everywhere—as young Democrats looking forward to a better world, you have the responsibility of assisting him in giving him the kind of victory that will help make possible the achievement of our mutual goals.

THE VISION OF C. SCOTT FLETCHER

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Florida [Mr. PEPPER] 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 West Virginia?

There was no objection.

Mr. PEPPER. Mr. Speaker, on March 5 through 7 of this year, the education television stations division of the National Association of Educational Broadcasters held their second national conference on long-range finance of educational television stations.

Under the able chairmanship of C. Scott Fletcher, who was responsible for setting up the Ford Foundation's Educational Television program, the conference produced a lucid, factual, incisive report reviewing the Carnegie Commission's report, "Public Television, a Program for Action," and also making suggestions for further action in increasing the scope and range of educational television.

The 350 conferees agreed according to the publication, that—

The heart of educational television broadcasting is the individual station licensee. Strengthening of local stations should include operations and should occur as a result of local needs. Every effort must be made to increase the number of educational stations.

They further emphasized that general support for local programing by local stations is a priority need, with the main thesis of the report being:

Public television funds should be insulated, independent and, as far as possible, diversified.

The report also included a historical perspective of educational television with quotes by President Johnson, Vice President HUMPHREY, who spoke at the conference, and others from Government, business, and industry.

Mr. Fletcher—one of the, if not the chief expert on educational television in America—was called out of retirement in Florida to become executive adviser to the National Association of Educational Broadcasters. Under his able tutelage the NAEB has made significant strides toward closing the gap between their goal of public television and the existing conditions of the television industry. Mr. Fletcher's ethic of self-sacrifice and efforts toward public television will be harvested a thousandfold by future generations of Americans who will enjoy the benefits of educational television.

I was very gratified to learn that through my efforts and those of my colleagues of the House Committee on Interstate and Foreign Commerce will hold hearings on the Public Broadcasting Act beginning on July 11. A matter of this importance to the American people both now and in the future deserves careful scrutiny and the utmost priority which I and my colleagues have been able to attain for it.

Mr. Speaker, I would like to insert into the RECORD at this point the news release issued by the National Association of Education Broadcasters:

WASHINGTON, D.C., June 22.—The concept and principle of a Corporation for Public Broadcasting is strongly endorsed by educational television station managers and their governing boards of directors, it is stated in a report released today by the Educational Television Stations division of the National Association of Educational Broadcasters.

"Public Television funds should be insulated, independent and, as far as possible, diversified."

The report is a result of the Second National Conference on the Long-Range Financing of Educational Television States held here March 5–7.

The 350 Conferees agreed, according to the publication, that "The heart of educational television broadcasting is the individual station licensee. Strengthening of local stations should include operations and should occur as a result of local needs. Every effort must be made to increase the number of educational television stations." They further emphasized that general support for local programming by local stations is a priority need.

The 120-page report covers in detail, results stemming from the Conference. Conference participants were asked to review and react to recommendations to the Carnegie Commission report "Public Television: A Program for Action." Their approval of the Commission study and amendments they added are found in this pamphlet in Chapter I, "Summary of Conference Recommendations." The third chapter elaborates on the findings.

C. Scott Fletcher, ETS Executive Consultant and a member of the Public Board of NAEB, was Conference chairman.

An historical perspective of ETV is part of the book. Throughout the report are quotes on educational television broadcasting by President Johnson, The Vice President who spoke at the Conference, and others from government, business and industry.

The Appendices includes texts of addresses delivered at the Conference by Dr. James R. Killian, Jr., who served as chairman of the Carnegie Commission on Educational Television; James McCormack, chairman of the Communications Satellite Corporation, and McGeorge Bundy, president, the Ford Foundation. Additionally, the appendices has a number of research papers and a diagram of the Carnegie Commission plan.

Copies of the report on The Second National Conference on the Long-Range Financing of Educational Television Stations, compiled and edited by Drs. Warren L. and Serena E. Wade, Wade and Wade Media Consultants, San Jose, California, will be available for $2.00 from the ETS division, National Association of Educational Broadcasters, 1346 Connecticut Avenue, N.W., Washington, D.C. 20036.

AID FOR THE TOTALLY DISABLED

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. WALDIE] 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 West Virginia?

There was no objection.

Mr. WALDIE. Mr. Speaker, I wish to bring to the attention of the House of Representatives my introduction today of a bill which amends title XIV of the Social Security Act to permit aid to the permanently and totally disabled to be paid, under approved State plans with Federal matching, to individuals in institutions for the mentally retarded. The wording which I propose is:

An institution which is primarily for the mentally retarded shall not be considered an institution for mental diseases.

It is my opinion that action is long overdue to correct the tragic situation of a totally disabled person being denied help because of the type of care he requires. I am aware of many instances where applicants are receiving aid for the totally disabled while living at home, but would lose such assistance when the child is accepted in a facility with six or more residents. I firmly believe that a child, having qualified for ATD, should not be denied the continued support when changing his place of residence. Therefore, to assist individuals who are 18 years of age or over and permanently and totally disabled—but not blind—in attending an institution which is primarily for the mentally retarded and not an institution for mental diseases, I have introduced legislation to broaden the scope of aid to totally disabled, which, in my mind, is long overdue.

HUGHES AIRCRAFT EXHIBIT OUTSTANDING AT PARIS AIRSHOW

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from California [Mr. CHARLES H. WILSON] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. CHARLES H. WILSON. Mr. Speaker, among the spectacular displays highlighting the recently staged 27th International Paris Airshow were exhibits of American space technology featuring Surveyor, the first soft-landing, picture-taking unmanned spacecraft to land on the moon, and Intelsat II, the world's first commercially operated communication satellite to be operational over two oceans.

These space achievements, internationally acclaimed by space scientists and the world public, bear tribute to Hughes Aircraft Co., of southern California, one of the 111 American companies that were representative of the U.S. aerospace industry at the show.

In the lunar exploration field, Hughes demonstrated an engineering competence which has seen the successful landing of two Surveyor spacecraft on the moon. Hughes has built seven spacecraft for NASA to explore photographically selected regions of the moon for the space agency's lunar manned-landing program. A third Surveyor is at Cape Kennedy now, awaiting launch in mid-July to a new region of the moon.

As an electronics firm whose skills embrace the entire technical spectrum of unmanned space exploration and space communications, Hughes originally envisioned the synchronous communications satellite principle in 1959. Today, 8 years later, five operational satellites born out of that vision are in operation 22,300 miles out in space above the Atlantic, Pacific, and Indian Oceans.

Two of these are the Syncom satellites Hughes built for the National Aeronautics and Space Administration, which were launched in 1963 and 1964, respectively. They subsequently were taken over by the Defense Communications Agency and are in use now for military traffic between the United States and the Far East. One is above the Pacific Ocean, the other is over the Indian Ocean.

The Early Bird satellite represents the second generation of synchronous altitude spacecraft. It was launched over the Atlantic in 1965 for the Communications Satellite Corporation.

The third generation of satellites, popularly known as Intelsat II, were also built for Comsat, and were both launched early in 1967 into around-the-clock commercial service above the Pacific and Atlantic Oceans.

International aeropsace industry acclamation is well deserved for the many dedicated teams of scientists and engineers at Hughes who have made possible these man-made stars which have illuminated the frontier of space.

The Hughes exhibit at the Paris air show, which I had the privilege of at-

tending, reflected the many and varied contributions she has made to our Nation's defense and our space exploration program.

I know that my colleagues in the House of Representatives and my fellow Americans share my pride in our aerospace industry, which, thanks to firms like Hughes Aircraft, was so ably represented at this international show.

SAN ANTONIO HEADSTART EFFECT GROWING WIDELY

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. GONZALEZ] may extend his remarks at this point in the RECORD and include extraneous matter.

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

There was no objection.

Mr. GONZALEZ. Mr. Speaker, under unanimous consent I include at this point the text of a picture story on the accomplishments of the Headstart program in San Antonio, which appeared in the San Antonio Evening News on July 5, 1967. As reporter Mavis Bryant states:

Teachers find rare hidden abilities in children from deprived homes, as well as depressing cultural gaps.

The value of Headstart is well summed up in the sentence:

The enthusiasm of teachers and supervisors in the Headstart program seems to radiate to parents and others in the community, giving them a sense of purpose and participation.

The article referred to follows:

SAN ANTONIO HEADSTART EFFECT GROWING WIDELY WITH 800 CHILDREN IN 53 CLASSES

(By Mavis Bryant)

A kid who never has heard the English word for arithmetic hardly could be expected to add, subtract and divide.

And this is where Head Start comes in.

The Head Start program, a poverty-war baby now half as old as the slum kids it serves, aims at filling the gaps that throw many youngsters behind in school from the beginning: cultural, linguistic, nutritional, medical.

As one teacher put it, "Then we hope the child can devote full attention to learning to read and write."

The San Antonio Independent School District, one of several San Antonio districts with Head Start programs, has 800 children in 53 classes this summer. They are housed in 16 centers concentrated in poverty areas. Children qualify for the program if their families make under $3,000 a year.

According to Mrs. Doris Brown, one of three directors of the program this summer, highly personal attention to each child is the key to the program. In each class one teacher, one paid aide who is a mother from the poverty area, one Neighborhood Youth Corps assistant, and at least one volunteer from the community at large can spot and minister to individual problems. Spanish-speakers among those supervisors aid materially in teaching English to the child who knows little.

"One of the major benefits of the Head Start program is what the paid aide mothers learn and take back into their homes and neighborhoods," said a teacher at Herff Elementary School. "This helps parents to understand and get involved in their children's education."

Parents' involvement is emphasized by program directors. A Mothers' Ad Hoc Committee in each school recommends subjects which might interest parents attending weekly open houses. In the weekly meetings parents visit classrooms, hear speakers, talk with teachers, and see their children perform.

"You just can't understand what may be troubling a child until you visit his home and talk with his family," commented pretty Mrs. Josephine Perales. "We're going to try to incorporate this into the regular program." Teachers visit each child's home twice during the eight weeks, to gain greater insight into particular environments and also to explain to parents about the program.

Mrs. Perales uses all the resources of David G. Burnet Elementary and the program to teach her pupils basic concepts. During the summer they will build kites, plant seeds, use recording machines and film strips, learn to paint, and many other things.

A visit from the local fire department, with engines and firemen, was a highlight for youngsters at Herff Elementary, according to Mrs. Perales' sister, Mrs. Charlotte Garcia, who teaches in the program there.

"The kids climbed all over the trucks, and the firemen explained everything to them. They loved it," she said.

For many children, the first visit to a doctor or dentist is a terrifying experience if they think they will be hurt. During the summer each pupil will receive thorough medical, dental, visual, and hearing examinations, along with blood tests for anemia and a battery of shots. One doctor cleverly combated child apprehension by calling in one child, who emerged and chose a friend to be next, and so on.

Required medical care can be provided free under the program if parents cannot foot the cost. But nurses, in cooperation with five social workers, often have a hard time getting parental permission for the child's treatment. Clothing and shoes can also be provided when necessary.

Any teacher may find a student who simply does not respond to classroom activity, or one who is such a behavior problem that class is disrupted continually. The program maintains 10 counselors who work with teachers to deal with such individuals. Special testing, individual care by a volunteer, home visits, and other measures may help the child adjust. One child who spoke only German, for example, was assigned an interpreter who translated everything the teacher said during the classes.

"I could get them to eat beans all day, but beef pie or spinach is another story," said the cafeteria director at Burnet.

Children in the program are served breakfast and a hot lunch each day.

Teachers prepare the pupils in class for new foods they may encounter at lunch, and cereal cartons are used for many different things during the day. Eating with knives, forks, and spoons present a real challenge, too, for a 6-year-old who has used only a tortilla previously.

Teachers find rare hidden abilities in children from deprived homes, as well as depressing cultural gaps. One tiny Mexican-American, with a father in the penitentiary and a mother who deserted him and his three small brothers and sisters, lives with a grandmother who speaks no English at all.

Yet, at five, eyes shining with intelligence, he knows how to read and can do addition and subtraction. His teacher cannot find anyone who has taught him those things.

The enthusiasm of teachers and supervisors in the Head Start program seems to radiate to parents and others in the community, giving them a sense of purpose and participation. A father of one student built a scale-model "kitchen," with stove, icebox, and sink, from cardboard, for his class to use.

And a real joy for workers at Burnet is the help given by volunteers from the Golden Age home across the street.

Besides acting as volunteers, the elderly make rainbowhued bean-bags for the children to use.

"We have one lady who throws away her cane as she walks into the classroom because she doesn't want the kids to think she's old," said a teacher.

TO PROHIBIT TRAVEL OR USE OF ANY FACILITY IN INTERSTATE OR FOREIGN COMMERCE WITH INTENT TO INCITE A RIOT OR OTHER VIOLENT CIVIL DISTURBANCE

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Nevada [Mr. BARING] 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 West Virginia?

There was no objection.

Mr. BARING. Mr. Speaker, this week the House will consider H.R. 421, providing an amendment to 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 disturbances. I urge my colleagues to join me in support of this badly needed legislation.

For weeks now, the newspapers, radio, and television have been reporting the outbreak of riots and civil disturbances in various sections of our Nation. These riots, although local in nature, are fostered by professional agitators who flip from one city to another with but one purpose in mind, start a riot.

It is no secret that the Nation's Capital has been earmarked to be the site of a civil disturbance. What are we going to do about it? Sit here and wait until it happens, then throw up our hands in horror and rush to put through an anti-riot bill?

The bill that has been scheduled this coming Thursday makes it quite clear that it is not the intent of the statute to preempt State law. The intent is to supplement local law enforcement.

Congress must show these people who take the law in their own hands that the American public is fed up with such action and will not stand for it any longer. Congress has been served notice and it is time we face up to our responsibility.

MEAD JOHNSON FOREIGN AFFAIRS SEMINAR

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Indiana [Mr. HAMILTON] 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 West Virginia?

There was no objection.

Mr. HAMILTON. Mr. Speaker, one of this Nation's progressive businesses is Mead Johnson Co. of Evansville, Ind.

Each year the company conducts impressive seminars for its executives.

It was my honor this year to address this group of intelligent and alert businessmen.

The following is the text of my remarks at the Mead Johnson foreign affairs seminar:

No region of the world is more varied or fascinating or challenging than Asia. It is primitive and modern, changeless and changing, savage and gentle, grim and gay, old and new.

Within the vast sweep of its 16,900,000 square miles, extending 5,300 miles from North to South and 6,000 miles from East to West, there is at once diversity and similarity: a diversity of people, language, custom; similarity in environment, tempo and a way of life.

Only in Asia, with its population of 1.8 billion people, is it possible to leave an air conditioned house complete with television set and electric kitchen in the metropolitan city of Manila, get into an automobile and within a day's drive over a modern highway, reach the mountains of Northern Luzon where primitive tribes still use spears with poisoned arrows and go about almost naked and raid the lowlands to kill and take human heads.

In Asia you can find a progressive monarchy in Thailand, a socialist dictatorship in Burma, Communism in China, a parliamentary democracy in Japan, a military and civilian triumvirate in Indonesia.

The Asians like to point out that Asia was civilized when Europe was a forest and a swamp. It bears the imprints of its own traditions and cultures, but also those left from the colonial era by Great Britain, France, Portugal, Spain, The Netherlands, and the United States.

It is the cradle of religions, containing more Buddhists, Hindus, Confucians, Taoists, Shintoists, Zorastrians, Moslems than any other continent. Also more tribes worshipping the spirits of animals and trees.

To understand Asia (if indeed it can be understood) it is necessary to recognize the major forces shaping the future of Asia.

There is nationalism. It is both good and bad.

It can be a unifying force, rallying all the diverse groups within the country and giving them a sense of national unity.

It can direct their energies toward national goals and eliminate internal divisions.

It can give them greater security against foreign domination and internal subversion.

But nationalism can also be dangerous and disruptive.

It can destroy any efforts toward regional and international cooperation.

It can destroy any basis for foreign investment and produce pointless, wasteful and dangerous wars.

It can hinder rational analysis and sober tackling of problems.

It can subordinate the material welfare of whole populations to emotional resentment.

The best and the worst of nationalism can be seen in Sukarno and Indonesia.

Sukarno did give the Buddhists, the Moslems, the Javanese and the Sumatrans a sense of national unity and purpose. But this nationalistic force almost destroyed all that it had created.

In Burma, nationalism has meant an economic war against foreign investors which has very nearly destroyed the country's economy. In Thailand, it has meant a national unity which has produced a stable government, dramatically improving the economy.

Communism is the second major force shaping the future of Asia. This is by no means a single, monolithic, united force.

Communism in Asia has many faces:

There is the well-organized, prosperous, legal Communist Party in Japan, seeking its support from the urban worker.

The Philippine variety is a revival of the Huk insurrection.

The party in Thailand seeks support from the mountain tribes.

In South Vietnam, the support comes from the peasants.

Communism in Asia is also caught in the struggle for leadership within the Communist world between China and the Soviet Union. China aims to make the entire area a sphere of Chinese domination and believes that the United States power and influence are the chief obstacles to its goals. China therefore supports and encourages any force that is alien and hostile to the United States.

The Soviet Union wants to undermine both the United States and China. Peking and Moscow are competing for the loyalties of all the Communist parties in Asia, whether these parties are dominant, as in North Korea and in North Vietnam, or minor, as in Australia and the Philippines. The rivalry is seen most sharply in South Vietnam.

A third major force shaping the future of Asia is the thrust to defeat Communism.

This thrust has many facets:

United States troops in Vietnam,

United States military and economic aid,

The Southeast Asia Treaty Organization,

The British Defense Treaty with Malaysia.

SEATO came about mainly as a result of the American effort after the Communist victory over the French in Indonesia. It seeks to unify the international forces against further Communist gains. It has, of course, some serious defects:

Neither Pakistan nor France have really committed themselves to opposing Communism in Asia.

It has certainly had to rely too heavily on United States power. But it remains a major instrument to blunt the Communist thrust.

These three forces—nationalism, communism, anti-communism—operate in a continent facing massive, enormous, almost overwhelming problems—ineffective government, over-population, inexperience in self-government, poverty, the low levels of education, inadequate food production, the shortage of capital, the effects of the struggle for and against Communism, the pressure of powerful outside forces.

These enormous problems are producing what I hope is becoming a fourth major force: co-operative multinational efforts to solve the problems. I want to discuss this in a little more detail later. It is one of the most encouraging developments in all of Asia.

Given these major forces shaping the future of Asia, what is United States policy in Asia?

The central propositions of that policy are two-fold. One, the extension of control over other nations by Communist China, North Korea or North Vietnam is unacceptable. Such control would create a menace to all countries and present a major and direct threat to the national interest of the country.

Two free and independent states in Asia, working effectively for the welfare of their people, are in the long run necessary to prevent the extension of a hostile power and are in our world-wide interest in peace and prosperity.

These two central propositions are the cornerstones of American policy in Asia. They have been since the end of World War II. They have been carried out by four Presidents and both political parties.

Our military action, our military aid, our strategic alliances, our economic assistance programs, our commitment of military resources are all part of this grand strategy.

If you will draw back, I think you may be surprised at what has happened in Asia, part of which at least may be attributed to the success of that policy.

Japan has made a spectacular advance and soon will become the third ranking economic power in the world.

South Korea, devastated by a conflict only a few years back, has now carried out genuine democratic elections and is beginning to make real economic progress.

The Republic of China has beat back Communist threats on the off-shore islands, carried on sound economic policies—including land reform—and made it possible for the United States to terminate economic assistance. The Republic of China has even started a technical assistance program of its own in other parts of the world.

The Philippines have beat back a Communist Huk rebellion and have become a working democracy.

Thailand, one of the bright spots in Asia, is making steady progress.

Malaysia and Singapore have become independent, self-governing (although the United States has not been directly involved.)

Indonesia was, of course, under Sukarno sharply hostile to the United States. It very nearly came under Red Chinese control. The change in Indonesia has been one of the most dramatic developments in all of Asia. At present Indonesia is prepared to live at peace with its neighbors, turning attention to its own, long-neglected social and economic problems.

All these things viewed in the light of the prevailing circumstances, permit us to draw some satisfaction from developments in Asia. But that's not all.

Among the chief reasons to be hopeful in Asia is the emergence of regional multinational, cooperative efforts to increase the tempo of economic and social progress. There is significant and heartening evidence of progress toward cooperation to meet common problems among the widely diverse countries of Asia.

Asian leaders proclaim the new concept of cooperation publicly and repeatedly. They increasingly recognize that it is in their national interests to foster a community of nations as an alternative to discord and conflict.

Illustrations of this new habit of cooperation which hopefully will produce beneficial results, are many:

1. The Asian Development Bank, a soundly conceived financial institution with a membership of 19 Asian and 11 non-Asian nations to assist in the financial development of the region.

2. Japan's initiative to host the Southeast Asian Development Conference.

3. The Southeast Asia Agriculture Conference.

4. The Southeast Asia Education Conference last November.

5. The habit of regular consultations among the central bankers and planners in Southeast Asia.

6. The Association of Southeast Asia has been reactivated. This includes Thailand, Malaysia, the Philippines.

7. The Asian and Pacific Council consisting of 9 Asian nations met last summer in Seoul, Korea. (First such meeting in history.)

8. A number of United Nations projects have been active in practical development problems throughout Asia.

These and other groups are tackling the basic problems of Asia. The Ministers of Education reviewed the problems and the priorities and explored areas of regional cooperation in education. They will continue to work on a permanently organized basis, supporting centers of technology, tropical medicine, agriculture, higher education, English language, science and mathematics, and educational radio and television.

Cooperative efforts are underway to plan for the development of transportation and communications systems.

Surprising progress is being made on the Mekong Plan, a multi-national effort to develop the full potential of the entire Mekong River Valley. This requires the close cooperation among the four riparian nations and can make a significant contribution to peace and stability in this area. Increased food production will be a major benefit. Today the basin is characterized by six months of floods and six months of dust and drought. There is practically no double cropping. The potential for development is very great indeed. It is now getting underway.

Japanese survey teams have studied 34 sites for dams along tributaries.

Thailand and Laos have agreed to exchange electricity generated by dams on the Mekong and its tributaries.

Last year two tributary dams were completed in Thailand and the first electricity ever generated on the Mekong was transmitted. Eight nations are involved in financing the construction of another dam in Laos.

The Indian government is completing a feasibility study for a dam across the Mekong. The Dutch have made navigation and canal studies. The French have made electric power surveys.

In all 21 nations and 10 United Nations agencies have been involved so far in the Mekong development program.

A significant aspect of this regional development has been the increased involvement and participation of other developed countries. Japan has exceeded expectations and is now clearly committed to provide more aid to Southeast Asia. The Netherlands have increased aid. Canada, Australia, New Zealand will contribute proportionately.

But much work needs to be done here in order to persuade other developed countries to do their share, remembering always that the main initiative must lie with the Asians.

Our top level diplomats are more and more impressed with Asian officials and businessmen. They believe them to be gaining a command of the fundamentals of economic development. They recognize the priority items: increased agricultural production, increased emphasis on education, the necessity of Asian initiative and participation.

So far I have pointed to factors which permit us to be cautiously optimistic about Asia. I don't want to overstate it. Any assessment must also acknowledge the obstacles—the future is filled with uncertainties and difficulties.

Vietnam, of course, is the major one. It represents the principal difficulty to be overcome. In the question and answer session that follows, I'll welcome any questions you may have on Vietnam. For the moment I simply want to mention Vietnam in the context of the broad sweep of our Asian policy. U.S. actions in Vietnam are important in themselves but they are also vital in the wider context of a free Asia.

It probably is not an overstatement to say that the shape of all things to come in Asia depends largely on the outcome of the struggle in Vietnam. If Communism is defeated there prospects will brighten for all Asia. Democratic forces and tendencies will be strengthened. The new cooperative efforts would have a much greater chance of succeeding with the basic social and economic problems. With less Communist interference, even nationalism might become less irrational and damaging.

A Communist victory in South Vietnam would bring the Communists to power in all of Vietnam and Laos. Communist pressures would certainly be strongly turned on Thailand and another long and bloody struggle would loom. Cambodia, if not taken by the communists, would at least become a Communist satellite with little freedom of action.

It is in the context of the future of Asia that the Vietnam struggle has to be assessed and judged.

Vietnam, of course, is not the only problem of Asia.

There is, as you know, an exploding birth rate. The population of Asia is growing at the very critical rate of 2.7% a year. This growth seriously limits the efforts to develop countries.

The Philippines, for example, had a gross national product growth rate of 4.4% per year. But the birth rate was 3.3% leaving real growth at an unacceptable 1.1% per year.

The related problem is agricultural development and food. The scale, severity, and duration of the world food problem, especially concentrated in Asia, is so great that unprecedented efforts are going to be necessary to master it.

Next to the pursuit of peace the greatest challenge to the human family is the race between food supply and population increase. Today that race is being lost. Asia must give population control and agriculture development the highest priority.

There are also severe economic problems. The foreign trade of most of these nations is predominately based on commodities and raw materials. 63% of Burma's export trade is rice; 73% of the Philippine exports are sugar; 73% of Indonesia's exports are rubber and oil.

Wild fluctuations in prices of these commodities and raw materials bring about severe economic dislocations. The effect of world prices for these commodities is felt instantly in the Far East and felt painfully.

It would not be proper to conclude a discussion of Asia without mentioning the role of China. China, of course, presents the major obstacle to the kind of Asia we seek.

China has many severe problems, giving rise to disputes over basic policies—foreign policy, military strategy, economic development. This, in turn, has created the more basic problem of maintaining effective government during the struggle over the issue of who is to govern.

Mao thinks that the indoctrination of the Chinese peasant should liberate enormous energy providing power for a surge forward in production. This is the so called cultural revolution. It has the marks of a power struggle, shaking the positions of those who oppose Mao in China.

Mao, who instituted the Great Leap Forward, wants to eliminate pragmatic, economic policies including those which maintain material incentive to stimulate production. Mao thinks that measures like private plots for the peasants, rural semi-free markets, systems of pay keyed to performance, pose the danger that China will follow the revisionist course of the Soviet Union. He wants full-scale Communism and Socialism.

Most recent reports indicate a Peking engaged in quieting down the uproar and trying to restore the normal operations of the Communist system.

China has suffered severe setbacks internationally in recent years. They were not able to persuade the Afro-Asians to proceed With a Bandung conference. They had great difficulty in several African countries and were expelled from several. They marched uphill and down again in the fighting in India. They were disappointed by the Tash-Kent Agreement. They suffered a major setback in Indonesia—the Communist Party there has been disseminated. In their struggle with Moscow for leadership of the world Communist movement, they have lost ground.

They see the power of the United States committed in Southeast Asia to repel aggression supported openly by them.

China wants to become a world power—someday she will be—but today she lacks many of the attributes of great power status. They are determined to rectify that situation. They have one of the largest armies in the world. They have developed the H-bomb. They are developing a missile delivery system. They are putting heavy proportions of their industrial effort into military and military related fields.

Perhaps the most serious problem in international affairs today (not just in Asia) is how to get Peking to move to a policy of peaceful co-existence.

The main elements of our policy are to do nothing to encourage China to believe that it can profit from aggressive action, and to make it plain that if they will give up their belief that force is the way to resolve disputes and abandon the violent strategy of world revolution, we are ready to welcome China to an era of good relations.

I have tried to give you the broad sweep of Asia. Maybe it is too big a subject. I mentioned the major trends in Asia—nationalism, Communism, anti-Communism, regionalism, the underpinnings of United States policy, the reasons for hope, the problems we face, including China.

There is no ground for complacency. Difficult situations remain, notably Indonesia, the Philippines. We have to look beyond the Vietnam war. In a sense, the primary purpose of our policies in Asia is to prevent another Vietnam.

Progress is slow in Asia but the general trend is upward. The threat of Communism is growing weaker. The forces of co-operation are gathering momentum. National cohesiveness is growing. The success stories—Japan. Republic of China, South Korea—show what can be done.

The United States will not soon be out of Asia. The simple, if unacceptable fact is, Asia is too weak at the present stage of its history to determine its own destiny. Either Asia relies on the United States and its allies to protect it from direct Communist domination, or Asia must accept that domination and make do with being within a Chinese sphere of power and influence.

William Wordsworth wrote that the world is too much with us. A major part of that world—Asia—will be with us for many years to come.

CAN CONGRESS SEE THE URBAN BIG PICTURE?

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentlewoman from Michigan [Mrs. GRIFFITHS] 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 West Virginia?

There was no objection.

Mrs. GRIFFITHS. Mr. Speaker, this year the Joint Economic Committee has established a new Subcommittee on Urban Affairs, under the chairmanship of our distinguished colleague, RICHARD BOLLING, of Missouri, and upon whom I have the honor to serve as a member.

This subcommittee is an outgrowth of an interest for several years of Mr. BOLLING and of the Joint Economic Committee, and we are all very happy that a study can now be undertaken to provide a very broad sweeping investigation of the problems in the Nation that have become obvious through their appearance in acute form in our heavily populated urban areas.

Recently the editor of the publication Nation's Cities interviewed Chairman BOLLING on the subject of urban affairs. The exchange of questions and answers provides a very valuable insight into

the problems of our city, and the approach that the subcommittee's investigation is to take. I, therefore, commend it to the attention of my colleagues, and place it in the RECORD at this point:

CAN CONGRESS SEE THE URBAN BIG PICTURE?

(NOTE.—Another urban-minded Capitol Hill study is beginning, this one by the recently-formed Subcommittee on Urban Affairs of the influential Joint Economic Committee. To learn its implications to municipalities, Nation's Cities Managing Editor Don Lief interviewed Rep. Richard Bolling (D-Mo.), chairman of the subcommittee. Congressman Bolling has represented the Kansas City area since 1949 and is highly regarded for his ability to be effective even while calling for reorganization of the House. A ranking member of the Joint Committee, he is a leading figure among House liberals. During World War II, Mr. Bolling served more than four years in the Pacific theatre, rose from private to lieutenant colonel, and was awarded the Legion of Merit and Bronze Star. Born in New York City in 1916, he received B.A. and M.A. degrees from the University of the South, Sewanee, Tenn., and also attended Vanderbilt University in Nashville.)

Why has the new Subcommittee on Urban Affairs of the Joint Economic Committee been formed?

For years I have wanted such a subcommittee and now the circumstances are right for it. What I want to do is something different than has been done in the ordinary legislative committee or in the other studies that have been undertaken. Without criticizing either kind of investigation, I have felt basically from my experience when I first came to Congress 20 years ago that anything but a whole approach was being taken to the problems of urban affairs. I suspect they may turn out to be problems of the nation as a whole which are more obvious because they are more acute and more concentrated in the heavily urban areas.

Part of this, too, is I felt we were overspecialized in the field. The "housers" seemed to believe that housing, including public housing, was the answer. Subsequently, urban renewal, including vast demolition, was the answer. Well, in Washington, D.C., 550–600 acres in the southwest section were razed and the poor people booted out. They moved into northwest and new blight was created. In sum, people in different disciplines decided that their portion of knowledge was the whole field of knowledge and that little else need be done.

What I want to do is to take all these different approaches and disciplines, some of them very broad and philosophical and mainly intuitive, some of them very specific, anything but philosophical, and test them out against each other; first by getting a set of papers from carefully chosen specialists. Then calling them in for hearings—having them remixed in panels so that you might have a social psychologist dealing with a person whose only field was a relatively narrow range of transportation. And those two approaches, plus two or three others, rubbing against each other. At the same time we have a conservative and a more liberal point of view represented on the subcommittee.

There would then occur an abrasive process that would hopefully break down the provincialism, the parochialism, the compartmentalism that I feel happens to exist.

How do you conclude that this approach is suitable?

The reason I feel that way is that we have at our disposal a whole lot more knowledge and a whole lot more technology and a whole lot more ability to solve urban problems than we have the will to do it. If you can accomplish this kind of thing—and I don't think there is any evidence you cannot—then you perhaps will move faster toward, not a consensus, but an agreement that the area is broader than any one of its parts.

That is basically the reason why the subcommittee was established. This subcommittee does not start with any conclusions—at least so far as its chairman is concerned.

Your method suggests that urban problems could be helped by better communication.

I think it is a matter of communication and, I would add, information. And I think it is a matter of organizing knowledge and improving it quite deliberately, initially from a very academic point of view. I do not happen to be one who feels that an academic approach leads inevitably to a "nonaction" conclusion.

I want to emphasize that I am not proposing this study as a tactic of stalling currently operative programs. I feel remedial programs are so urgently needed because urban problems have been with us for so long and so long neglected that we are probably 30, 40, or 50 years behind already. In other words, I am not going to vote against what I consider imperfect partial solutions in order to await for the perfect.

Do you have personal views on how important the city is in relation to the national economy?

Well, clearly it is an enormous problem because of the fact this is a largely urban society—the conventional statistic being that 70-to-75 per cent, or 198,000,000, of all Americans live in urban areas. But these problems are inseparable from rural problems. In extent, they are different because you have such concentrations of people without adequate employment, transportation, etc., but in kind, they may be similar problems. The problem of the urban poor may be similar to the problem of the poor in a backward Appalachian town. If we don't help the cities more quickly, it will have enormous economic consequences as well as social.

Will some "people-oriented" experts be part of your dialogue here?

Yes. Jane Jacobs, for one, has pointed out the tragedy of over-reliance on physical renewal. We have, in our urban ventures, too often fragmented people and their wants and desires and their functions as entities. But we now realize people are very complicated entities. So I think you have to have people-oriented as well as physical-oriented.

I think that the impact of the kind of use that is made of the space has an impact on individuals which may or may not be measurable, may or may not have a good or bad effect. Perhaps you've read Hall's *The Hidden Dimension.*

Now, I have always been a strong supporter of public housing. The only good bill that I voted on in my early years in Congress was the great Housing Act of 1949 which recognized the concept of urban renewal and had great chunks of public housing in it. I have never regretted my affirmative vote, but I think it is true that public housing has turned out to have certain disadvantages. I think it would have been nice if we recognized the disadvantages, but obviously we did not.

Our whole environmental problem, concentration of certain kinds of people, the failure to intermingle, for example, as they have in the remarkable blocks in New Haven where all different kinds of housing are provided—housing for the elderly among others.

You told our National Legislative Conference last year about the need for mayors to make themselves heard in Washington. Have you seen any significant changes in how they are being heard these days?

Clearly, the mayors must have played something of a role in our salvaging at least one matter from defeat. That would be the fact that we got 35 Republican votes on the "model city" appropriation in May. I would like to ascribe this to a greater effective participation on the part of the mayors.

Besides what yours and other committees are doing, do you think there is anything else that Congress might do in respect to urban-metropolitan problems?

Limiting myself to the House, I think the House is enormously badly structured to function on an over-all problem such as the urban problem. There is no single committee to deal with an urban problem. But I am not sure that you could establish a committee with exclusive jurisdiction over urban affairs because you would be running into the practical problem of committee jurisdiction that would prevent favorable action.

The Congress, as well as the Executive Branch, should reorganize itself so that it was more realistically organized to deal with broad problems. But that gets into a whole other field on which I have written a book.

As you plot the course of the committee's study, what attention will you pay to the economic impact of local government actions, local government behavior?

This whole area is critically important and it is infinitely complex. For example, I represent much of Jackson County, Missouri. For the first time in more than 30 years its residents are going to vote late this month on a substantial set of bond issues—more than $100 million. Most people feel it will be defeated because we have an antiquated state law. A two-thirds vote is required to pass such a bond issue. If it were to pass, and we in Congress were to provide matching funds, for every dollar that the people of Jackson County will be taxed to pay for those bonds the people of the United States would be taxed $1.50.

There you have gotten both the county and the state and the Federal Government involved in one phenomenon—a so-called "marble cake" in terms of the relationship. A major question is—how sophisticated is the newly affluent urban middle-income group going to be about these benefits.

The impact is obvious, both the impact in terms of what it takes from the community to build structures and what the economic impact will be on a community if, for example, you construct an adequate hospital facility and—for the first time in the history of the area—the less well-off receive reasonably good medical care. The ultimate economic impact of this would be fantastic.

Some local government actions have relatively little to do with the actual expenditure of money but rather such things as zoning and land use.

How quixotic are certain aspects of building codes, not to speak of zoning, around the country. Even building codes are confusing enough in one area where a certain kind of cable is necessary to clothe a wire and in another, a different kind. Differences in zoning cause confusion compounded by chaos.

Former Sen. Paul Douglas heads a presidential commission working in the areas of zoning and building codes. I think a more uniform approach to local problems might make a vast difference, even within a limited area.

Perhaps on a metropolitan basis?

Yes. Title II of the most recent Housing Act is designed to encourage this. And I have been involved enough in the problem of pollution in my own area to know how many political jurisdictions you get involved in when you try to achieve cooperation in a community like Greater Kansas City. I think they add up to over 130.

How much independence do you think the normal general purpose government, city or county, ought to have in respect to, say, its own tax rates or whether it be allowed to issue industrial aid revenue bonds, and so on?

I think there ought to be a national policy on industrial aid revenue bonds. They have

had their utility in the past, but I think that they can turn into a monster without too much trouble. The national policy that we have today is not to have one, really.

But I think that here you come to the dilemma that takes you off to a different tangent. The reason the cities came to the Federal Government for assistance is that they found no help in most of the state legislatures. Current estimates are that between now and 1975 the gap between local needs and local funds will be about $262 billion. The reason they found no help in most of the state legislatures is the rural gerrymander.

In the 1960's, the Supreme Court came down with a ruling in *Baker* v. *Carr* that required fair representation. Now, if the quality of state legislatures improves, as did Maryland's, you might see a greater interest on the part of people such as myself in a variant of the so-called Heller Plan for tax sharing. Until such a happy state of affairs is reached, I would be very, very reluctant to accept any sharing of federal taxes with the states or with any other entity until there was established some kind of standard as to the quality of performance at the state level, and at a higher quality than is now in a number of areas.

It raises an infinity of very complicated problems. Personally, and this is not just a pious statement. I would much prefer if we were able to reorganize the various levels of government so that a great deal more of it would really adequately support it at, not a lower level, but at a level closer to where the action and the people are.

Do you think that your subcommittee can come up with anything that judges the healthiness of the rapid increase in local indebtedness? Is this an economically sound rise?

I do not find the increase in indebtedness alarming yet—certainly not at the federal level. If you take the federal debt as a percentage of the GNP, it becomes highly insignificant compared to 1946. But I think we are going to have to do a much more sophisticated job of selling the voter, the taxpayer, on what he is really dealing with when he votes an indebtedness. He is really deciding that he is going to pay deferred taxes with interest in many cases. He really has to be more sophisticated. If he is going to demand services, he is going to have to pay for them at the state, city, or federal level.

In light of this ever-rising demand, do you think that there is possibly a new approach to financing public facilities such as federally supported urban development banks or pools of funding?

I have no objection to studying the feasibility of that kind of a thing. We have done an infinity of important things through federally subsidized programs. The subsidy is often small and the amount of capital generated has been very large on occasion. Of course, in a very tight money market, you have a problem as to how effective a small interest subsidy is in obtaining long-term funds.

Do you see a relationship clarified by your investigations as to national fiscal policy and its impact on local economic matters?

Of course there is a relationship. We know what happened to housing starts last year because of the so-called tight money market—down from an annual rate of about 1.6 million units to slightly above 1 million, as I recall. So there is this business of linkage. The federal budget allocations play a major role in our economy and this can set the tone for employment and by indirection education and other variables.

I am thinking in addition to the taxing policy, national monetary policy and the tightness of the money market for local bonds.

Well, I've answered part of that already. It was apparent that we needed a tax increase in 1966. Otherwise, we were bound to have the kind of impact that we did on housing. It was a selective impact because we forced the monetary authority to take too much of a burden. I think we are in trouble this year partly because we failed to have that tax increase last year, but for somewhat different reasons of mix. Obviously, this whole business of financing underlies your ability.

I surmise that, if we had unlimited money, the problem of the urban areas would not be so great because there are "miracles" that we can perform today technologically that we haven't felt we could put into effect. You know, at last year's Woods Hole conference, a participant, referring to urban racial unrest, said maybe it would be better instead of trying to cool your people with street hydrants, maybe the thing would be to cool their houses—that is, put in air conditioning. It sounds fantastic, but, upon reflection, maybe it would not be.

You are talking here about cost-benefit analysis?

Indeed, but the first step that I want to achieve before we get involved in too much of cost-benefits is to see if broad, philosophical agreement can be reached for a total approach—systems-analysis fashion.

Now, this is not the kind of approach that is so general that it achieves nothing or goes nowhere. It is just designed to give an umbrella to all the different things you must do to put all those different things in some relationship. Otherwise you really can't begin to sell the public on the parts of the program that it doesn't see as of immediate benefit to them.

It is very difficult to convince the mobile, play-oriented middle-class that they must support and become active in programs to help the urban poor, some of whom live in neighborhoods resembling casbahs rather than ghettoes. They don't believe there are any poor there. Incredibly, the affluent don't see the poor—and yet there may be 30,000,000 of them.

I must add that American business—Hallmark Cards, Reynolds, Alcoa, U.S. Gypsum—is already helping in housing.

If the political support were such that urban programs were more fully funded, what would be the main economic obstacles to sound use of the money? Where might we start to improve the machinery in advance of additional funding?

Nothing less than a herioc response will be needed from federal, state, and local administrators to establish, for example, a workable, effective revenue-sharing mechanism. We don't have it and we're not sufficiently preparing for it at a state and local level particularly. I prefer local programs locally arrived-at—but it is not dogma, and to my mind "self government" is not exclusively synonymous with "local government." Then of course Sen. Muskie's work on his intergovernmental relations committee may develop other avenues.

What would be the impact in urban-aid programs should U.S. spending in Vietnam be sharply reduced—in effect, would it make any difference in today's Congress?

I'm skeptical of arguments, advanced by Vietnam doves for example, that if the war ended today the federal spigot could and would be played on our inventory of urban needs. Well, there have been seven key votes so far in the House of Representatives as of our interview today and, believe me, the tone is charcoal gray conservative. The House strangled rent supplements, model cities had a close call, and the crowbar crew is out to dismantle the poverty program.

Do you think that the city programs are paying for Vietnam?

Well, it is all the programs that affect the disadvantaged. I would rather put it that way. Vietnam spending is estimated at $1.5 to $2 billion a month. Cities, of course, get the most of the disadvantaged, the poor, and the people that do not get an education—one source states there are 10,000,000 poor in large urban areas. They are the ones that are caught. I think the programs that are paying the price are the ones that would help those who need help—those that do not get an adequate education, those who do not get health benefits.

We must correct this. The City is the frontier and we've played urban roulette long enough. The City is worth saving. If the subcommittee can generate some unconventional wisdom, we—all of us together—may do just that.

LEGISLATION TO CREATE A JOINT COMMITTEE TO INVESTIGATE CRIME

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PICKLE] 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 West Virginia?

There was no objection.

Mr. PICKLE. Mr. Speaker, the rate of crime in the Nation is increasing at a staggering rate. Present figures indicate that crime is growing six times faster than the population of the country.

Only in the last few months, we have seen reports from the President's Commission on Law Enforcement and Administration of Justice, and from the Task Force on Science and Technology. These studies go far in telling us of the kinds of problems we face in the control of crime, and where our society has fallen down in protecting itself.

One thing, however, is missing. In spite of the work which has already been done in the area, we have not as yet provided a way to interpret these and other studies into legislative proposals, nor have we in Congress provided ourselves with adequate means to research independently the issues involved.

Today, I join my colleagues who have already introduced legislation to create a joint committee to investigate crime. The bill was first introduced by the gentleman from Florida [Mr. PEPPER], and it is designed to create a joint committee of Congress to study all aspects of crime. In addition to making independent studies, the committee would be empowered to make reports to Congress with such recommendations for action as it deems proper.

Mr. Speaker, I think it is high time we in Congress took initiative on the problem of crime. Crime has been given as the reason supporting legislation ranging from gun control to poverty, but we have yet to address the real problem of crime itself.

I say it is high time that we do so.

WIDE SUPPORT FOR CHICAGO MINT

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois [Mr. ANNUNZIO] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to

the request of the gentleman from West Virginia?

There was no objection.

Mr. ANNUNZIO. Mr. Speaker, on January 16 I introduced legislation, H.R. 2432, that provides for the establishment of a U.S. mint in the city of Chicago.

Since the introduction of this legislation, there has been widespread endorsement for a mint in Chicago among both the banking and business communities.

It is clear, based on the experience of our recent coin shortage, that expanded coinage facilities will be needed in the future. By mistake, some have viewed my bill as a threat to the existing coinage facilities in this country. On the contrary, I fully believe that existing mints should remain in cperation and be modernized, but, in addition, a new mint should be established in Chicago; thus, giving us mints in Philadelphia, Chicago, and Denver, with a standby facility in San Francisco.

Shortly after the introduction of my legislation, Mr. Samuel W. Sax, president of Exchange National Bank of Chicago, took the time to conduct some research on first the need for an additional mint, and second, Chicago as its logical choice. It is a well thought out, factual study and because of this, I am placing it in the RECORD for use by other Members. I am also making a part of my statement letters received from various business leaders in the Chicagoland area supporting H.R. 2432.

The material referred to follows:

STATEMENT OF PURPOSE

The purpose of this paper is to indicate:

1. The need for additional U.S. Mint facilities.

2. The reasons for locating the additional facilities in the Chicago area as proposed in H.R. 2432 introduced by the Honorable Congressman Frank Annunzio on January 16, 1967.

PART I

The Bureau of the Mint presently has three coining facilities in operation. The U.S. Mint in Philadelphia started production in 1793. This mint will be closed and replaced by new facilities in the latter part of 1967. The U.S. Mint in Denver started coinage operations in 1906. The U.S. Mint in San Francisco started operations in 1854, but was closed in 1955 due to outmoded and antiquated facilities. This facility was reactivated by Section 201 of the Coinage Act of 1965, Public Law 89–81. The San Francisco Mint was reopened in an attempt to help alleviate the critical coin shortage. There are 37 coin distribution points that are supplied by these facilities.[1]

In recent years, demand for coin has surpassed the production capacity of the Mint. In an unsuccessful attempt to equate supply and demand, the following steps were taken:

1. The San Francisco Mint was reactivated.

2. Equipment was added to the Denver branch.

3. A program of coin rationing was initiated by the Federal Reserve System.

4. The production of proof sets was curtailed.

5. The production of foreign coins was suspended.

6. Although uneconomical, three shifts five days a week and in some cases three shifts seven days a week were undertaken.

Mrs. Fern V. Miller, Superintendent of the U.S. Mint in Denver related that operations have been on a three shift five day a week basis in an attempt to meet demand and replenish a depleted inventory.[2] Recent figures on domestic coinage executed appear in Table A.

The total capacity of each mint operation by shift is reflected in Table B. One might argue that with an annual production of 20 billion pieces of coin, shortages will cease to exist. The weakness of this argument lies in the fact that the estimated output of 20 billion pieces of coin is unrealistic and uneconomical for the following reasons:

1. Arthur D. Little, Inc., whose survey on the operation of the mint represents the most comprehensive study on this subject since Alexander Hamilton's "On the Establishment of a Mint" communicated to the House of Representatives, January 28, 1791, concluded in their analysis of multi-shift operations that the mint should operate its plants (either new or existing facilities) two shifts a day.[3]

2. The San Francisco operation is intended to be a temporary expediency. Authorized production of coin will continue there until the Secretary of the Treasury determines that the U.S. Mints are able to produce ample supplies of coins.[4]

In relation to the above considerations, Table B indicates that production on a two shift basis in Denver and Philadelphia would only total 7.2 billion pieces.

The most important single factor affecting our coinage situation is the demands arising from the needs of business and those arising from non-business channels. Coin requirement is directly proportioned to population changes and level of economic activity. The additional amount of coin required to satisfy the needs of a larger population undoubtedly accounts for a significant proportion of the increase in the nation's coinage needs. The population growth, however, fails to explain completely the advance in the amount of coin in circulation. The major determinant of coin usage is the advance or decline of GNP. Cyclical changes in the public's coin holdings roughly coincide with fluctuations in Gross National Product. As the level of business activity advances, individuals and business firms require more coin to settle an expanded volume of transactions. Conversely, as the pace of the economy slackens, the supply of coin demanded by the public tends to decline.

In order to project the long run demand for coin, the Government uses the Department of Commerce estimates of the Gross National Product, projected population figures, Department of Labor price indexes, sales tax figures, and estimated vending machine sales. The Government cannot estimate the amount of hoarding and speculation. These two factors affect the flowback of coin to the Federal Reserve System. In the third quarter of 1962, the Chicago Federal Reserve Bank received 2,761,000 coins from the Mint and 58 million pieces of coin in flowback, while in the third quarter of 1964, the Bank received 10,625,500 coins from the U.S. Mint but only 3,614,000 in flowback.[5]

The available methods of predicting coin needs have not proven accurate. In its report on future Mint requirements, Arthur D. Little, Inc., predicts that the stock of coin in circulation will increase at a rate of 5.8% per year.[6] Table C contains Little's projected coin production requirements through the fiscal year 1990. A comparison of Table A and Table C will reveal immediately the discrepancy in the Little projections. The Little projection for fiscal year 1975 is a requirement of 7 billion pieces of coin, while in fiscal 1966, 8.7 billion pieces of coin were executed and demand was not satisfied. Our present Mint facilities have been structured to produce coin according to the projections contained in the Arthur D. Little report. These predictions must be questioned in light of increasing population, Gross National Product and related non-economic factors. With conditions being as they are, the need for additional mint facilities is evident.

House Report No. 194, which was the sixth report by the Committee on Government to the first session of the 89th Congress, dated March 22, 1965 made several recommendations with reference to the coin shortage question. Recommendation "E" reads as follows:

"If and when estimated future needs for coin are indicated to be such that coin could not be produced efficiently and economically by the existing facilities of the Mint, consideration should be given to the timely construction of a new mint, at a location which would be determined upon such economic factors as concentration of population, distribution and transportation costs, commercial conveniences, and availability of labor."

PART II

The need for additional mint facilities has been established. This section of the report will substantiate the choice of Chicago for the site of this facility.

A major cost area of the mint operation is the transportation of finished coin. This factor makes the transportation features of a site very relevant to its being chosen. As the transportation hub of the United States, Chicago has long been recognized as the railroad center of the country. The Chicago Terminal Railroad District is served by 41 railroads.[7] Approximately 1,219,000 tons of freight are shipped in and out of the city on a normal business day.[8]

Chicago is the center of a vast complex of interstate highways. The city is served by national regional, and local motor freight trucking companies. More than 400 motor freight companies move interstate commerce and in addition, approximately 2,000 regional and local trucking firms serve the Chicago Metropolitan Area's hauling requirements.[9]

These transportation facilities would be used by a Chicago mint to economically distribute coin to the Federal Reserve Banks and Branches. The distance from the present mints and from the proposed Chicago mint to the thirty seven distribution points is compared in Table D. Fifteen or 41% of all the distribution points are closer to Chicago than either Denver or Philadelphia. Exhibit 1 illustrates Chicago's relationship to these fifteen points.

When minting facilities are available, the United States Government contracts with foreign governments for the minting of the latter's coin. In recent years, the mints have been working to capacity on domestic production so all foreign coinage has been suspended. Upon resumption of foreign coinage, Chicago's importance as a mint site will be heightened. Chicago is the only deep-water port in the United States which is at the junction of two inland water routes. The

[1] "Coin Shortage." Sixth Report by the Committee on Government Operations, 89th Congress, 1st Session. March, 1965. Union Calendar #84 "House Report #194" p. 6.

[2] Phone Interview, Mrs. Fern V. Miller, Superintendent U.S. Mint, Denver. Feb. 10, 1967.

[3] "Production Facilities for the United States Mint". Final Report to the Director of the Bureau of the Budget. Arthur O. Little, Inc. Feb. 11, 1963, p. 19.

[4] Section 201 of the Coinage Act of 1965. Public Law 89.81.

[5] "Coin Dearth hits Stores and Banks." *Chicago American*, Dec. 10, 1964.

[6] Arthur D. Little, *op. cit.*, p. 21.

[7] "Seaport of Chicago," Advertising Supplement to the *New York Times*, Sept. 19, 1966.

[8] "Chicago Transportation Facts," Chicago Association of Commerce and Industry. 5th Edition. Nov., 1966. p. 28–T.

[9] *Ibid.*, p. 28–T.

Great Lakes-St. Lawrence Seaway and the 6,000 miles of the Mississippi-Ohio River system which links Chicago and the Gulf Coast are excellent routes for shipping coin to foreign countries.[10]

The level of economic activity in the Chicago area has made it a prime user of coin. In fiscal 1965, the 7th Federal Reserve District Bank in Chicago and branch bank in Detroit received 1.2 billion pieces of coin out of a total of 7.2 billion pieces distributed.[11] The 7th Federal Reserve District received more coin than any of the other districts and population and economic forecasts indicate that this situation will continue.

From 1961 to 1966 Chicago's Gross Metropolitan Product rose from $27.287 billion to $37.6 billion, an increase of 37.79%.[12] This brought Chicago's share of the Gross National Product to 5.09%.[13] This is noteworthy since Chicago's 7,395,600 people in the metropolitan area only account for 3.82% of the nation's population.[14] Also, during this period metropolitan Chicago's Total Personal Income increased 24.37% while unemployment dropped to 2.95%.[15] This helps to account for the fact that 5.12% of the Nation's Disposable Personal Income is in Chicago.[16] With respect to the 7th Federal Reserve District, recent census figures show the population of this area to be 14.8% of the entire U.S. population.[17] This 14.8% concentration is larger than any other Reserve District including the 12th District's 12.9% and the 2nd District's 12.4%.[18]

One of Chicago's greatest assets is it's vast pool of skilled labor as evidenced by Chicago's outstanding production record. Illinois has 6.37% of the total U.S. labor force, most of which is located in the Chicago area.[19] Chicago's highly diversified industrial atmosphere and its stress on equal opportunity employment will continue to attract an experienced and productive labor force.

The many impressive factors in favor of having a mint located in Chicago are evident. There is no doubt that Chicago offers the most favorable conditions as far as central location, working conditions, transportation, labor supply and most of all the largest market area for new coins. A mint should be located in Chicago so that the most economically sound system of distribution and operation can be obtained and one that will benefit over 41% of the receiving points of coins in the United States mint system. A mint located in Chicago can, in addition to improving coin conditions in the middle section of the U.S. improve the overall economy and structure of the present mint system.

TABLE A.—*Domestic coinage executed (excluding proof coin)*

Fiscal year ending 1964	4,307,341,770
Fiscal year ending 1965	7,231,406,086
Fiscal year ending 1966	8,674,761,925
Fiscal year ending 1967 (first 6 months)	4,994,752,681

Source: Bureau of the Mint.

TABLE B.—*Mint production capacity*

[In billions]

	1 shift	2 shifts	3 shifts	4 shifts
Philadelphia (new)	2.0	4.0	6.0	8.0
Denver	1.6	3.2	4.8	6.4
San Francisco	1.4	2.8	4.2	5.6
Total	5.0	10.0	15.0	20.0

Source: The Coin Situation, 29th report by the Committee on Government Operations, May 2, 1966, p. 12.

TABLE C.—*Forecast of total domestic coinage requirements*

[In billions of pieces]

	Fiscal year														
	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1980	1985	1990
Forecast requirements	4.1	4.1	4.1	4.3	4.5	4.8	5.1	5.5	5.8	6.2	6.6	7.0	9.6	13.0	18.0

Source: "Production Facilities for the United States Mint" final report to the Director of the Bureau of the Budget submitted by Arthur D. Little, Inc., under contract No. EB-88 revised Feb. 11, 1963, p. 2.

Table of miles from U.S. mints to distribution points

	Denver	Philadelphia	Chicago
1. Boston	2,008	*313	975
2. New York	1,852	*94	843
Buffalo	1,554	*365	529
3. Philadelphia	1,770	(*)	762
4. Cleveland	1,373	425	*343
Cincinnati	1,245	578	*295
Pittsburgh	1,476	*294	461
5. Richmond, Va	1,762	*257	796
Baltimore	1,697	*106	687
Charlotte	1,630	*547	1,779
6. Atlanta	1,464	816	*695
Birmingham	1,364	937	*656
Jacksonville	1,789	*915	1,009
Nashville	1,205	855	*451
New Orleans	1,314	1,312	*925
7. Chicago	1,043	759	(*)
Detroit	1,302	588	*275
8. St. Louis	895	887	*291
Little Rock	904	1,217	*644
Louisville	1,167	689	*301
Memphis	1,109	1,076	*544
9. Minneapolis	855	1,179	*412
Helena	*829	2,259	1,478
10. Kansas City	641	1,141	*499
Denver	(*)	1,770	1,016
Oklahoma City	*619	1,444	797
Omaha	557	1,213	*476
11. Dallas	*805	1,561	936
El Paso	*679	2,127	1,434
Houston	*1,049	1,648	1,085
San Antonio	*975	1,795	1,220
12. San Francisco	*1,288	2,960	2,189
Los Angeles	*1,189	2,829	2,095
Portland	*1,365	3,006	2,112
Salt Lake City	*515	2,193	1,431
Seattle	*1,442	2,943	2,063
Cash Division, Treasury Department, Washington, D.C.	1,707	*139	687
Total miles serviced to cities marked by *	9,706	3,030	7,892
Average miles traveled	882.36	303.00	493.25

* Distribution points nearest to existing and proposed mints: Denver, 12; Philadelphia, 10; Chicago, 15.

Source: Additional mint facilities, hearing before a subcommittee of the Committee on Banking and Currency, U.S. Senate, 88th Cong., 1st sess., Mar. 26, 1963, p. 34.

MICHIGAN AVENUE NATIONAL BANK OF CHICAGO,

January 31, 1967.

Hon. FRANK ANNUNZIO,
Longworth Office Building,
Washington, D.C.

DEAR CONGRESSMAN ANNUNZIO: I read with great interest the information you recently forwarded to me regarding the bill which you have introduced in the House of Representatives for the establishment of a United States Mint in the City of Chicago.

You have my whole-hearted support in this action. The heavy demand for coin in this area, the transportation savings and the personnel available make Chicago an ideal location for a Mint.

Your efforts are greatly appreciated, and if I can be of any help to you in this project, please feel free to contact me.

Sincerely,

R. L. CURTIS, *President.*

MADISON BANK & TRUST CO.,
Chicago, Ill., January 24, 1967.

Hon. FRANK ANNUNZIO,
House of Representatives,
Washington, D.C.

SIR: You are to be complimented for your introduction of H.R. 2432 which provides for the establishment of a United States Mint in the City of Chicago. Frankly, I can't conceive why this was not done years ago. Chicago, as the hub of the mid-west region, having to get its coin from either the east or the west makes absolutely no sense. Considering the problems of coin shortages that we've had in the last several years (I don't remember when I last saw a half dollar) facilities for minting coin in our country should be expanded in any case, and in fact, from a transporting point of view, having a United States Mint in Chicago would save innumerable dollars in transportation costs.

I do hope that you pursue this matter as vigorously as possible and perhaps even en-

[10] "Chicago World Port," Chicago Association of Commerce and Industry. 7th edition, 1965. p. 4.

[11] "Annual Report of the Director of the Mint. For Fiscal Year ending June 30, 1965." U.S. Government Printing Office. Washington: 1966. p. 10.

[12] Interview with John Coulter, Secretary Research and Development. Chicago Association of Commerce and Industry, Industrial Research Dept. 2-10-67.

[13] *Ibid.*

[14] *Ibid.*

[15] *Ibid.*

[16] *Ibid.*

[17] "Distribution of Bank Deposits by Counties and Standard Metropolitan Areas", Board of Governors of the Federal Reserve System. June 30, 1962.

[18] *Ibid.*

[19] "Economic Fact Book", Federal Reserve Bank of Chicago, 1966. p. 6.

list the support of Senators Dirksen and Percy, as well as other members of the Congress from Illinois and our adjoining midwest states.

Sincerely yours,

A. ANDREW BOEMI.

THE FIRST NATIONAL BANK OF CHICAGO,
Chicago, Ill., February 1, 1967.

Hon. FRANK ANNUNZIO,
House of Representatives,
Washington, D.C.

DEAR SIR: My associates and I are very pleased to learn that you again introduced the Bill H.R. 2432 to establish a mint in Chicago. We concur in your judgment that this would be a wise and economical move by the United States government.

Chicago is the economic capital of America's vast mid-western region which serves more than 60,000,000 Americans. This pivotal location is at the very focus of air, water, rail, and highway transportation, close to the national centers of population, industry and raw materials. It is estimated, for example, that about 72 per cent of all American cities of 60,000 and more are within 500 miles of Chicago, less than one hour by jet.

More people and more goods can be transported from Chicago to the rest of the nation in less time and at less cost than from any other metropolitan area. In this simple fact lies the primary reason for Chicago's economic strength. Located just north of the U.S. center of population, it is the nation's most efficient market place—the most strategic location for nation-wide marketing operations.

American business has capitalized on these factors and has made Chicago the nation's "Supermarket"—the merchandising and distribution hub of the United States.

These same facts strongly support the logic and wisdom of your position that Chicago should be the site of a new United States mint.

Yours very truly,

HERBERT V. PROCHNOW,
President.

CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO. OF CHICAGO,
Chicago, Ill., January 27, 1967.

Hon. FRANK ANNUNZIO,
Longworth Office Building,
Washington, D.C.

DEAR FRANK: In accordance with your request, I am pleased to enclose statement with respect to the establishment of a United States Mint in the City of Chicago, as proposed in H.R. 2432, as follows:

"Assuming a need for expanded production of coinage, the proposal of Rep. Frank Annunzio to establish a United States Mint in the city of Chicago is eminently practical.

"The existing geographical pattern of Mints—at Philadelphia, Denver, and San Francisco—was established to serve production and distribution requirements that have disappeared under the influence of new technology, population shifts, and modern transportation.

"Chicago's central location, and its consequent superior ability to serve the entire nation, make it the logical site for a Mint facility planned to offer the maximum in economy and efficiency."

Kindest regards.

Sincerely,

DONALD M. GRAHAM,
Vice Chairman of the Board.

CHICAGO FEDERAL SAVINGS & LOAN ASSOCIATION,
Chicago, Ill., January 26, 1967.

Hon. FRANK ANNUNZIO,
House Office Building,
Washington, D.C.

DEAR MR. ANNUNZIO: I was very pleased recently to learn that you had introduced H.R. 2432, which provides for the establishment of a United States Mint in the City of Chicago, and both personally and as president of Chicago Federal Savings and Loan Association I endorse your proposal 100%.

Considering that Chicago is really the axis for a preponderance of commercial, industrial and financial activities here in the midwest and, indeed, is the hub city through which much of these activities funnel from both the east and west, it seems only natural and logical to us that a United States Mint should be located in our area. In addition to effecting considerable savings in transportation costs, it would certainly bring immeasurable benefits to our city in business and in prestige. When you consider that in terms of dollar size our state ranks second only to the State of California in savings entrusted to our thrift institutions, one must conclude that such a facility in close proximity would be extremely advantageous to our activities.

We hope that you are successful in demonstrating to your colleagues, to the members of the Banking and Currency Committee and to the Public Works Committee the need for a Mint in the Chicagoland area.

Cordially,

THOMAS F. WALDON.

CENTRAL NATIONAL BANK OF CHICAGO,
January 30, 1967.

Hon. FRANK ANNUNZIO,
House of Representatives,
Washington, D.C.

DEAR SIR: I am pleased to learn of your introduction of H.R. 2432, and would like to lend my support to this worthwhile measure.

In view of the fact that modernization of U.S. Mint facilities appears to be a matter of some urgency, this would seem to be the proper time to create a new Mint and to locate it in Chicago, from where the best service can be rendered. Some of the problems which were faced last year helped to focus our attention on the desirability of a most responsive production facility located to serve both the Middle West and, through our unexcelled transportation, the entire country. H.R. 2432 would achieve this purpose.

With best personal regards,

Very truly yours,

FRANK E. BAUDER.

AMERICAN NATIONAL BANK & TRUST CO. OF CHICAGO,
Chicago, Ill., January 30, 1967.

Hon. FRANK ANNUNZIO,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN ANNUNZIO: I applaud your efforts to establish a United States Mint in Chicago. The entire economy as well as the Chicago Metropolitan area stands to benefit by making this center of population also a leading financial center.

As you know, a tremendous effort is being undertaken to accomplish this objective. Your proposed mint, besides serving the coin needs of a large section of the country more efficiently and with less transportation cost, will also serve to hasten the acceptance of the area as a principal financial center.

I would also hope that the timing for such a project would take into account the period when the added coin production would be necessary as well as the fiscal affect of the added Federal Expenditure. Our first priority should be the elimination of a deficit in a period of prosperity.

Cordially,

ALLEN STULTS.

BELL SAVINGS & LOAN ASSOCIATION,
Chicago, Ill., February 2, 1967.

Hon. FRANK ANNUNZIO,
Longworth Office Building,
Washington, D.C.

DEAR MR. ANNUNZIO: Congratulations on your efforts to establish a United States Mint in Chicago.

Passage of your bill, H.R. 2432, would be beneficial not only to the Chicago area but to the entire nation. Chicago's central location, transportation facilities and the availability of skilled labor are all assets unequalled elsewhere in our country.

I am sure you will receive support from legislators throughout the Midwest, since the availability of coins is a problem which all financial institutions have faced in recent years. Midwest commerce and industry would benefit a great deal by establishment of the Mint as you propose.

Best wishes on your efforts.

Yours truly,

HAROLD P. HALLEEN.

HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO,
Chicago, Ill., January 26, 1967.

Hon. FRANK ANNUNZIO,
House Office Building,
Washington, D.C.

DEAR CONGRESSMAN: I have your letter stating that you have introduced H.R. 2432, providing for the establishment of a United States Mint in the City of Chicago.

I think it is a splendid idea. The central location of our city would permit the disbursement of coins at shipping charges far less than those for shipping coinage from mints removed from the central area of the United States.

As a savings and loan, we are not required in our usual day to day business to provide coinage service to our customers. However, because our quarters are located on a merchandising street, we have, for purposes of convenience to our neighbors and customers, provided coin service in limited quantities. Many times, the shortage of coins that has cropped up in the past, prevented us from accommodating many of our customers and merchant neighbors.

I have discussed this matter with the Cook County Council of Insured Savings Associations and the Federal Savings and Loan Council of Illinois. Membership of both of these organizations is composed of savings and loan institutions, both state and federally chartered, in the metropolitan Chicago area. I am asking them to support your efforts in any way they possibly can, in order to bring this activity into our area.

I will explore other possibilities where I feel some help may be obtainable. If you have any other suggestions where I may be of further help to you, please let me know.

Kindest personal regards.

Sincerely,

OTTO L. PREISLER,
President.

THE NATIONAL REPUBLIC BANK OF CHICAGO,
Chicago, Ill., February 10, 1967.

Hon. FRANK ANNUNZIO,
U.S. Court House,
Chicago, Ill.

DEAR CONGRESSMAN ANNUNZIO: I was pleased to receive your letter of January 20th and also read your remarks placed in the Congressional Record. I wish to congratulate you for your efforts on behalf of our City.

There is no doubt in my mind that the acute coin shortage that has plagued us at various times in the past several years, has made it necessary to build additional facilities to mint silver coins. I am sure that the Banking industry, together with its many Merchants, would applaud your sponsoring this Bill and a great credit to you on your foresightedness to obtain such facilities for Chicago.

With kindest personal regards, I remain,

Sincerely yours,

RICHARD PARRILLO, *President.*

METROPOLITAN BANK & TRUST CO.,
Chicago, Ill., March 10, 1967.

Hon. FRANK ANNUNZIO,
Longworth Office Building,
Washington, D.C.

DEAR MR. ANNUNZIO: Thank you for your letter of January 20 transmitting a copy of

your proposal for establishing a United States Mint in the City of Chicago.

My associates and I heartily agree that this would be a worthwhile move that would produce multiple benefits. The recent coin shortage certainly would have been lessened if there had been another producing mint, and Chicago is the most logical place for a fifth mint because of its importance as a key financial center. Furthermore, Chicago's centrality means greater convenience, and significant economies.

You may consider this as our endorsement of your proposed Bill, and please feel free to call on us if we can lend any assistance to you in seeing this Bill through to passage.

Sincerely,

ROBERT W. WALLERSTEDT.

THE AMERICAN FARM BUREAU

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent that the gentleman from Alabama [Mr. NICHOLS] 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 West Virginia?

There was no objection.

Mr. NICHOLS. Mr. Speaker, I would call to the attention of this Congress the recent controversy in the House Agriculture Subcommittee on Rural Development in which the chairman of this subcommittee has leveled a rather harsh attack on the American Farm Bureau.

First, Mr. Speaker, let me state that I speak as a Member of this Congress who has been actively engaged in a very small farming operation in Alabama and as one who has been associated with a small independent agribusiness dealing in fertilizer, seed, and cotton ginning for better than 20 years. There have been many occasions when I differed with the policies of the American Farm Bureau. There have been other occasions when we fought side by side trying to improve the farmer's status in an agriculture that has seemed to be constantly in trouble, with the exception of wartime periods, since the depression days of the 1930's.

The charges leveled by our subcommittee chairman were serious ones, Mr. Speaker, and intimated that this farm organization is more concerned with selling insurance than it is in actually working for the betterment of farm people. Certainly, my own Alabama Farm Bureau offers insurance to protect farm homes from fire and windstorm just as it offers life insurance to protect the widows and orphans of a farmer who might be accidentally killed while driving his tractor or who might die of natural causes. The Alabama Farm Bureau also indirectly offers to its members tires, fertilizer, bailing twine, and other related agricultural supplies. Actually, the insurance program of the Alabama Farm Bureau began in 1946 at a time when many general insurance companies would not write fire and extended coverage on rural property. At that time, the Alabama Farm Bureau rate on $5,000 extended coverage was $80 per year. Today the same coverage costs the farmer only $21.68 per year.

Mr. Speaker, this is the story of a group of farm people who got together in the interest of protecting their homes and related farm property. Even today many companies do not write coverage of this type which was in fact initiated by the insurance division of the Alabama Farm Bureau. The Alabama Farm Bureau is a service organization and only through service, including that of insurance to its members, can it justify its existence to its more than 96,000 members in my State.

Mr. Speaker, the charge has been made that people join the Farm Bureau principally because they can buy cheap insurance and since I carry a policy with my own Alabama Farm Bureau, I can state that in many cases their rates are somewhat less than those of commercial companies. This is a savings that accrues to the members of this farm organization and I find no fault with these savings being passed on to their membership.

The charge has also been made that the "primary purpose of the American Farm Bureau is the operation of a mammoth insurance network." However, I notice that in my own State every Farm Bureau member does not necessarily carry Farm Bureau insurance.

The charge has also been made that the Farm Bureau has not been representing the American farmer, but it has been my observation that over the years there has been no group anywhere who has been consistently more interested in legislative programs for American farming than has this organization. There have been times when I felt that the Farm Bureau might have been overly interested because they have always spoken out and waged a vigorous fight for the principles they believe in. They are dedicated to agriculture from the individual county organizations through their State and national organizations and my reason for belonging to this organization is not that I carry the small insurance policy, but because I believe that my farmers need an organization such as the Alabama Farm Bureau to represent them in handling farm problems at the county, State and national levels and I continue to believe that my Farm Bureau is working diligently to achieve for the farmers of this country their fair share of the good things that America has to offer.

PRESIDENT JOHNSON'S ACCOMPLISHMENTS FOR PEACE AT THE SUMMIT

Mr. HECHLER of West Virginia. 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. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

Mr. O'HARA of Michigan. Mr. Speaker, this editorial in the Detroit News deftly sums up the most important development of the summit meeting between Premier Kosygin and President Johnson. It states:

They met at a summit, and, as President Johnson said, they got acquainted with each other. That, whatever tacit understanding was reached . . . is the most important consequence of the Middle East crisis.

This meeting produced a greater understanding between the two leaders on the great issues that divide the world and cause tensions and anxieties. These problems are not solved easily. But a significant first step has been made at the Glassboro meeting—a step toward full understanding of where the United States and the Soviet Union stand on the issues which divide us.

This is no small accomplishment. For if peace is to become a reality for the world family, it will come only when greater trust and understanding can be a reality for the great powers.

President Johnson has been the loyal servant of peace. The American people salute his efforts at Glassboro.

I insert into the RECORD the editorial from the Detroit News, entitled "Hope at the Summit."

THE SPIRIT OF GLASSBORO: HOPE AT THE SUMMIT

They met at a summit and, as President Johnson said, they got acquainted with each other. That, whatever tacit understanding was reached at their first meeting or may be achieved in today's conference, is the most important consequence of the Middle East crisis.

It is sufficient comment on our times that a President of the United States and a premier of the Soviet Union have not met for six years, not since the ebullient Nikita Khrushchev confronted a John Kennedy, only five months in office, six years ago in Vienna. At that time a crisis loomed—Berlin—and Khrushchev tried to browbeat a young man who took his measure and 16 months later faced him down over Cuban missiles.

This weekend the leaders are meeting in the aftermath of a crisis, not before it. The hope has to be that they are assessing each other and that from these meetings they will be able to maintain and broaden the understanding they reached over the Washington-Moscow hot line three weeks ago.

So many things have crowded in during the quick survey they were able to make of the world situation since their predecessors met—De Gaulle, Vietnam, the India-China rupture, and above all, the entry into nuclear power of Red China.

Perhaps the most vital point in their remarks after their first meeting at Glassboro was not what they disagreed about in the Middle East crisis but their mutual agreement that something has to be done, and quickly, about stopping the spread of nuclear weapons.

They were spurred to this by the fact that one week ago China demonstrated it had achieved thermonuclear capability. Six years ago, Mr. Kennedy and Khrushchev did not foresee that within a year and a half they would be in confrontation about nuclear weapons. This time both President and premier can see the ominous shadow of China on the horizon. Ideologies apart, they know what Red China's capability can mean to the tenuous balance of power Washington and Moscow have maintained since Cuba.

Four years at Geneva have not brought about a nuclear nonproliferation treaty. But even before Mr. Johnson and Kosygin met, the Americans and the Russians have come closer together on a pact than some of the interested nonnuclear powers, such as West Germany, India, and Japan, have been capable of accepting.

If there is one benefit from the quickie Middle East war, it has to be the unspoken acknowledgment by such nonnuclear powers

of how much it can be in their own interests not to go nuclear and thus reduce the risks of confrontation in so many areas of the world.

In view of the stated opinions of both leaders about what caused the Middle East crisis and how to seek a viable peace after it, agreement on the issues that divide the United States and the Soviet Union in this instance was impossible. But again, their meeting together, not eyeball to eyeball, but face to face in a town almost no one had ever heard of until three days ago, injects life and meaning into a dialog that no teletyped hot line messages can evoke.

In general, summits without agendas are meaningless. But summits between two who are forced to deal with matters of substance are in a different category. It would be foolish to think sweetness and light will flow from the Glassboro meetings. On the other hand, it would be equally foolish to think that some misunderstandings have not been obviated by this conference. At least if neither party knows exactly what to do next, each has a better understanding of what not to do next.

ASKING POST OFFICE TO ISSUE A COMMEMORATIVE STAMP IN 1969 IN HONOR OF THE 100TH ANNIVERSARY OF THE FOUNDING OF PROFESSIONAL BASEBALL

Mr. PRICE of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio [Mr. TAFT] 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 Texas?

There was no objection.

Mr. TAFT. Mr. Speaker, I have today written Postmaster General Lawrence O'Brien asking that the Post Office issue a commemorative stamp in 1969 in honor of the 100th anniversary of the founding of professional baseball. Several of my constituents including the former president and general manager of the Cincinnati Reds, William O. DeWitt, requested the special stamp.

The year 1969 will mark one of the most significant milestones in sports history—the 100th anniversary of the founding of professional baseball. Cincinnati is proud to have been professional baseball's birthplace. On behalf of the Queen City, I would hope that the Postmaster General, issues a commemorative stamp marking the historic occasion.

The Cincinnati Red Stockings of 1869 could hardly have envisioned the heights of popularity which baseball would reach. The Cincinnati Reds plan to move from Crosley Field to a new riverfront stadium in 1969 and hope to host the all-star game in that year.

I would welcome the support of my colleagues in urging that the Post Office Department issue a commemorative stamp in honor of the 100th anniversary of the founding of professional baseball.

LEAVE OF ABSENCE

The following Members (at the request of Mr. PHILBIN):

Mr. TUNNEY, for today and the balance of the week, on account of illness.

Mrs. HANSEN of Washington, for today and tomorrow, on account of official business.

The following Members (at the request of Mr. GERALD R. FORD):

Mr. MOORE, for today, on account of official business.

Mr. WATSON, for today, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. PRICE of Texas) and to revise and extend their remarks and include extraneous matter:)

Mr. HALPERN, for 20 minutes, today.

Mr. MATHIAS of Maryland, for 60 minutes, July 13.

Mr. SNYDER, for 20 minutes, on July 12.

Mr. ASHBROOK, for 10 minutes, today.

Mr. HECHLER of West Virginia, for 15 minutes, today.

Mr. HALPERN (at the request of Mr. PRICE of Texas), for 10 minutes, on tomorrow, July 12, 1967; to revise and extend his remarks and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks was granted to:

Mr. GROSS to revise and extend his remarks made in connection with S. 853 and include an editorial.

(The following Members (at the request of Mr. PRICE of Texas) and to revise and extend their remarks and include extraneous matter:)

Mr. BROWN of Michigan in two instances.

Mr. HAMMERSCHMIDT.

Mr. ZION.

(The following Members (at the request of Mr. HECHLER of West Virginia) and to include extraneous matter:)

Mr. O'NEILL of Massachusetts.

Mr. REUSS.

Mr. CELLER.

Mr. ROYBAL.

Mr. BURLESON.

Mr. KEE.

Mr. ST. ONGE.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 117. An act for the relief of Martha Blankenship; to the Committee on the Judiciary.

S. 1111. An act to authorize the Secretary of the Interior to construct, operate, and maintain the San Felipe division, Central Valley project, California, and for other purposes; to the Committee on Interior and Insular Affairs.

ENROLLED BILL SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 2762. An act for the relief of CWO Bernhard Vollmer, U.S. Navy (retired).

ADJOURNMENT

Mr. HECHLER of West Virginia. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 21 minutes p.m.), the House adjourned until tomorrow, Wednesday, July 12, 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:

892. A letter from the Assistant Secretary of the Interior, transmitting a report on transportation and production problems on the supply of Middle East oil, pursuant to the provisions of section 708 of the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

893. A letter from the Comptroller General of the United States, transmitting a report of problems in processing claims against voluntary relief agencies arising from alleged loss or misuse of food donated for distribution abroad, Department of Agriculture, Agency for International Development; to the Committee on Government Operations.

894. A letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of January 17, 1936 (49 Stat. 1094), reserving certain public domain lands in Nevada and Oregon as a grazing reserve for Indians of Fort McDermitt, Nev. to the Committee on Interior and Insular Affairs.

895. A letter from the Assistant Secretary of the Interior, transmitting a resolution of the Legislature of American Samoa, requesting the Congress of the United States to enact legislation which would permit American Samoa to be represented in the House of Representatives of the United States by a nonvoting delegate; to the Committee on Interior and Insular Affairs.

896. A letter from the Secretary of Transportation, transmitting a report on all standards to be initially applied in carrying out a highway safety program, pursuant to the provisions of section 302, title 23 of the United States Code; 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. SELDEN: Committee on Foreign Affairs. Report entitled "Communist Activities in Latin America, 1967" (Rept. No. 481). Referred to the Committee of the Whole House on the State of the Union.

Mr. COLMER: Committee on Rules. House Resolution 729. Resolution for consideration of H.R. 421, a bill to amend title 18 of the United State 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 (Rept. No. 482). 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. BRINKLEY:

H.R. 11328. A bill to regulate imports of milk and dairy products, and for other purposes; to the Committee on Ways and Means.

By Mr. BURTON of Utah:

H.R. 11329. A bill to amend title II of the Social Security Act to provide disability insurance benefits thereunder for any individual who is blind and has at least six quarters of coverage, and for other purposes; to the Committee on Ways and Means.

By Mr. DIGGS:

H.R. 11330. A bill to amend the National Labor Relations Act to secure to physically handicapped workers employed in sheltered workshops the right to organize and bargain collectively, and for other purposes; to the Committee on Education and Labor.

By Mr. FISHER:

H.R. 11331. A bill to regulate imports of milk and dairy products, and for other purposes; to the Committee on Ways and Means.

By Mr. GONZALEZ:

H.R. 11332. A bill to amend section 203(e) of the Federal Property and Administrative Services Act of 1949 to facilitate the procurement of certain surplus personal property by State agencies; to the Committee on Government Operations.

By Mr. HALPERN:

H.R. 11333. A bill to amend the Internal Revenue Code of 1954 to provide a tax credit for certain amounts set aside by a taxpayer for the higher education of prospective college students in his family, and a tax credit for certain amounts otherwise paid as educational expenses to institutions of higher education; to the Committee on Ways and Means.

By Mr. McCLORY:

H.R. 11334. A bill to amend the tariff schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed; to the Committee on Ways and Means.

By Mr. RARICK:

H.R. 11335. A bill to amend title XVIII of the Social Security Act to permit payment to an individual for physicians' charges under the supplementary medical insurance program prior to such individual's own payment of the bill for the services involved, and to amend title XIX of such act to permit payment to a recipient of assistance for physicians' charges under the medical assistance program; to the Committee on Ways and Means.

By Mr. REID of New York:

H.R. 11336. A bill to amend the Economic Opportunity Act of 1964 to provide day care for children of low-income families in order to enable their parents or relatives to choose to undertake vocational training, basic education, or employment; to the Committee on Education and Labor.

By Mr. ROONEY of Pennsylvania:

H.R. 11337. A bill to expand the definition of deductible moving expenses incurred by an employee; to the Committee on Ways and Means.

By Mr. SCHEUER:

H.R. 11338. A bill to authorize appropriations to carry out the Adult Education Act of 1966 for 2 additional years; to the Committee on Education and Labor.

By Mr. STEIGER of Wisconsin:

H.R. 11339. A bill to assure the purity and quality of all imported dairy products for the purpose of promoting the dairy industry and protecting the public health; to the Committee on Agriculture.

H.R. 11340. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed; to the Committee on Ways and Means.

By Mr. WALDIE:

H.R. 11341. A bill to adjust the rates of basic compensation of certain employees of the Federal Government, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 11342. A bill to amend title 38 of the United States Code in order to promote the care and treatment of veterans in State veterans' homes; to the Committee on Veterans' Affairs.

H.R. 11343. A bill to exclude from income certain reimbursed moving expenses; to the Committee on Ways and Means.

H.R. 11344. A bill to amend title XIV (and title XVI) of the Social Security Act to permit aid to the permanently and totally disabled to be paid, under approved State plans with Federal matching, to individuals in institutions for the mentally retarded; to the Committee on Ways and Means.

By Mr. WYMAN:

H.R. 11345. 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.

By Mr. ANDERSON of Illinois:

H.R. 11346. A bill to amend title VI of the Public Health Service Act in order to provide priority for grants under that title for projects for the construction of hospital facilities damaged or destroyed by tornadoes; to the Committee on Interstate and Foreign Commerce.

By Mr. BROWN of Michigan:

H.R. 11347. A bill to amend the Surplus Property Act of 1944 to authorize certain surplus property of the United States to be donated for park or recreational purposes; to the Committee on Government Operations.

H.R. 11348. A bill to amend title II of the Social Security Act to provide for the establishment of special procedures designed to avoid undue delay in the payment of monthly insurance benefits to which individuals are entitled thereunder; to the Committee on Ways and Means.

By Mr. DON H. CLAUSEN:

H.R. 11349. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed; to the Committee on Ways and Means.

By Mr. CORMAN:

H.R. 11350. A bill to reclassify certain key positions and increase salaries in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 11351. A bill to provide for the granting of national service life insurance to Vietnam conflict veterans; to the Committee on Veterans' Affairs.

By Mr. DERWINSKI:

H.R. 11352. A bill to provide for the issuance of a special postage stamp to commemorate the 50th anniversary of the independence of the Baltic States (Estonia, Latvia, and Lithuania); to the Committee on Post Office and Civil Service.

By Mr. DOW:

H.R. 11353. A bill to require the Secretary of the Interior to make a comprehensive study of the polar bear and walrus for the purpose of developing adequate conservation measures; to the Committee on Merchant Marine and Fisheries.

By Mr. GARMATZ:

H.R. 11354. A bill to amend the Merchant Marine Act, 1936, to increase the Federal ship mortgage insurance available in the case of certain oceangoing tugs and barges; to the Committee on Merchant Marine and Fisheries.

By Mr. GOODELL:

H.R. 11355. A bill to revise the Federal election laws, and for other purposes; to the Committee on House Administration.

H.R. 11356. A bill to amend the Tariff Schedules of the United States with respect to the rate of duty on whole skins of mink, whether or not dressed; to the Committee on Ways and Means.

By Mr. HORTON:

H.R. 11357. A bill to provide for direct payments to the governments of certain countries which submit to the Secretary of State satisfactory proof that Palestine refugees in the Near East have been resettled in such countries, and for other purposes; to the Committee on Foreign Affairs.

H.R. 11358. A bill to provide for the return of obscene mail matter; to the Committee on Post Office and Civil Service.

By Mr. McFALL:

H.R. 11359. A bill to provide for crediting service as an aviation midshipman for purposes of retirement for nonregular service under chapter 67 of title 10, United States Code, and for pay purposes under title 37, United States Code; to the Committee on Armed Services.

By Mrs. MAY:

H.R. 11360. A bill to require the Secretary of Agriculture to compensate certain permittees where permits for summer or recreation-type residences on national forest lands are terminated and not renewed, and for other purposes; to the Committee on Agriculture.

By Mr. MULTER:

H.R. 11361. A bill to reclassify certain key positions and increase salaries in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

H.R. 11362. 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. PRICE of Illinois:

H.R. 11363. A bill to provide additional dental care for dependents of members of the uniformed services; to the Committee on Armed Services.

By Mr. ROONEY of Pennsylvania:

H.R. 11364. A bill to amend the Internal Revenue Code of 1954 to provide the treatment processes which shall be considered as mining for purposes of percentage depletion in the case of certain slate, and to allow taxpayers to elect to treat such processes as mining for certain past years; to the Committee on Ways and Means.

By Mr. SPRINGER:

H.R. 11365. A bill to amend the Public Health Service Act to provide for the protection of the public health from radiation emissions from electronic products; to the Committee on Interstate and Foreign Commerce.

By Mr. WALDIE:

H.R. 11366. A bill to amend the Internal Revenue Code of 1954 to provide that civil service retirement annuities shall not be subject to the income tax; to the Committee on Ways and Means.

By Mr. WALKER:

H.R. 11367. A bill to amend title 38 of the United States Code so as to make widows of servicemen who die on active duty in the Armed Forces eligible for educational assistance under that title; to the Committee on Veterans' Affairs.

By Mr. WYMAN:

H.R. 11368. A bill to provide for uniform annual observances of certain national holidays on Mondays; to the Committee on the Judiciary.

By Mr. HELSTOSKI:

H.R. 11369. A bill to reclassify certain key positions and increase salaries in the postal field service, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. McMILLAN:

H.R. 11370. A bill to require the Secretary of Agriculture to compensate certain permittees where permits for summer or recreation-type residences on national forest lands are terminated and not renewed, and for other purposes; to the Committee on Agriculture.

By Mr. TEAGUE of Texas (by request):

H.R. 11371. A bill to amend title 38 of the

United States Code to provide for additional compensation for veterans who have suffered the loss or loss of use of both kidneys; to the Committee on Veterans' Affairs.

By Mr. DON H. CLAUSEN:

H.J. Res. 692. Joint resolution to establish a U.S. World Food Study and Coordinating Commission to study world food and agricultural needs, to coordinate present U.S. efforts toward meeting these needs, and to evaluate the future role of U.S. agricultural and other resources in the light of present and projected world food and population trends; to the Committee on Agriculture.

H.J. Res. 693. 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. GONZALEZ:

H.J. Res. 694. Joint resolution to authorize the President to designate October 31 of each year as National UNICEF Day; to the Committee on the Judiciary.

H.J. Res. 695. Joint resolution proposing an amendment to the Constitution of the United States to provide that the right to vote shall not be denied on account of age to persons who are 18 years of age or older; to the Committee on the Judiciary.

By Mr. JOELSON:

H.J. Res. 696. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. PATMAN:

H.J. Res. 697. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. PICKLE:

H.J. Res. 968. Joint resolution creating a Joint Committee To Investigate Crime; to the Committee on Rules.

By Mr. WALDIE:

H.J. Res. 699. 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 Mrs. BOLTON:

H. Con. Res. 406. Concurrent resolution expressing the sense of the Congress in re the Panama Canal Zone; to the Committee on Foreign Affairs.

By Mr. GONZALEZ:

H. Con. Res. 407. Concurrent resolution expressing the sense of the Congress with respect to participation by the United States in the International Convention Relating to International Exhibitions; to the Committee on Foreign Affairs.

By Mr. KUYKENDALL:

H. Con. Res. 408. Concurrent resolution expressing the sense of Congress re the Panama Canal Zone; to the Committee on Foreign Affairs.

By Mr. MURPHY of Illinois:

H. Con. Res. 409. Concurrent resolution relating to the U.S. military personnel held captive in Vietnam; to the Committee on Foreign Affairs.

By Mr. DOW:

H. Res. 730. Resolution expressing the sense of the House of Representatives with respect to the establishment of permanent peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. HORTON:

H. Res. 731. Resolution expressing the sense of the House that the territorial integrity of Israel be recognized, that international waterways be open to all nations and that the refugee problem in the Middle East be equitably solved; to the Committee on Foreign Affairs.

By Mr. McEWEN:

H. Res. 732. Resolution expressing the sense of the House of Representatives with respect to the establishment of permanent peace in the Middle East; to the Committee on Foreign Affairs.

By Mr. WINN:

H. Res. 733. Resolution deploring dispatch of American troops to the Congo; to the Committee on Foreign Affairs.

By Mr. WYMAN:

H. Res. 734. Resolution deploring dispatch of American troops to the Congo; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

254. By the SPEAKER: Memorial of the Legislature of the Commonwealth of Pennsylvania, relative to flood control on the Monongahela River, Pa.; to the Committee on Appropriations.

255. Also, memorial of the Legislature of the State of Ohio, relative to lasting peace in the Middle East; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BURTON of California:

H.R. 11372. A bill for the relief of Paula Mapa Tonga, his wife, Tupou Naeta Tonga, and their minor daughter, Tamasita Tonga; to the Committee on the Judiciary.

By Mr. DON H. CLAUSEN:

H.R. 11373. A bill for the relief of Nazar Hayat Khan Tiwana; to the Committee on the Judiciary.

By Mr. FASCELL:

H.R. 11374. A bill for the relief of Dr. Rafael de la Portilla Lavastida; to the Committee on the Judiciary.

By Mr. FINO:

H.R. 11375. A bill for the relief of Ileri Semsinur; to the Committee on the Judiciary.

By Mrs. HECKLER of Massachusetts:

H.R. 11376. A bill for the relief of Miss Franca Tolusso; to the Committee on the Judiciary.

H.R. 11377. A bill for the relief of Angelo M. Petitto; to the Committee on the Judiciary.

By Mr. MICHEL:

H.R. 11378. A bill for the relief of Mrs. Rajani B. Lathi; to the Committee on the Judiciary.

By Mr. MURPHY of New York:

H.R. 11379. A bill for the relief of Mark Bitar; to the Committee on the Judiciary.

H.R. 11380. A bill for the relief of Ilyas Josef Al-Tawil; to the Committee on the Judiciary.

By Mr. POOL:

H.R. 11381. A bill for the relief of E. L. Townley; to the Committee on the Judiciary.

By Mr. ROGERS of Colorado:

H.R. 11382. A bill for the relief of Apostolos Todis; to the Committee on the Judiciary.

By Mr. SHRIVER:

H.R. 11383. A bill for the relief of Federico Campos; to the Committee on the Judiciary.

By Mr. PUCINSKI:

H.J. Res. 700. Joint resolution for the relief of the Burnham Chemical Co., a Nevada corporation; 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:

122. By Mr. STRATTON: Petition of the Center for Human and International Relations, Geneva, N.Y., urging Congress to appropriate a respectable share of funds, commensurate with the importance and magnitude of the problems to be coped with, to implement the 1966 International Education Act and to support an effective long-range foreign aid program; to the Committee on Appropriations.

123. By Mr. UTT: Petition of Lester M. Andrew, Tustin, Calif., and others, relative to trade with Communist nations; to the Committee on Foreign Affairs.

124. By the SPEAKER: Petition of the Women's International League for Peace and Freedom, Philadelphia, Pa., relative to freedoms guaranteed by the first amendment of the Constitution; to the Committee on the Judiciary.

125. Also, petition of the Border Cities League Speech Congress, Wyandotte, Mich., relative to actions on the part of some of our elected representatives; to the Committee on Rules.

126. Also, petition of the New England Association of Fire Chiefs, Hingham, Mass., relative to support of the efforts of municipal, State, and private enterprise to combat fire problems in the United States; to the Committee on Science and Astronautics.

SENATE

TUESDAY, JULY 11, 1967

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

Rev. Edward B. Lewis, D.D., minister, Capitol Hill Methodist Church, Washington, D.C., offered the following prayer:

Dear Master of all mankind, we are grateful for these men and women of the U.S. Senate who seek Thy favor and guidance. Inspire, enlighten, and direct them in their proceedings of this day. May they know the quiet confidence that "in everything God works with those who love Him, whom He has called in accordance with His purpose, to bring about what is good."

Bless our President and his advisers. Direct the representatives of the United Nations in Middle East guidance. Give determination, intelligence, and direction to end the war in Vietnam and over the earth.

We pray in the name of Jesus, the giver of peace. Amen.

REPORT OF COMMODITY CREDIT CORPORATION—MESSAGE FROM THE PRESIDENT

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

To the Congress of the United States:

I am pleased to transmit to the Congress the annual report of the Commodity Credit Corporation for fiscal year 1966.

This report shows clearly the progress that is being made toward our goal of economic equality for rural America.

Farm surpluses have virtually been eliminated. With the removal of this threat to farm prices, farm income has been strengthened.

Yet the elimination of surpluses poses a new dilemma:

On the one hand, national and world needs demand a high level of production of food and fiber. With populations soaring and the margin of food supplies growing thinner in many areas of the world, we cannot gamble on the possibility of inadequate stocks.

On the other hand, farmers who produce supplies in excess of immediate requirements as a national precaution, cannot be expected to bear the cost themselves through depressed farm prices and income.

To increase price protection for farmers in these new circumstances, the Commodity Credit Corporation has recently expanded its price-support loan program.

The price-support loan program has long provided farmers protection against commodity price reductions. Under the program, farmers are able to obtain loans at harvesttime, enabling them to withhold their products from the markets until later in the marketing season when prices are more favorable. Loans for this purpose totaled nearly $2 billion in fiscal 1966.

The expansion of the price-support loan program will permit more farmers to keep commodities off the market beyond the current crop season. The commodities will continue to be owned by the farmers, with the Government paying the storage costs as part of the Nation's price for maintaining adequate reserves.

By thus drawing further upon the resources of the Commodity Credit Corporation to meet changing conditions, this Nation will be taking another important step toward economic equality for the American farmer.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *July 11, 1967.*

REPORT OF BOARD OF ACTUARIES FOR THE RETIRED SERVICEMAN'S FAMILY PROTECTION PLAN—MESSAGE FROM THE PRESIDENT

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

To the Congress of the United States:

I am pleased to transmit the 12th annual report of the Board of Actuaries for the Retired Serviceman's Family Protection Plan.

This plan, which was adopted in 1953, allows retired servicemen to elect reduced pay so that their widows and children can receive survivor benefits. At the end of 1965, the year covered by this report, more than 67,000 retired servicemen were participating in this program and about 5,000 families were receiving its benefits.

I commend this report to your attention.

LYNDON B. JOHNSON.

THE WHITE HOUSE, *July 11, 1967.*

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Jones, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

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

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

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Monday, July 10, 1967, was dispensed with.

LIMITATION ON STATEMENTS DURING THE TRANSACTION OF ROUTINE MORNING BUSINESS

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

COMMITTEE MEETINGS DURING SENATE SESSION

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

On request of Mr. BYRD of West Virginia, and by unanimous consent, the Subcommittee on Employment, Manpower, and Poverty of the Committee on Labor and Public Welfare, the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary, the Military Construction Subcommittee of the Armed Services Committee, and the Appropriations Committee were authorized to meet during the session of the Senate today.

CRISIS IN THE COURTS

Mr. DIRKSEN. Mr. President, during the last several weeks I have inserted in the RECORD the series of articles published in the Christian Science Monitor by staff correspondent Howard James entitled "Crisis in the Courts." Today I have the last two articles of a series of 13, "Time for Jury System Reform?" and "Recipe for Court Reform," and I ask unanimous consent that they be printed at this point in the RECORD.

At a subsequent time I hope to ask that all these articles be compiled as a Senate document, because they are quite authoritative and cover our entire judicial system.

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

[From the Christian Science Monitor, June 28, 1967]

CRISIS IN THE COURTS: TIME FOR JURY SYSTEM REFORM?

(By Howard James)

Scrap the jury system?

To the average citizen the very suggestion sounds ludicrous. You don't just throw out a 700-year-old Anglo-American institution as you would a 10-year-old car. And what's wrong with the jury system anyway?

Plenty, says a small but growing number of judges, lawyers, and scholars. Enough, they assert, to make serious consideration of eliminating it—at least in civil courts—worth considering.

A national study by this newspaper indicates that the most often used arguments are:

Jury trials are too costly.

One judge, Matthew J. Jasen of Buffalo, N.Y., points out that more than $5 million in taxpayers' money is spent on juries alone each year in the New York State courts.

"I'm in favor of the jury system," he says. "But there are many who don't believe it is necessary. To save the system, I am proposing a six-man jury. That would cut costs in half—a saving of over $2 million a year in our state."

SMALLER JURY "SATISFACTORY"

Judge Jasen contends a 6-man jury is "just as effective" as one with 12 members. In New York's lower courts, and in lower courts in several other states, six-man juries are used.

"Recently I looked at six-man juries used in the trial courts of Florida," he adds. "Every judge I talked to told me the plan is extremely satisfactory."

The jury system creates delays and causes court congestion.

In Philadelphia and in a number of other cities I visited it can take days and even weeks to select a jury. This is especially true where a criminal case has made headlines for several days running. Or when the prosecutor intends to ask for the capital penalty and prospective jurors who oppose capital punishment are excused.

Because of the time it takes to conduct a criminal jury trial, judges in Chicago and in other cities are reported to give those who demand a trial by jury longer sentences if convicted.

In civil cases—largely auto-accident disputes—both the insurance companies and plaintiff's lawyers use the threat of a jury trial as a big stick to force settlement. As often as not one side or the other caves in and the case is settled while the jury is recessed, out for lunch, or even when it is out deliberating after spending several days hearing evidence.

Juries may not comprehend what is going on, may not understand the law, nor necessarily follow the logical thread of arguments in a case.

This has been a complaint for years. Back in 1928 a Philadelphia attorney complained in a national magazine that "most law suits present a plurality of complicated issues which single-track minds are utterly unable to grasp.

"To discriminate between conflicting items of evidence, to determine whether a skillful prevaricator is twisting facts to his own profit, to see when they are being grossly exaggerated or manufactured out of whole cloth, requires the highest degree of judgment, education, experience, and mental alertness. No greater demand can be made on the human intellect."

DANGERS EXAMINED

In England, where the jury trial originated, civil juries have been fading from the courtroom. Said Granville Williams, an English scholar, in a series of lectures in 1955:

". . . There seems to be a formidable weight of argument against the jury system. To begin with, the 12 men and women are chose haphazard. Exemption is given to some professional people who would seem to be among the best qualified to serve—clergymen, ministers of religion, lawyers, doctors, dentists, chemists, justices of the peace, as well as all rank of the armed forces.

"The subtraction of relatively intelligent classes means that it is an understatement

to describe a jury, with Herbert Spencer, as a 'group of 12 people of average ignorance.'

"There is no guarantee that members of a particular jury may not be quite unusually ignorant, credulous, slow-witted, narrow-minded, biased, or temperamental. The danger of this happening is not one that can be removed by some slight procedural change or adjustment. . . ."

In his 1962–1963 report to the Harvard Law School, Dean Erwin Griswold said: "Why should anyone think that 12 persons brought in from the street, selected in various ways, for their lack of general ability, should have any special capacity for deciding controversies between persons?"

There is a great reluctance on the part of many citizens to serve as jurors. This is partly due to low compensation. Juror pay nationally runs from $4 or $5 a day to $15. In New York's supreme courts (trial courts of general jurisdiction) jurors get $8 a day, for example.

It is also partly because a large segment of better-educated citizens are excluded for one reason or another.

In many instances, lawyers, when selecting a jury, will refuse to accept business executives or others holding responsible positions. And they reject jurors for other reasons that are not always explained—in a way that makes citizens feel that the system must be wrong.

Says a Chicago office worker with four years of education beyond high school:

"While my employer needed me badly, I didn't ask to be excused from jury duty because I felt I had an obligation, a responsibility to serve. For two weeks I reported in at the courthouse every morning at 9:30. Four times they called my number [for civil juries] in that two-week period."

But not once did she sit on a jury. Each time a lawyer on one side or another excused her from the panel without giving a reason, but apparently, she says, on the basis of her religion.

"There were several others who did not sit on a jury," she adds. "They were excused by the lawyers because someone in their family was a doctor, nurse, policeman, or even if they had ever been in an accident.

"Some of them said it looked as if the less you know and the less education you have the more qualified you are for jury duty.

"I'm certain of this, next time they ask me to serve I'm going to say, 'Look here now, why should I come in for two weeks just to sit and read books and never serve on a jury? I have better things to do, and it caused problems for my employer because he was short of help at the time.' "

MANY HOURS WASTED

Unwillingness to serve is also caused by the poor administrative practices of the courts. I found, as I toured the nation, that would-be jurors wasted many hours sitting around waiting for cases to be called.

In many cities judges come in late (9:30 or 10 a.m.), take up to two hours for lunch, and leave early (sometimes before 3 p.m. and usually by 4 or 4:30). From time to time they may take an afternoon off to play golf or take care of personal business while jurors twiddle their thumbs.

Juries are unpredictable.

This is one of the arguments given by Judge Charles S. Desmond, retired chief judge of the Court of Appeals of the State of New York, the state's highest appellate court, who has long opposed civil juries.

But he adds he is "very pessimistic about any change being made. The public has been taught since childhood that juries are part of our heritage. I am a delegate to the state constitutional convention, and I find most people are not interested at all, or else they want to keep them [juries] for sentimental reasons."

Commenting on the unpredictability of the jury, lawyer Walter J. Bilder, a frequent contributor to the New Jersey Law Journal, says:

". . . The minds of jurors are notoriously susceptible to influences which are extraneous to the merits of the controversy and . . . the jury's verdict is likely to be determined by considerations which are irrelevant to a just determination of the case."

The rules of evidence that have evolved through the centuries are supposed to keep from juries information that should have no bearing on the case. One example is the inadmissibility of hearsay as testimony, he explains. Witnesses can only testify to things which they have seen.

JURORS CALLED ILL-QUALIFIED

"The rules of evidence may accurately be regarded as a fine-meshed sieve designed to keep from the hearing and deliberations of the jury all testimony which is not, so-to-speak, fool-proof," he says. "That is [testimony that] does not call for exercise of a thoughtful and experienced and logical intelligence."

But Mr. Bilder contends "jurors are ill-qualified to grasp and hold in mind the facts of any but the simplest and most commonplace case and to pass upon the veracity of witnesses and the credibility of their testimony.

"Aside from automobile-collision cases, a lawsuit is almost certain to involve a set of facts . . . which relates to . . . [an] experience which is wholly alien to . . . most, if not all, persons who become members of a jury.

"Confronted with such a set of facts, the members of a jury will . . . [have] an attitude of incomprehension and inattentiveness and even boredom, aggravated undoubtedly by a feeling of resentment at having been compelled to leave their ordinary pursuits in order to settle a controversy which even fails to arouse [in] them [even] an academic interest."

There are other criticisms being leveled against the jury system. Many are valid. But often they seem tied to the present view of some lawyer who bluntly asserts the layman is not mentally equipped to think or talk about things related to the law.

AMENDMENT OVERLOOK

An East Coast lawyer recently wrote a lengthy attack on civil juries. It was published in a recognized Eastern law journal. Among other things, he wrote:

". . . The juristic training and experience and invariably higher education and intelligence of a judge gives him a special ability to grasp and hold in mind the facts of a case and to pass on the veracity of witnesses and the credibility of their testimony, [thus] the superior fitness of a judge [over a jury] to find the facts in any case becomes manifest."

Curiously this same lawyer was stunned when it was pointed out to him that the Seventh Amendment to the United States Constitution says: "In suits at common law, where the value in controversy shall exceed $20, the right of trial by jury shall be preserved. . . ."

(The application to federal courts seems clear, but it is uncertain whether it applies to state courts, since there have been few, if any, test cases.)

This lawyer admitted he had not considered the amendment. In fact, he couldn't remember "ever having read it" (it is part of the Bill of Rights) and was shocked that he had overlooked it.

An Eastern law professor also admitted that often the attitude of lawyers toward jurors is reflected in the widespread practice of trying to put laymen down with the question, "Are you a lawyer?" It is found, by some lawyers, to be especially useful when they lack the information and have neglected their duty to a client or have been caught in a mistake.

While the jury system is under fire from some segments of the bar and bench and while the heaviest volleys are being triggered in the East, the group closest to the jury—the small group of attorneys who specialize in trying cases—takes the opposite view.

ARDENT DEFENSE OFFERED

Jacob D. Fuchsberg, former president of the American Trial Lawyers Association, a member of the President's Commission on Civil Rights and on the legal services advisory board of the Office of Economic Opportunity, ardently defends the jury.

"Those who oppose it are largely academicians and judges and lawyers who have little practical experience with the system," he asserts.

"Judges have no monopoly on intelligence, insight, or fairness. They are ordinary human beings like anyone else. I believe the opinions of 12 people are better than the opinions of one—and I don't care whether they are 12 lawyers, 12 judges, or 12 laymen.

"When 12 people must come to a decision, the prejudices that are inherent in most people get worked out in the discussion that is involved. I am sure most lawyers will agree that they find they get a more objective and fair judgment from 12 people.

"The main justification for most jury abolitionists is that a trial by judge is cheaper and quicker than a jury trial. The fact is that a trial by judge is not appreciably shorter than by jury. A judge is much more liberal in permitting evidence to be introduced. And he takes a much longer time in making a decision. A jury must decide immediately, while a judge may take months, asking for briefs from both sides."

COMMUNITY CONSCIENCE CITED

Mr. Fuchsberg also points out that judges spend much of their time looking backward at legal precedents—at the findings of previous courts. This, he contends, results in judges' decisions that do not necessarily represent the current thinking of a community.

"The conscience of a community is better reflected through a jury," he says.

Even this looking backward on the part of judges results in an interesting phenomenon—"judges tend to ape juries in their decisions," says Mr. Fuchsberg. The judge who recently presided over a jury trial in an accident case similar to the one he is hearing without jury may recall "that a jury two weeks ago found a similar injury worth $18,500. And so he takes this as his guide."

Mr. Fuchsberg asserts that in his state 97 percent of all auto-accident cases—and these form the bulk of all civil cases—are settled before the jury reaches a verdict. Settlements are less frequent when a judge is sitting without a jury because the "judge has an ethical problem that prevents him from putting pressure on one side or the other to induce settlement."

Perhaps it is most important to note that attorneys for both sides in auto-accident cases—those representing the injured persons and those hired by the insurance companies—defend the jury system.

ARGUMENTS ECHOED

Donald K. Ross, spokesman for the 4,800-member Defense Research Institute (members of the American Trial Lawyers Association generally represent plaintiffs in civil actions and have a membership of over 25,000,) uses some of the same arguments as Mr. Fuchsberg. And Mr. Ross adds that, unlike the judiciary, "the jury system is comparatively free of politics and political pressures."

Mr. Ross, Mr. Fuchsberg, and others interviewed agree that "the jury is one of the great schools of democracy" where citizens learn how the American system of government works and where they can participate directly in the process.

Defense and plaintiff's lawyers aren't alone in defending the jury system. They are joined by many state trial judges.

"The jury should be retained, if for no other reason, to keep the lawyers on their toes," says Judge Ruggero J. Aldisert of Pittsburgh. "Nonjury cases tend to drag and the lawyers get sloppy."

Decisions are not as far off the track as some who oppose juries say they are, he adds.

"Juries usually come down with verdicts just about as I see it," he says.

A fellow Pittsburgh judge, Henry Ellenbogen, calls the use of juries "a great system," noting that while "justice is not inexpensive, the precious rights and freedom of the individual are well worth it."

LITTLE DATA AVAILABLE

Until recently there was as great a dearth of information about the jury as there is on other segments of the nation's state court system.

When a study was launched by the University of Chicago Law School, those involved "discovered . . . that nobody had ever counted the number of jury trials that take place in the United States."

Even now—more than 10 years after the project started, data on the number of jury trials is based on careful guesswork. In the book by Harry Kalven Jr. and Hans Zeisel—"The American Jury"—which is one of several books being produced by the University of Chicago study, it is estimated that in 1955 "approximately 60,000 criminal jury cases were tried through to verdict."

The study adds that another 20,000 jury trials begin, but never reach verdict "because the defendant decides to plead guilty, or the prosecutor moves to dismiss, or the judge directs an acquittal or declares a mistrial because of some procedural violation or because the jury hangs."

No accurate figures are available on the civil-jury trial, although the group is now in the process of trying to come up with an accurate estimate. A book on the civil jury should be published by the group in about a year.

MANY CRITICS CONTRADICTED

The study, to date, punctures several anti-jury balloons. Among other things, it concludes that the jury *does* understand the evidence being presented in criminal cases, as "its verdicts move basically with the weight and direction of the evidence." The study also asserts that the difference between a judge's decision and the jury's verdict is not as great as some critics say.

The history of the jury system and its past role compared to the jury of today is worth considering. For it helps explain why American justice—known as the adversary system—operates as it does.

The jury system is generally considered uniquely English.

As far as can be determined, the jury had its beginning with the inquests of the Middle Ages—perhaps 1,000 years ago—when the king used groups of citizens to find out what was going on in certain segments of his land.

The king would compel 12 persons to take an oath and then report on whatever he was interested in checking on.

They gave him this information from their own knowledge, rather than from testimony of witnesses, as is the case today.

Tom C. Clark, former Associate Justice of the Supreme Court of the United States, traces the development this way:

"Subsequently, Henry II conceived the idea of using the inquest as an implement of justice. If it was helpful to the King in securing information, it might be equally important in the settlement of disputes."

SETTLEMENT BY ORDEAL

Originally this involved disagreement over title to land, and "the party who first obtained 12 oaths on his side was the winner."

Henry II also founded the grand jury or "jury of accusation" in 1166 by ordinance (the Assize of Clarendon).

But most disputes continued to be settled "by ordeal or battle."

"It was in 1215 that Pope Innocent forbade ecclesiastics to participate in trials by ordeal. The Pope's decree had the effect of abolishing the practice."

The next step was for the judge to listen to the accused, or with the consent of those involved, the defendant "put himself upon the country"—which meant being judged by his neighbors.

While some states now accept split verdicts in civil disputes (New York, for example, requires 10 of the jurors to agree), in other states and in criminal cases all 12 jurors must agree.

This, Mr. Justice Clark asserts, comes from the "12 oaths" required by Henry II in settling land disputes.

The jury system was imported to the United States by the colonists. Before the revolution all of the colonies had some form of trial by jury.

CONSTITUTION AMENDED

"The original draft of the federal Constitution of 1789 made no reference to the right of trial by jury in civil cases," says Mr. Justice Clark. "A storm of criticism resulted, and the Bill of Rights made specific provision for both grand juries (Fifth Amendment) and petit juries in criminal cases (Sixth Amendment) and also [petit] civil juries where the amount in controversy exceeds $20 (Seventh Amendment)."

While these provisions apply to federal courts, in all states but Louisiana the state constitutions have broad general provisions for jury trials.

Yet even today other remnants of the old system of dispute settling exist. The courthouse floor has become the battleground, and two attorneys verbally joust in what is technically known as an "adversary proceeding."

The late Roscoe Pound, dean emeritus of the Harvard Law School and one of the founders of the American Judicature Society (a pioneer group in court reform), derided it as the "sporting theory of justice."

"It leads the most conscientious judge to feel that he is merely to decide the contest, as counsel present it, according to the rules of the game, not to search independently for truth and justice," he said. "It leads counsel to forget that they are officers of the court and to deal with the rules of law and procedure exactly as the professional football coach with the rules of the sport. . . .

"It turns witnesses, and especially expert witnesses, into partisans pure and simple. . . . It prevents the trial court from restraining the bullying of witnesses and creates a general dislike, if not fear, of the witness function which impairs the administration of justice."

THEORY BACKS PENALTIES

In football a team that breaks a rule is penalized 5 or 10 yards, while "our sporting theory of justice awards new trials, or reverses judgments, or sustains demurrers in interest of regular play," he said.

"If the law is a mere game, neither the players who take part in it nor the public who witness it can be expected to yield to its spirit when their interests are served by evading it."

Little "wonder that one part of the community strain their oaths in the jury box and find verdicts against unpopular litigants in the teeth of law and evidence, while another part retains lawyers by the year to advise how to evade what to them are unintelligent and unreasonable restrictions upon necessary modes of doing business.

"Thus the courts, instituted to administer justice according to law, are made agents or abettors of lawlessness," he concluded.

He spoke these harsh words in 1906. But a tour of the nation's courts by this reporter shows they are valid today. And it is the jury that is often depended upon to referee the match.

PERJURY CALLED WIDESPREAD

In criminal court lying by witnesses is said to be common.

"Perjury has always been widespread," says the report of the President's Commission on Law Enforcement and Administration of Justice. "According to Pollock and Maitland's standard history of English law, 'our ancestors perjured themselves with impunity.' "

Is a jury capable of discovering this?

A slippery lawyer or dishonest witness has as good or a better chance of being caught by a jury as by a judge, says Mr. Fuchsberg.

Those skilled at this "can just as easily pull the wool over the judges' eyes as the juries," he asserts. "I think there is more wisdom and discernment among 12 people than 1."

Most trial lawyers agree that the very function of the jury is to find out who is telling the truth. If witnesses told the truth there would be little need for either judge or jury in most cases, they explain.

In a proposal for a foundation grant, designed to eliminate the waste of time and money involved in calling citizens for jury duty, the Institute of Judicial Administration in New York asserts:

"Each year many thousands of citizens are summoned to serve as jurors for two, three, or four weeks in courts located throughout the nation. Many of those called do not serve in a single case. And even those who do sit in one or two cases are likely to have most of their time wasted, with the consequence that they become apathetic and antagonistic toward jury service.

"The result is that many qualified citizens deliberately avoid such service, leaving the work to housewives, elderly persons, etc., so that a fair cross section of the community is not achieved.

"In addition large amounts of public and private funds are wasted in jury fees and expenses, in payments of salaries and wages to employees [many large firms now are paying wages while a man serves, and it is often part of a union contract], and in lost income to self-employed persons who sit cooling their heels while on jury 'service.' "

One industrial firm alone paid out more than $250,000 to hourly rated workers for time not worked while on jury duty in 1965, the institute asserts.

BETTER SYSTEM URGED

"If a system could be devised to call only as many people as were genuinely needed for jury service, and to cut down on the waiting time of those called, the jury system would be strengthened and enormous savings would be made," the institute asserts.

Such a system, it suggests, could save taxpayers $1 million a year in New York City alone. It would be multiplied many times over for all the other communities which would benefit and then multiplied many times again for private savings in the form of salaries, wages, and income.

Of all the complaints against the jury system, the one that nearly everyone agrees upon is that juries too often are not really representative of the local community—as the Institute of Judicial Administration points out.

While some juries are weighted with housewives and retired men, in other sections there is an overbalance of businessmen and others in the middle class. In the South a few Negroes are being called for jury duty. But most panels remain largely, if not all, white. Other sections of the country are equally slow to impanel minority groups.

Jurors—except in justice-of-the-peace courts—are not simply "hauled in off the

street" as some critics imply. Often they are picked from tax rolls, voter registration lists, or rolls compiled by someone in local government.

In Maine the Chief Justice of the Supreme Court appoints two jury commissioners from each of the 16 counties—one Republican and one Democrat. These men make up a master list.

Judge James L. Reid of Portland explains how it works:

"The names on the master list, except in the smaller counties, are submitted from time to time by the municipal officers of towns and cities, at the jury commissioner's request. In a large county there may be as many as 2,500 names on the master list.

"Seasonably ahead of a term of court the commissioners cull from the list a sufficient number of names to be summoned for jury duty, usually about 30. In the case of a murder trial, of course, the number will be substantially increased."

QUESTIONNAIRES SENT OUT

In the past 18 months most counties have been sending out questionnaires to prospective jurors. Lawyers may read these before they begin selecting a jury, in an effort, he says, to permit counsel to "more easily get a cross-section jury of 12."

At a meeting of jury commissioners it was agreed that, among other things, "justices of the Superior Court should be firm in refusing to excuse from jury service except on the grounds of severe hardship or physical or mental infirmity," Judge Reid says.

[Under a bill signed by Gov. Kenneth M. Curtis May 26 this year, Maine jurors will be chosen at random from the voting lists instead of from a master list drawn up by commissioners as at present. The new law will go into effect 90 days after the Legislature adjourns.]

Los Angeles County Superior Court has a selection system that is undoubtedly better than most around the country, though it is far from perfect.

It uses 750 jurors a day in civil court in downtown Los Angeles alone, says William A. Goodwin, the jury commissioner. The names of roughly 3 million voters in the county are on IBM cards. Every sixth name in every sixth precinct is drawn.

"We're lucky to get 1 out of 10 we send letters to," he admits. The list of exemptions is long:

Toll-gate keepers, people who work on boats, jail and prison workers, railroad engineers and other workers, telephone and telegraph employees (the telephone company waives its exception), policemen and firemen, members of the national guard, those serving in the armed services, legislators, elected local officials and other governmental employees, teachers, ministers, druggists, hospital officials, physicians, Christian Science practitioners and readers, monks, and anyone who has already served on a jury within the year.

While the law doesn't exempt policemen's wives, judges usually do not accept them. And other excuses are accepted—like a housewife who says she lacks transportation (Los Angeles is short on public transit). Those who run "little one-man businesses" are let off.

After the cards are drawn by the computer, letters are sent out. Jurors have roughly a week to report. Mr. Goodwin prefers to give a prospective juror a time extension rather than scratch his name if he asks to be excused.

JURORS THEN SCREENED

When the juror arrives he is screened for good health, ability to hear and see, and other qualities necessary to perform his duty. He then takes a written test to determine whether he has "sufficient knowledge of the English language and adequate comprehension and mental capacity to understand proceedings in a court of law." If that test is passed, then an interview is held, where, among other things, the jury commissioner determines whether the individual should be excused.

A prospective juror sits in the "jury pool," a large room with chairs, tables for chess and card playing, and other recreational activities. Each juror serves one month, and some never sit on a jury—despite the screening.

Yet I found less wasted time in Los Angeles than in other cities, including Chicago, which has a comparable court system.

Jurors are paid only $5 a day, plus 15 cents a mile from their home to the courthouse.

Juries have many quirks.

Judges told me it is especially hard to get a jury to convict in a drunken-driving case in many sections of the country. Someone on the jury can be counted on to vote for acquittal, remembering that only last Saturday night he had a little too much under his belt and just wasn't caught.

Yet in other areas juries are tough in drinking cases and similar violations.

One day when I visited the Chicago public defender's office a young lawyer and his friends were celebrating a victory in a narcotics-peddling case. The lawyer was jubilant because, he said, it is nearly impossible to win acquittal from a jury in this kind of case, even in Chicago where many people believe "anything goes."

Juries tend to be especially rough on cases involving sex and children, according to the University of Chicago study. Yet they tend to look the other way in rape cases involving girls near the age of consent if violence is not involved (called statutory rape).

Juries tend to represent the sentiment of the general public at any given time, handing down verdicts that agree with public opinion toward a type of offense.

When a jury does not like a law, it will shape its decision accordingly—either in leniency or severity.

And, according to the University of Chicago study, like each judge, each jury is different. From time to time a jury surprises everyone. Since jurors meet in secret, no one really knows how they hammer out a decision. When the Chicago researchers tried to find out through "jury tapping" they created a national uproar.

JURIES CAN EXPECT BETTER

Juries can expect better treatment in the future, as judges begin to recognize the need for better court administration.

There is seldom if ever a suggestion that jury trials be scrapped in criminal courts. But some judges and lawyers now suggest that auto-accident cases could better be handled by special boards.

They point out that not too many years ago when a worker was hurt he had to sue his employer in court. Now the problem is resolved through workmen's compensation. A similar system is being suggested for the auto crash—perhaps with no finding of fault and all parties involved in the accident being compensated for losses.

If there were no need to decide who was to blame for the accident—and thus who should pay—the dispute-settling role of the jury could be eliminated, proponents argue.

Similar boards or commissions are being proposed for other areas of court business—including traffic cases.

But trial lawyers oppose this, perhaps partly out of defense of their method of earning a living and perhaps partly for good reasons.

Says Warren Burnett, Odessa, Texas, trial lawyer:

"It is argued that boards and commissions are much more efficient than a jury. Efficiency isn't everything. It is . . . efficient to solve crimes by arm twisting or torture, too.

"Some people are always ready to rush in and sacrifice individual rights."

[From The Christian Science Monitor, July 5, 1967]

CRISIS IN THE COURTS: RECIPE FOR COURT REFORM

(By Howard James)

What can be done to improve justice in the state courts?

The list of problems covered in this series has been long. Yet it is not exhaustive.

For each court in each county in each state is different. Each has its own set of challenges. These are closely tied to the experience and temperament of the judge, the size and quality of the bar, the people who live in the area, and the kind of justice they demand.

Court reform is not an easy task because courts are complex institutions. Too many citizens see them as the private property of the professionals—the judges, lawyers, policemen, prosecutors, and the others who work there.

One organization, the American Judicature Society, has been hammering for court reform ever since it was founded in 1913. Its executive director, Glenn Winters, has been on the job 27 years, and only in the past six or seven years has he seen much progress.

It was Arthur T. Vanderbilt, former Chief Justice of the New Jersey Supreme Court, who said, "Judicial reform is not a sport for the short-winded."

Money has long been a problem in court reform. State legislatures, hounded for funds by educators and highway builders and a dozen other groups, too often have neglected the courts.

Foundations have been slow to enter the field. It was only 10 years ago that the Ford Foundation entered it, and officials admit court problems are so gargantuan that private money can only brush away a little accumulated dust.

In Washington, hearings are going on that may result in help—in a small way. The Senate subcommittee on improvements in judicial machinery, headed by Sen. Joseph D. Tydings of Maryland, is considering legislation that would provide $5 million a year for three years "to encourage improved judicial administration in state and local courts." It would set up an office of judicial assistance to help local courts uncover their problems and to improve the caliber of judges and court personnel by educational programs.

But improving justice is largely a state and local responsibility. This is especially clear because the federal government has its own and separate system of courts that parallel the state courts.

The following suggestions for reform, culled from this writer's tour of the nation's state courts, come from interviews with judges, lawyers, private citizens, police officials, sociologists and social workers, and corrections officials. They come from the reports of the President's Commission on Law Enforcement and Administration of Justice. They come from reports and studies by professional groups like the American Judicature Society, the American Bar Association, the American Trial Lawyers Association, the Institute of Judicial Administration, the National Council of Juvenile Court Judges, and the National College of Trial Judges.

Because each state, county, and court is different, suggestions cannot be applicable to all. Yet the suggestions are universal enough to be valid in most areas, and hopefully are already being practiced in many.

WHAT CITIZENS CAN DO

1. Invite judges, lawyers, prosecutors, policemen, juvenile officers, probation officers, corrections officials, and others working in the state system of justice to speak before clubs and other groups. Do your homework and ask them searching questions. Discover what the local problems are.

2. Form a special citizens group to study the local system of justice, perhaps pat-

terned after the Indianapolis plan, under which citizens become volunteer court watchers, keep statistics, present findings to local officials regularly, and demand reform.

3. Find out if qualified professionals are being hired for important jobs like probation officer and whether pay is adequate to attract good men as judges, policemen, etc.

4. If public officials insist on using the spoils system of politics, form a group to study the problem, and work to get it changed over to the merit system.

5. As an individual, sit in court. Is the judge: Attentive? Concerned? Informed? Fair? Strong? Businesslike? Polite? Does he work a full day? How many days a week is he in court? How long are his vacations? Do witnesses, policemen, and lawyers show up on time? In criminal cases do the professionals—the judge, policemen, prosecutor, appointed defense attorney—have poise and skill?

6. Find out if your schools are teaching law and justice. Do young people know what is lawful and right—and why it is lawful and right? Are special programs being held on the law, or system of justice, and its role in a free society?

7. Be willing to sit on juries. Consider it an obligation in a free society, like military service.

8. Demand decent local facilities for youthful offenders. Abandoned and battered children should not be jailed or housed with delinquents.

Help provide good foster homes for neglected children and those who have been in trouble because of horrible home conditions. Juvenile courts across the nation have complained of a shortage of first-class foster homes.

9. Since policemen are the first link in criminal justice, they should reflect a high degree of intelligence, be well educated, understand social problems, be mentally balanced, and carefully trained in police procedures. Citizens should demand this and be willing to pay for it.

10. Individuals can ask the American Judicature Society to hold citizens' conferences in their state to help bring about court reform. Since 1959, when the first was held, 32 conferences have been held in 28 states—a little over half of the states. Six more are scheduled or in the planning stages for this year: Mississippi, Arizona, Vermont, West Virginia, and two in California. Usually 100 leading laymen participate.

WHAT LEGISLATURES CAN DO

1. Take judges out of politics—even if it requires a referendum and/or constitutional amendment. Nomination of judges by a blue-ribbon commission and appointment by the governor is usually considered the best solution.

2. Tie this to a good removal system. California's program is being copied by several states.

3. Provide funds for judicial education, and require all judges to attend a seminar of one or two weeks minimum before taking the bench. Also require a new judge to sit with an experienced judge before presiding over trials, as is done in Delaware.

4. Establish a state court administrator's office. Give this administrator the power to check on judges and keep records and statistics on court business, and to file periodic reports, including comparisons of judicial hours worked, business completed, and backlogs of cases.

5. Establish a strong judicial council composed of judges, lawyers, and citizens to study court problems. Listen to council recommendations. Act on them.

6. Form a study commission for continual review of state laws. This is to throw out horse-and-buggy statutes and to avoid conflicting legislation.

7. Establish a retirement age for judges, but also provide for a "senior judge" system that allows the more able retired judges to work part-time if they wish when court business is heavy.

8. Provide adequate pay and liberal retirement benefits for judges so that leading lawyers will not find it a financial hardship to take the bench. Also encourage judges to retire when they can no longer work at full capacity.

9. Eliminate justice-of-the-peace courts and other independent minor courts, as Illinois has done. Replace these magistrates with professionals and promote the most able from the lower courts to the higher courts. In sparsely populated states, copy the system being used by several states, where circuit judges actually ride a circuit.

10. Require prosecutors to be skilled attorneys. Set pay high enough to encourage the best men to make the job a career. Provide adequate staff, including skilled investigators and competent clerical help. In sparsely populated states, divide the state into districts and have the prosecutor ride circuit, or have a deputy assigned to each county in the district. Eliminate the part-time prosecutor.

11. Establish a meaningful public-defender system—either full time or appointive, perhaps patterned after the Houston plan (described earlier in this series), under which every member of the bar is subject to public-defender service. With a full-time office, establish pay levels comparable to those of the prosecutor, so that the better lawyers will make the defender's office a career. Provide adequate clerical and investigative help.

12. Establish a family court system that treats the entire family and its problems as a unit. This would include divorce court and juvenile court, since the problems found in these courts are often interrelated. The family court should be given adequate professional staff, including marriage counselors, social workers, investigators, and clerical help.

13. Raise juror's pay and issue certificates of recognition for service.

14. Increase the amount paid witnesses, so that the time off from work they must spend in court does not impose such a financial hardship.

15. Require policemen to attend all hearings involving their cases and compensate them for their time.

16. Require courts to operate in a more businesslike manner, following modern court procedures, so that the time of lawyers, witnesses, and those called for jury duty is not wasted.

17. For civil matters involving only a few hundred dollars, establish small-claims courts with specially skilled judges as in Los Angeles, or work out a system of arbitration as Pittsburgh has (discussed in this series).

18. Establish uniform guidelines for all courts in the state, so that a lawyer from a neighboring city knows how to proceed and what to expect from the judge when he enters an unfamiliar courtroom.

19. Prepare, or have a commission prepare, guidelines for judges so that they know what is expected of them. This could include an indication of how many hours they should work under normal circumstances, how many civil cases can be handled in an average month, courtroom decorum, treatment of jurors, handling of witnesses, rules of evidence, and other basics.

20. Establish an "information center" that would—even for rural judges—provide points of law, citations, and information about recent decisions that affect court procedures. This could, in some cases, include a Teletype system similar to that being used by law-enforcement agencies to get information. Experimental use of computers indicates modern technology could help such an information center by listing citations to be transmitted by Teletype.

21. Consider revamping the state bar examination and licensing system so that lawyers are divided up into general practitioners and specialists. Set guidelines for both, and make sure trial lawyers are actually capable of trying a case.

22. Provide funds for adequate court facilities, including accommodations for witnesses who now spend hours standing in corridors waiting to be called.

As Philadelphia Judge Herbert S. Levin has pointed out, it is hard to dispense justice with the hiss of steampipes in musty, dusty, hot, dungeonlike rooms, and with witnesses waiting in drafty, dreary corridors.

23. Establish, by statute, the length of time a man can be held by law-enforcement officials before appearing before a magistrate, and the days, weeks, or months a man can be held without a trial.

24. Require the prosecutor to file a public report every two weeks listing all cases that have been delayed and the reasons for the delays.

25. Tighten up on continuances of cases, so that both lawyer and prosecutor must show the court good reason for postponing cases.

26. In states where judges handle both criminal and civil cases, the cases should be called in order of importance: criminal cases where the defendant is in custody, first; on bond, second; and civil cases, third.

27. Eliminate the old "term" of court except where judges ride circuit, and then require special terms for jailed defendants.

28. All charges against a defendant should be dismissed if he is not tried within the legal time limit or steps have not been taken to begin the judicial process.

29. It is widely suggested that traffic offenses, except the more serious cases like manslaughter and drunken driving, should be taken out of the courts and turned over to a traffic board or commission. Police who handle criminal investigations and disputes and disturbances might also be freed of traffic duty. Separate units, like the Ohio Highway Patrol, could specialize in traffic control—but be trained in police work so they could nab suspects on the road and backstop criminal agencies.

30. Local governmental agencies should be prevented from using traffic fines and tickets as a source of revenue, regardless of need. Traffic court should promote safe driving. It should not be a fund-raising agency.

31. The merger of many small police departments into larger units—perhaps countywide—could improve the quality of the men and the very basic "justice" they mete out as they are confronted with problems hourly.

32. All sentencing should be done by experts. At present there is great disparity. Thus a panel of judges or a special sentencing commission is probably of value. Jury sentencing, in the several states where it exists, should be abolished.

33. There can be great inequities between the rich and the poor when fines are levied. A "$10 or 10 days" sentence is still common in an era when the minimum wage is $1.25 an hour. This practice should be restudied.

34. Examine the purpose of a corrections system and see if—in the light of the growing crime problem—your state system is corrective or simply punitive.

35. Establish or aid associations of judges and court administrators. Support them financially. Make attendance of meetings mandatory.

36. Establish standards of sheriffs' offices and local police departments. Require each to have men with skills other than shooting and fast driving. Schedule educational seminars. Test policemen for intelligence. Add to local police budgets with state funds, if necessary.

37. Consider removing social problems—family and individual—from the court system. Should courts be mere collection agen-

cies for child support, as is the case in many states? Is it a judicial function to deal with alcoholism and vagrancy, or should the social welfare or mental health departments take over this responsibility? What about compulsive speeders? A study of these and similar questions would be of value, and could result in reducing court congestion.

38. Consider giving prosecutors the right to appeal an adverse ruling, especially in the pretrial stage or when essential evidence is suppressed.

39. New institutions are needed to replace or backstop traditional prisons, work farms, jails, and mental hospitals. Pay of those who work in corrections should be increased. Emphasis should be shifted from hiring guards to employing more people with educational and sociological skills.

40. In urban areas establish 24-hour arraignment courts with adequate staff to properly process defendants. In most cities weekend courts should be used to present the arrest process from functioning as a sentencing or punitive action by police.

41. Consider alternatives to trial by jury for auto accident cases. Solutions may include a board of commission that operates in a manner similar to workmen's compensation. Consider revamping insurance practices and litigants paying court costs.

42. Establish probation offices in all court districts or a statewide office that is adequately staffed. Require all probation officials to be professionally trained. Require each probation department to hire women probation officers to handle women probationers.

WHAT EDUCATORS CAN DO

1. Give law students more opportunity to learn about trial work—both civil and criminal.

2. Make courses in writing and public speaking mandatory so lawyers become more articulate as a group.

3. Round out curriculums so that they cover the whole spectrum of the law.

4. Encourage students with specific talents to enter fields of law that match their talents—rather than pushing them to sign up with a Wall Street law firm for prestige or money.

5. Launch basic law and sociological research projects, using the courtroom, lawyer's office, prosecutor's office, defender's office, police station, jail, prison, slum neighborhoods, and court records. These projects would help educators, lawmakers, and court administrators understand how the system of justice is really functioning; where problems exist; how improvements can be made; what to do about court backlogs; and perhaps even how to resolve the nation's growing crime problem.

6. Consider your obligation to teach students ethics. Point out to them that leaders in their field are now emphasizing that it is a profession, not a business, and that their key role is to serve, not turn a fast buck.

7. Launch a legal internship program, so that young lawyers are better prepared to go to court and do clients less harm in their early years.

8 Encourage the establishment of a curriculum in court administration, perhaps a joint effort of the school of law, business, and sociology.

9. Work to improve the "language of the law." The use of common words with uncommon meanings (prayer, for example); of Latin, old English, middle English, and French words (amicus curiae, aforesaid, demurrer); of words designed to perplex laymen (pursuant to stipulation); weasel words (adequate, due care); and words of extreme precision (perpetuity, never, all) should be reevaluated.

WHAT JUDGES CAN DO

1. Accept the office only if you are willing to work full time as a public servant.

2. Stay awake. Pay attention, no matter how routine or dull the matter seems.

3. Run your own courtroom. Prevent prosecutors, lawyers, court clerks, politicians, or others from grabbing control.

4. Study. Attend seminars, special courses, and judicial conferences. Read current professional journals on recent decisions and mounting problems.

5. Try to see through your prejudices and quirks that may affect the quality of justice you are dispensing.

6. Recognize the judicial powers you have been given and use them carefully. Understand that fellow humans are standing before you, and that what you do will affect their lives, their families' lives, the county welfare budget, and the stability of the community.

7. Work carefully with other judges in the district and the state. Meet with them to see that justice is uniformly and fairly administered. Exchange ideas with them. Discuss sentencing, rules of evidence, and other basics.

8. Sentence no one to a juvenile home, mental hospital, jail, or prison until you have carefully examined the facility and understand its ability to cope with inmates. Be aware of serious shortcomings.

9. Urge all law-enforcement agencies that operate in your district to file a weekly report showing how many men are in jail, how long they have been held, and what the charges are against them. Large cities should follow the Los Angeles system, where daily checks are made and a complete list, punched out by a computer, is available to the public around the clock.

10. In multijudge courts judges should be assigned according to experience and skill rather than by seniority or chance. Assignments should parallel their experience as lawyers whenever possible.

11. Teamwork in multijudge courts is essential. Establishing court rules, hours, and procedures should be a group effort. As in Memphis, no judge should consider going home or to the golf links until fellow judges have a clear calendar, with no cases waiting. Regular meetings to discuss law, trends, and difficulties have been found to be profitable.

12. Recognize the need for a competent court administrator—a man with business experience or training in public administration. Work with him. Evaluate what he says, even if suggestions seem new or radical.

13. Welcome the public into your courtroom. Make it possible for them to hear what is going on. Cut down on whispered conferences when a jury isn't present, so the public will be confident that you know what you are doing and that you are not hiding anything.

14. Conduct business whenever possible in open court so the layman feels confident you are more than a politician dispensing favors or giving reprimands.

15. Keep your courtroom quiet. Require your bailiff to act as a gentleman, and to treat those who come into the courtroom—criminal or civil—as he would want to be treated. Ask your clerk not to rattle papers, react to testimony in a way that might influence a jury (disdain or disgust, for example), and to treat those who enter the courtroom courteously.

16. Call your docket in order. Do not let your aides be persuaded or bribed into shuffling the docket when lawyers, witnesses, and those involved in the cases at the top of the docket are present.

17. Recognize that your first obligation is to dispense justice to the public—not to please or appease lawyers.

18. Recognize that while settlements in civil cases are desirable, this is not necessarily the primary function of the judge. It can, in fact, reduce respect for the courts. As New York's Judge Bernard Botein has said: "Forced settlements convert the courthouse into a countinghouse." Also recognize your own skill or limitations in hammering out settlements. It takes a special talent, and without it, you are wasting everyone's time.

19. Require lawyers to file certificates of readiness in civil cases to avoid delays.

20. Refuse to resort to assembly-line justice, regardless of congestion or other court problems. Instead, bring these problems to the attention of the public, to local units of government, and to state lawmakers.

21. Consider the use of key punch and computer operations to keep track of cases, making assignments, docketing, and researching courtroom problems. Cook County, Ill., is one area pioneering in this field. Equipment may be used on a shared-time basis with the county auditor or treasurer or other governmental bodies.

WHAT LAWYERS CAN DO

1. Be prepared when you enter the courtroom. The old concept of flying by the seat of your pants or the smoothness of your tongue leads to charges of ineptness. Look up the law.

2. Do not ask for excessive continuances. As one of the nation's most prosperous lawyers points out, continuances are not profitable to you, and in most cases simply jam up the courts and reduce public confidence in your ability.

3. Avoid trying to "butter up" the judge. If he is half competent he can see through it, and this may prejudice him against your client.

4. Avoid chicanery. An educated public can see through it, and it only hurts the profession as a whole, you as an individual, and your client. The "image problem" of the law profession can only be improved by improving individual habits and performances.

5. If you engage in plea bargaining in criminal court, and you handle few criminal cases in your practice, consult an experienced criminal trial lawyer. Otherwise your client may learn in prison that you have bargained away more years than he might have got without the "deal."

6. Be punctual. Showing up late bogs down the courts, raises tempers, and may affect the justice your client gets.

7. Recognize, that, as Robert B. McKay, dean-elect of the New York University Law School, asserts, lawyers have a "responsibility . . . not simply to their client with whom a private . . . arrangement is made . . . for a fee," but "for the betterment of the entire social structure."

WHAT PROSECUTORS CAN DO

1. Take pride in seeing justice done, rather than displaying an impressive conviction record.

2. Investigate all cases carefully. Screen arrests. Assign men to cases early. Give them investigative and clerical help.

3. Recognize your responsibility to prosecute law violators, to society as a whole, and to the families of men and women you prosecute. Understand the impact of your actions on the local community, the welfare rolls, and the individuals and families involved.

4. Refuse to run for office simply to "learn the trade." Only a competent trial lawyer can represent and protect the people in criminal cases. If experienced lawyers refuse to take on the job, it is probably because the pay is too low or there is a need for a district or statewide prosecutor system.

5. When you must hire inexperienced men, institute an in-service training program where green lawyers work as a team, as in Chicago, or with experienced prosecutors.

WHAT BAR GROUPS CAN DO

1. Muster the courage to stand up to incompetent or corrupt judges, clerks, bailiffs, and other court employees.

2. Adopt national, state, or local codes of ethics and *enforce* them.

3. Push for improved court facilities, better pay for judges, more competent court employees, judicial education, improved police departments, improved correctional practices, uniform court rules, better law-school curriculums, and answers to the many other court and court-related problems.

4. Launch or support programs of continuing education for young lawyers as well as refresher courses for experienced attorneys. See that they are more useful than many now being held.

5. Begin conversations with groups where long-standing conflicts may exist, including social-welfare agencies, and the press. Groups such as real estate brokers, whose work increasingly gets into areas affected by civil-rights laws, should also be included. Work to improve understanding of opposing points of view.

6. Expand member participation in legal aid and defense for the indigent, especially among more affluent members of the association.

WHAT THE PRESS CAN DO

1. Report court news honestly and fairly—seeking accuracy and balance rather than sensationalism. Guidelines for fairness and self-restraint may be necessary.

2. Serve as a guardian of the people, respecting both the rights of society and the rights of individuals who appear in the civil and criminal courts.

3. Ferret out dishonesty and incompetence in the courts and court-related facilities.

4. Crusade for improvement of the adversary system; law schools; judicial training and education; judicial selection, tenure, discipline, and removal; legal ethics; and other problem areas.

5. Evaluate editorial policies that give special treatment to court news about certain individuals or special groups—either for reasons of prominence, friendship, or power, or because they are members of minority groups, or lack influence, money, or power.

This is not an exhaustive list of suggestions. Rather, it may better serve as a starting point for discussion in most communities, large and small.

WHAT IS BEING DONE

Court reform, as has been pointed out earlier, has been slow in coming. But Mr. Winters, of the American Judicature Society, sees a trend that he calls "the court-reform bandwagon."

New York is currently in the throes of a constitutional convention. Plans include modernizing the state court system. Other states have completed constitutional revisions or are making plans for them. Among them are: Michigan, Florida, Maryland, Illinois, Rhode Island, and Pennsylvania.

In 6 of the 50 states, judges are selected on a merit system of nomination and appointment, according to Mr. Winter's tally. Missouri pioneered in this field in 1940 but has not made the system statewide. Alaska was first to do this, beginning with statehood in 1958. Iowa and Nebraska followed in 1962. Colorado has the most far-reaching plan, adopting a system in 1966 that includes the lower courts. Last year the Vermont Legislature passed a statute putting a statewide merit plan into operation. Utah's Legislature took the step this year.

Kansas, Alabama, and Florida have some courts under the merit-selection plan. Illinois and California allow judges to run unopposed on their records after initial election. New York, Oklahoma, and Minnesota (as well as Puerto Rico) fill vacancies on the bench through a merit system of nomination and appointment, where governors or other officials have voluntarily decided to operate in this way.

In four states merit selection of all or some judges will eventually go before the voters. Oklahoma decides next week (July 11). In North Dakota, where the plan was rejected last November, voters will get another chance in 1968. So will Idaho voters. Indiana is working at it.

What of discipline and removal?

California is credited with the best system of removing or reprimanding judges for misconduct or disability (adopted in 1960) as was pointed out earlier in this series. Texas was first to follow, then Florida, Nebraska, Maryland, Ohio, Utah, and Vermont.

New York was the pioneer, establishing a "court on the judiciary" some 20 years ago. Illinois adopted a similar plan in 1962, and Oklahoma voters approved its version a year ago.

In Texas, Louisiana, Alabama, Michigan, and Puerto Rico "removal power is vested, on varying terms," in the state supreme courts, according to Mr. Winters. New Jersey has the law but lacks legislative implementation.

Alaska has a constitutional provision for a board of inquiry—made up of judges and doctors to investigate charges of physical or mental disability.

Several states are considering the California plan in drafts of constitutional revisions.

Other areas of reform?

Seven states—New Jersey, Alaska, Hawaii, Illinois, Colorado, Michigan, and North Carolina have completed, at least to a large extent, statewide court unification, plus "an effective statewide court administrative office." Again add Puerto Rico to this list.

Illinois has done away with the justice-of-the-peace courts. So has Connecticut, Virginia, California, Missouri, Tennessee, Maine, Ohio, New Mexico, and North Dakota are among the states where minor courts have been improved in varying degrees.

Progress has been made, and is being made year by year.

For a man like Mr. Winters, who has devoted most of his working life to trying to bring this about it can only be seen as a bandwagon.

But as this series has pointed out, there is still a long, tough trail ahead.

PERSPECTIVE ON U.S. LAW

It is important to put the American system of justice—responsible for bringing order to a complex society—in perspective.

Anthropologists report ancient man lived by the law of "survival of the fittest." The strong man with the big stick carried the law in his hands.

As tribes organized, religious leaders became law givers. Laws were "handed down" by tribal gods. Thus the people were forced to conform to tribal norm largely out of fear. Often priests could order punishment, including execution.

Sometimes tribal counsels sat in judgment. Some early systems of justice were quite advanced.

Babylonian stone and clay tablets tell of a well-developed system of legal codes some nine centuries before the Christian era. They also had courts and written evidence. Those wronged received compensation from the guilty party. A system of commercial and property law was also developed.

Law and religion have always been closely knit.

Moses is credited with making more lenient laws. His "eye-for-an-eye" concept made retribution more equal to the crime.

The American system is based on the English common law—a blending of old church law, the law of kings and feudal lords, standards of property rights, and manners and morals dating back thousands of years.

While it is not static, law does not change swiftly. To a great extent Americans today are governed by their grandfathers, great-grandfathers, and several generations before that.

But Americans, in a system that supports government "by the people," have added legislative law to common law, the former overshadowing the latter.

And each law passed must eventually be weighed against provisions of the United States Constitution and the constitution of each state; Is the new law constitutional?

IT'S UP TO OKLAHOMA VOTERS

OKLAHOMA CITY.—A major overhaul of Oklahoma's court system, first in more than 50 years, will go to the voters July 11 in a two-part constitutional amendment.

The change was referred by the past session of the Legislature. It is an outgrowth of scandals that rocked the state court system three years ago.

Major changes proposed would eliminate the maze of special courts that have grown up in Oklahoma to handle problems of metropolitan areas. The system would abolish justices of peace.

Voters will also decide whether they want all judges elected on a nonpartisan ballot or whether they prefer appellate judges appointed and other judges chosen by the nonpartisan method.

The proposed system would retain the Supreme Court and Court of Criminal Appeals. It would also give the Legislature power to create intermediate appellate courts when it sees fit.

The district court would be the key trial court. Judges of present lesser courts would become associate district judges subject to assignment to cases by the presiding district judge.

Justices of the peace would be replaced by special judges. These would be full-time salaried judges appointed by the presiding district judge.

Special judges would have to be attorneys. However, a nonlawyer could be appointed if there were no attorney available in the area.

If voters adopt the appointive-retention system for selection of appellate judges, jurists would be appointed from a list of three names submitted to the governor. The names would be selected by a 13-member judicial nominating commission.

LABOR-MANAGEMENT AFFAIRS AND THE AGRICULTURAL WORKERS—A STATEMENT BY PRESIDENT GEORGE MEANY, AFL-CIO, BEFORE THE SUBCOMMITTEE ON MIGRATORY LABOR

Mr. WILLIAMS of New Jersey. Mr. President, the president of the AFL-CIO, George Meany, testified before the Subcommittee on Migratory Labor this morning. And he had some things to say that I believe it would profit every Member of the Senate to hear or to read.

George Meany said:

> Congress, long ago, acting in the interests of all the people, decreed that the rule of law should supplant the law of the jungle in labor-management affairs. . . . But they made one exception: the agricultural workers.

Mr. Meany pointed out that whatever historic justification this exception may have had 30 years ago has long since disappeared.

He pointed out that the family farm is rapidly disappearing, that 2.7 percent of the farms now pay half the farm wages. He pointed out that farmworkers are responding to the corporate structure of their employers by seeking to organize into unions.

And, he pointed out, that because of the lack of established rules and procedures, that very law of the jungle which we long ago abolished in the industrial

world presently prevails on the farms of America where workers are seeking recognition of a union and their right to bargain collectively.

And Mr. Meany recited the terrible litany of economic and cultural poverty which afflicts the farmworker.

Mr. Meany urged, both for the sake of industrial peace in rural America and for the sake of lifting the poorest of America's poor out of poverty, that Congress extend the collective bargaining provisions of the National Labor Relations Act to the farm industry.

Mr. President, I ask unanimous consent that the full text of George Meany's testimony be included in the RECORD at this point.

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

STATEMENT BY GEORGE MEANY, PRESIDENT, AMERICAN FEDERATION OF LABOR AND CONGRESS OF INDUSTRIAL ORGANIZATIONS, BEFORE THE SUBCOMMITTEE ON MIGRATORY LABOR OF THE SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE ON FARM LABOR, JULY 11, 1967

Mr. Chairman, my name is George Meany. I am the president of the AFL-CIO. I am here today, on behalf of more than 13½ million union members, to speak for those who work for wages on the nation's farms, but who are denied any legal protection of their right to organize and bargain collectively. The bill before you, S. 8, authored by yourself and other distinguished Senators, would remedy this situation.

More than two months ago I appeared before a committee of the other body in support of the same legislation you are now considering. Since then there has been new evidence of the urgent need for action.

Agricultural workers in Texas, encouraged by the modest gains made by their fellow-workers in California, organized a union, sought to bargain collectively with their employers, and were forced to strike.

In recent weeks, with the strike becoming increasingly effective, these workers have been subjected to almost incredible harassment, including physical abuse and unconstitutional arrest, by the Texas Rangers and other law-enforcement authorities.

I have here three separate, independently-prepared reports on what has been happening. These reports are (1) the signed report of an investigation made by three Texas State Senators, (2) a report made by the Texas Advisory Committee to the United States Commission on Civil Rights, and (3) a report of the Social Action Department of the Texas Catholic Conference to the Catholic Bishops of Texas. In general, Mr. Chairman, these reports cover the same ground covered by your subcommittee in its hearings in Texas so I will not take the valuable time of the committee to read them, but I ask that they be appended as a supplement to my testimony, and I commend them to all the members of the committee.

In short, Mr. Chairman, these reports document a state of affairs which most Americans believe is a dark chapter out of the nation's past. In general, that is exactly what it is.

In general, workers are no longer clubbed down or thrown in jail for attempting to organize. In general, police do not openly make common cause with employers against strikers, and serve as recruiting officers for strikebreakers. And when there are particular exceptions to these general rules, they can be dealt with by invoking and applying the federal law.

But not in this case. For the Texas case involves agricultural workers, and by act of Congress, agricultural workers are in a different class—a lower, less-privileged class.

The right of agricultural workers to organize and bargain collectively is not protected by law. There is no federal machinery through which they can express their will or protect their rights; indeed, in this area they have no rights.

So in order to improve their miserable lot by the only practical means, through union organization, they must do what other workers had to do in the dark ages of labor history—scratch and claw and dig out their own little clearing in a hostile jungle.

And as it was in those dark ages, the whole power of the community, the employers, the police, the courts and the so-called "good citizens" of narrow minds and empty hearts, is thrown into the fight against them.

Mr. Chairman, the distinguished members of this committee know very well that the Congress long ago, acting in the interests of all the people, decreed that the rule of law should supplant the law of the jungle in labor-management affairs.

More than that, they decided that jungle law had no place in any aspect of a civilized society.

But they made one major exception: the agricultural workers.

The men, women, and children who work for wages on American farms have been excluded from the whole range of social reforms achieved in this country over two generations. For example:

Though they suffer more than any other group from recurring periods of unemployment, they are not eligible for jobless benefits anywhere, except in Hawaii and Puerto Rico.

Though agriculture is among the most hazardous occupations, they are fully covered by workmen's compensation in only five states and Puerto Rico; and in more than half the states, none of them are protected at all.

Though their wages are the lowest of any group in the labor force, until last year they were specifically denied inclusion under the wage-hour law; even now, coverage applies to fewer than 30% and the wage floor, when it reaches its maximum will be 30¢ an hour lower than for others.

Though they have no other means to provide against old age, or for their families if they die or become disabled, they are largely outside the scope of the Social Security system.

If we look closer the details get worse.

Child labor—outlawed everywhere else—is still common in agriculture.

Free public schools—supposedly available to all American children—are often unavailable to the children of migrant agricultural workers.

Even the basic state and local welfare services are often out of reach, because of arbitrary residence requirements which migrant workers cannot meet.

All of these are abuses that cry out for correction. But in the long run, the abuse we are specifically discussing today may be the most important of all; for it denies to farm workers the effective right to help themselves.

Let me offer my own analysis of how this shocking situation developed—and I think you will agree, Mr. Chairman, that "shocking" is an understatement.

First of all, the Congress, and the country as a whole, have for a long time been sensitive to the importance of the agricultural industry and to the problems of farmers. So has the labor movement. The AFL-CIO has supported every major bill designed to help farmers—even when its opponents argued that farm subsidies were against our interests because they raised prices. We supported these farm bills because we have never looked for bargains at the expense of some other group, or against the national interest.

However, this general solicitude for the farmers—stimulated by the selfishness of many big farm operators—caused the Congress, and the various state legislatures, to exempt farmers from obligations carried by other employers. This was a mistake—or rather, a whole series of mistakes.

As I have noted, the result has been disastrous for farm workers. And instead of helping the average farmer, it has squeezed him harder than ever.

To understand this—as I am sure you understand it, Mr. Chairman—the agricultural industry must be looked at the way it is today, not the way it was yesterday. I used to read about farm life when I was a boy growing up in a suburban area of the city of New York. There were even what we would call family farms left in that area in those days. And many senior members of the Congress grew up on the kind of farms I used to read about.

It seemed to be a simple life and a good life. There was the farmer and his wife and their children. And there was the "hired man," or maybe several of them, who lived on the farm, and ate at the family table; who taught the boys how to handle the team, how to hoe and how to whittle—family retainers, as permanent as the barn or the well.

It was a pretty picture. I am not sure how true it was then. I know it is not true now.

Yet it was this picture, I am convinced, that was most influential in excluding farm workers from the legal protections that were being won by other workers.

It is a shame to spoil this pretty picture with facts, but here are a few more.

For one thing, half of all the farms in the United States employ no farm labor at all. A mere 2.7% of the farms pay half the farm wages; and 6% of the farms account for 76% of the wage bill.

These are 1959 figures, the latest available. However, despite the changes of recent years, there is no evidence to suggest that these proportions have shifted in any significant way.

Now let's look at the farm labor force. In 1965—again I am using the most recent figures—some three million Americans earned wages for farm work. But for more than a third of them it was incidental. Fewer than two million worked longer than 25 days. Only about 650,000 were employed for more than 150 days.

As of October 1966, the average cash hourly wage for domestic farm workers was $1.18. In the south, which provides half the employment, the average was 95¢ an hour. The highest mainland rates were on the Pacific coast—an average of $1.57. The best sectional average, translated into full-time employment—which few farm workers enjoy—still comes out to a poverty-level income.

That pretty picture I mentioned a few moments ago has to suffer another revision.

Of the nearly two million farm workers who were employed more than 25 days in 1963, hardly one-fourth were provided with housing—and the housing was almost always primitive or worse. Less than 12% were given food grown on the farm. Fewer than 10% received wood or other fuel. Only 7% were served one meal a day.

This is today's version of the farm "hired man" who figured in the tales we read as boys. That kind of "hired man" is a myth.

Maybe he really did exist in the past. Maybe he still existed as late as 1910 to 1914, when hourly wages for farm labor were 67% of the average factory wage, and there were fringe benefits on the farm and none in the factories. But by 1965, the average hourly rate for farm workers was only 36% of the factory rate, and the fringes had all gone over to the other side.

Perhaps that "hired man" wasn't really a

myth, but just a species that is now extinct, like the dinosaurs.

The same can be said for the picture of the farm operator as a benevolent employer. Over the years, agricultural workers who tried to organize—and there were many attempts—found themselves faced with firings, blacklists, yellow-dog contracts, even arrest on trumped-up charges. And these same tactics are used against them today.

In the eyes of most farm workers, for good reason, the benevolent farm-owner is also extinct.

But farm labor is not extinct. These workers are very much alive, and in the last few years—and the last few weeks—they have proved it. They are so alive that in many parts of the country they have organized, despite their lack of legal protection enjoyed by other workers; and they have made it clear that they are determined to be full-fledged members of American society.

This is right and proper for them—and we in the AFL–CIO are doing all we can to help them. It is right and proper for America, for it is just as un-American to discriminate on grounds of occupation as it is on grounds of race.

But also, as I suggested earlier, it is right and proper—and economically helpful—to the farmers themselves, to the family farmers whose welfare is of greatest concern to the Congress and the country.

It is not the family farmer, the small farmer, the traditional symbol of American independence and self-reliance, who exploits the farm worker. He doesn't have any workers to exploit.

Thanks to the tremendous advances in farm machinery, the small farmer and his sons—and, perhaps, with a mutual assistance pact among his neighbors—can sow and tend and reap his own crops.

He is threatened, not by higher wages and better conditions for farm labor, but by the perpetuation of low wages and miserable conditions. For in effect, he is placing his own return, his own standard of living, in competition with the exploited workers hired by the corporation farmers, the factories in the fields.

I cannot improve on the calm, direct words of the National Advisory Commission to the U.S. Department of Agriculture:

"The farm family will not earn favorable returns on its own labor when hired labor is chronically cheap . . . The opportunity for family farms to compete and to earn satisfactory returns for their labor will be enhanced if wages and working conditions for hired farm labor compare favorably with those in industry."

That is also the position of the AFL–CIO.

I have already indicated some of the steps that need to be taken.

There must be a complete and final end to those provisions in federal and state law which deny to farm workers the protection and the benefits enjoyed by all other workers.

Measures must be devised to overcome residence and other requirements that prevent farm workers and their children—migrant workers in particular—from full access to schools, medical facilities and other community resources they so badly need.

But the bill before you, we think, is the most important of all.

It offers no subsidies to farm workers. It carries with it no appropriations. It is not special legislation: on the contrary, it is a bill to do away with special legislation.

It offers one simple proposition: That farm workers have the same right as all other workers to organize and bargain collectively, including in Texas.

Surely there is nothing revolutionary about this. But anyone who listened seriously to some of those who have consistently opposed this concept would imagine that the revolutionaries were at the gates.

One of the most restrained objections that has been raised, over the years, to extending the National Labor Relations Act to agriculture is that its administration would be impossible. Farm workers move around too much, according to this argument. They work irregular periods of time for many different employers.

But as S. 8 demonstrates, there is an easy and established solution to this problem—the same solution that works so well in the construction industry, where the work-schedules are in the same pattern. So this objection is not valid at all.

Then there is another, even less rational argument, that goes something like this:

"We couldn't stand a strike at harvest time."

Well, it has been agreed in the past that a steel mill can't stand a strike when it's time to pull the furnaces, and a construction job can't stand a strike when there's only two weeks before the first snow, and the auto industry can't stand a strike during the model changeover. But all of those industries are organized, and all of them have had strikes, and all of them are doing all right. They and many others are paying far better wages and making much more money than the average farm employer.

Beyond this, I resent the implication that trade union organization and strikes go hand in hand. It simply is not so.

Yes, there will be strikes if an employer resists to the bitter end any and all of the proposals offered by the union. But an employer who does this is not basically against the proposals; he is against the union. In reality, he is the one who is on strike, as he is in Texas today.

The farm workers' strikes during the last year have been strikes, not over wages and working conditions, but for the fundamental right to bargain collectively.

No worker in interstate commerce has had to strike for that right since 1935, for the right to organize has been established by law and has been enforceable by law. Simple justice, we contend, would extend that right to farm workers as well.

Indeed, the prevention of such fruitless and disruptive strikes was a major purpose of the original National Labor Relations Act. The act established a procedure through which workers could make their own decision, legally and peacefully. Only a short time ago I joined—with representatives of the National Association of Manufacturers—in celebrating the 25 millionth vote in a representation election. Not a single one of these 25 million votes was cast by a farm worker to establish bargaining rights with a farm employer, because farm workers are denied this basic, democratic right.

The continued denial of that right is an affront to the farm workers and to the American principle of equal justice under the law. Its continuance will lead to more strikes by farm workers who have no other recourse. Its continuance will help to perpetuate the shocking poverty—even degradation—of the men and women, and shamefully the children, who harvest so much of the food and fiber upon which the nation depends.

This bill will not cure all the ills or all the injustices that afflict farm workers. But it is a beginning, and I urge you to give it your prompt approval.

EXECUTIVE COMMUNICATIONS, ETC.

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

REPORTS OF COMPTROLLER GENERAL

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on examination of financial statements of Federal home loan banks supervised by the Federal Home Loan Bank Board, for the year ended December 31, 1966, dated July 1967 (with an accompanying report); to the Committee on Government Operations.

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of withheld reimbursements of rights-of-way costs of the Federal-aid highways program, District of Columbia government, dated July 1967 (with an accompanying report); to the Committee on Government Operations.

TEMPORARY ADMISSION INTO THE UNITED STATES OF CERTAIN ALIENS

A letter from the Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered granting temporary admission into the United States of certain aliens (with accompanying papers); to the Committee on the Judiciary.

REPORT ON HIGHWAY SAFETY PROGRAM STANDARDS

A letter from the Secretary of Transportation, transmitting, pursuant to law, a report on highway safety program standards (with an accompanying report); to the Committee on Public Works.

MEMORIAL

The PRESIDENT pro tempore laid before the Senate a joint memorial of the Legislature of the State of Oregon, which was referred to the Committee on Interior and Insular Affairs, as follows:

ENROLLED HOUSE JOINT MEMORIAL 7

Whereas establishment of an Oregon Dunes National Recreation Area under the administration of the United States Forest Service would end a controversy over the proper treatment of this area that has continued for nearly a decade; and

Whereas establishment of such recreation area would avoid condemnation of private property and the absorption of tax-paying lands by the Federal Government, which would deprive local government and schools of part of their support; and

Whereas establishment of such recreation area would permit continuation of revenues received by the United States Forest Service from the sale of timber therein, which would be discontinued if such area were under the jurisdiction of the National Park Service; and

Whereas establishment of such recreation area at an early date would permit the United States Forest Service and the State of Oregon to proceed with plans for additional campsites and other tourist facilities now delayed because of the uncertain future of this area; and

Whereas establishment of such recreation area would stabilize conditions in the Florence-Reedsport-Coos Bay area by removing uncertainty as to the future ownership of lands in and near the dunes; now, therefore,

Be It Resolved by the Legislative Assembly of the State of Oregon:

(1) The Congress of the United States is memorialized to enact legislation placing under the United States Forest Service the area to be known as the Oregon Dunes National Recreation Area, located south of the Siuslaw River and north of Tenmile Creek. The Congress is memorialized further to insure the unqualified continuation of domestic and industrial water supplies within such area.

(2) A copy of this memorial shall be sent to the presiding officer of each chamber of the Congress, to the Secretary of Agriculture, to the Secretary of the Interior and to each member of the Oregon Congressional Delegation.

DEPARTMENT OF AGRICULTURE ANNUAL APPROPRIATION BILL—REPORT OF A COMMITTEE (S. REPT. NO. 395)

Mr. HOLLAND. Mr. President, for the Committee on Appropriations I report favorably, with amendments, at this time the annual appropriations bill for the Department of Agriculture and related agencies for 1968, which is H.R. 10509.

I ask unanimous consent that the report of the committee be printed and I advise the distinguished majority leader that the committee will be ready for the taking up of this bill on the floor of the Senate at any time it suits the convenience of the leadership.

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

Mr. HOLLAND. I yield.

Mr. MANSFIELD. I am delighted that the Senator from Florida brought up this matter. Would the Senator be averse to taking up this appropriation bill on Thursday or Friday of this week?

Mr. HOLLAND. Not at all; any day on which the majority leader sets it. I have no instructions from the committee as to any particular day. I am sure that the committee will agree that the matter should be handled as expeditiously as possible.

The PRESIDING OFFICER. The report will be received and the bill will be placed on the calendar; and without objection, the report will be printed.

BILLS INTRODUCED

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

By Mr. TOWER:

S. 2083. A bill to provide for the transfer of certain functions from the Department of the Interior to the Department of Agriculture; to the Committee on Government Operations.

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

By Mr. COTTON (for himself and Mr. MCINTYRE):

S. 2084. A bill for the relief of the town of Weare, N.H.; to the Committee on the Judiciary.

By Mr. RIBICOFF:

S. 2085. A bill to amend chapter 909 of title 10, United States Code, in order to permit members of the Civil Air Patrol to make purchases in military clothing stores of the Air Force; to the Committee on Armed Services.

TRANSFER FROM DEPARTMENT OF INTERIOR TO DEPARTMENT OF AGRICULTURE OF CERTAIN FUNCTIONS RELATING TO CONTROL OF PREDATORY ANIMALS AND WILDLIFE

Mr. TOWER. Mr. President, I introduce, for appropriate reference, a bill to transfer from the Department of Interior to the Department of Agriculture certain functions relating to the control of predatory animals and wildlife.

This bill is essentially the same as a bill I sponsored in the 89th Congress, S. 1835. The only difference is that since the time that bill was introduced the Division of Predatory Animal and Rodent Control of the Department of Interior has had its name changed and made a part of the Division of Wildlife Services, which in turn is a part of the Bureau of Sport Fisheries and Wildlife. The bill I introduce today takes that change into account.

A number of farmers and ranchers in my State have requested my assistance in having this bill reintroduced. The change is of particular interest to the Texas Sheep and Goat Raisers Association, which feels that a transfer of functions to the Department of Agriculture would be particularly helpful in their efforts to control predatory animals and rodents.

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

The bill (S. 2083) to provide for the transfer of certain functions from the Department of the Interior to the Department of Agriculture, introduced by Mr. TOWER, was received, read twice by its title, and referred to the Committee on Government Operations.

INCOME TAX TREATMENT OF CERTAIN DISTRIBUTIONS PURSUANT TO THE BANK HOLDING COMPANY ACT OF 1956—AMENDMENT

AMENDMENT NO. 224

Mr. MORTON submitted an amendment, intended to be proposed by him, to the bill (H.R. 4765) relating to the income tax treatment of certain distributions pursuant to the Bank Holding Company Act of 1956, as amended, which was referred to the Committee on Finance and ordered to be printed.

ADDITIONAL COSPONSORS OF BILLS AND CONCURRENT RESOLUTION

Mr. BYRD of West Virginia. Mr. President, on behalf of my colleague, the senior Senator from West Virginia [Mr. RANDOLPH], I ask unanimous consent that, at the next printing of the bill S. 780, the Air Quality Act of 1967, the names of Senators BAYH, MONTOYA, SPONG, COOPER, BOGGS, MURPHY, and BAKER be added as cosponsors.

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

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from Connecticut [Mr. RIBICOFF], I ask unanimous consent that, at its next printing, the name of the Senator from Wyoming [Mr. HANSEN] be added as a cosponsor of the bill S. 1593, to amend title XVIII of the Social Security Act to permit payment to an individual for the charges made by physicians and other persons providing services covered by the supplementary medical insurance program prior to such individual's own payment of the bill for the services involved.

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

Mr. ALLOTT. Mr. President, I ask unanimous consent that the names of the Senator from Minnesota [Mr. MONDALE] and the Senator from Maryland [Mr. BREWSTER] be added as cosponsors of Senate Concurrent Resolution 25, to express the sense of Congress with respect to an investigation and study to determine the potential of railroad passenger and mail transportation in the United States, at the next printing.

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

NOTICE OF HEARINGS OF SUBCOMMITTEE ON FEDERAL CHARTERS, HOLIDAYS, AND CELEBRATIONS, OF THE COMMITTEE ON THE JUDICIARY

Mr. DIRKSEN. Mr. President, as chairman of the standing Subcommittee on Federal Charters, Holidays, and Celebrations of the Committee on the Judiciary, I wish to announce that a public hearing has been scheduled on S. 1217, a bill to provide for uniform annual observance of certain legal public holidays on Mondays, and for other purposes.

The hearing on S. 1217 will be held on Wednesday, July 26, 1967, commencing at 10 a.m., in the Judiciary Committee hearing room 2228, New Senate Office Building.

Any person who wishes to testify or to submit a statement for inclusion in the record should communicate with the Subcommittee on Federal Charters, Holidays, and Celebrations, room 2226, New Senate Office Building.

NOTICE OF JOINT PUBLIC HEARING ON S. 2061

Mr. PELL. Mr. President, on behalf of the Special Subcommittee on the Arts and Humanities of the Senate Committee on Labor and Public Welfare, I desire to give notice that a joint public hearing with the House Special Committee on Labor has been scheduled for Wednesday and Thursday, July 12 and 13, at 9:45 a.m., in room 4230 of the New Senate Office Building. The joint hearing will be on S. 2061, amendments to the Arts and Humanities Act of 1965 proposed by myself and Senators YARBOROUGH, GRUENING, JAVITS, KENNEDY of Massachusetts, and WILLIAMS of New Jersey.

At the indicated time and place, persons interested in the above bill may make such representation as may be pertinent.

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

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

By Mr. SCOTT:

Statement by him relating to 60th anniversary of American-Hungarian Federation.

TROOP REDUCTIONS IN EUROPE

Mr. SYMINGTON. Mr. President, an editorial in the Washington Post of Monday, July 10, "Germany's Forces," notes that the German reduction of troops will be 61,000 down to 400,000.

This will mean that the number of U.S. military forces in Europe will be roughly comparable to the number of German forces in Germany.

Sometime back an effort was made by

some of us to reduce U.S. commitments in Germany, with major negative reactions from many people over there and over here.

Later, the British notified the United States that they would have to reduce their forces in Germany; whereupon we suggested that they request the Germans to pay for the troops that the British planned to take out of Germany.

This the Germans said they could not do, so as usual the United States ended up by putting up the millions involved in keeping the British troops at that level in Germany.

The question we might ask now is a simple one: "How long can our money hold out?"

I ask unanimous consent that the editorial in question be printed at this point in the RECORD.

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

GERMANY'S FORCES

The level of forces arrangements for NATO, so recently concluded after so much anguishing diplomacy, now seem about to become unstuck because of reductions in the military budget of West Germany.

The economic pressures on the Kiesinger government no doubt are enormous and the United States and other Western governments must share in the concern over Germany's financial problems. The military establishment of the country has been devised to preserve it and not intended to wreck its economy.

The West German government has indicated that there will be discussions with its NATO allies on the proposed changes. The news of the cabinet decisions makes the cut from 461 to 400,000 Bundeswehr troops and the three year reduction of the budget sound pretty final. The NATO conferees may be discussing an accomplished fact, by the time they get around the conference table.

This crisis, like previous ones, no doubt will be adjusted some way within the NATO framework. But the way in which these changes emerge to public view, in the affairs of one NATO partner after another, suggests the existence of something more serious and profound than recurrent financial difficulty. It suggests that in the NATO countries, and among the people of these countries, the real problems of each day's existence loom very much larger than the contingencies for which NATO was established.

It has become politically safer to diminish NATO commitments than it would be to cut other government programs. It may, to be sure, invite possible calamity at some remote future point, but that can be faced by politicians with greater equanimity than present plan.

MEMBERSHIP OF FARMERS IN MARKETING ASSOCIATIONS

Mr. AIKEN. Mr. President, on January 11 of this year I reintroduced S. 109, with several cosponsors, to prohibit coercion and discrimination against farmers who are or want to become members of marketing associations.

The bill is a revison of similar legislation introduced in the 89th Congress on which hearings were held by a Senate Agriculture Subcommittee.

S. 109 is simply a fairplay bill for farmers, and it is interesting to note that among its principal opponents are processing and handler corporations for fruits, vegetables, cotton, and grains who have expanded their operations abroad to include production of the raw materials they handle, thereby directly competing with our own agricultural producers.

Hearings were held on the current bill by the Subcommittee on Agricultural Research and General Legislation on May 2, 4, and 11, and these have been printed and distributed.

The general manager of the California Canning Peach Association, Mr. Ralph B. Bunje, testified and stated that several of the large cannery companies in California were not opposed to the bill.

The colloquy is as follows:

Senator AIKEN. Are all of the canneries opposed to this bill?

Mr. BUNJE. No. I know personally that several of the large companies in California are not opposed to the legislation. In fact, they are in favor of it. There are, also, some small ones.

Senator AIKEN. Those are the companies that do not want to be unfair, anyway.

Mr. BUNJE. I do not think that any of the companies want to be unfair. We have never found that is the case.

Senator AIKEN. Sometimes difficulties come up.

When the representative of the National Canners Association testified, he introduced into the hearing record a telegram from Mr. M. A. Clevenger of the Canners League of California.

In his telegram to the National Canners Association, Mr. Clevenger made the following statement with respect to the statement of Mr. Bunje:

As Executive Vice President of the Canners League of California, which association represents ninety-six per cent of the total California canned fruit and vegetable production, including independents and cooperatives, it is my duty to inform you that this statement is not correct and is in contradiction to action taken by our membership at our annual meeting on March 13, 1967 at Santa Barbara, California.

The effect of this statement was that Mr. Bunje's statement not only was contradictory to the action taken by the Canners League of California, but also was incorrect.

I have received a letter from Mr. Bunje containing a copy of a wire subsequently sent by Mr. Clevenger to Senator JORDAN of North Carolina, chairman of the subcommittee, clarifying his previous telegram.

Since the hearings have been printed, I ask unanimous consent that Mr. Bunje's letter be printed in the RECORD, in order that there will be no question on the correctness of Mr. Bunje's statement during the hearings.

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

SAN FRANCISCO, CALIF.,
July 3, 1967.

Senator GEORGE AIKEN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR AIKEN: You may be interested in knowing that the Executive Vice President of the Canners League of California has sent the following telegram to Senator Jordan concerning my statement before his committee in connection with Senate Bill 109. In the event that you have not read or seen the telegram, I am setting it forth herewith.

"Hon EVERETT B. JORDAN,
"U.S. Senate,
"Washington, D.C.:

"In my wire of May 3, 1967, regarding S. 109, and the position of the Canners League of California relating thereto, I advised you that Mr. Bunje's statement was in contradiction to action taken by our membership in their annual meeting of March 13, 1967, in Santa Barbara, California. It has been suggested to me that my wire also might be construed to imply that Mr. Bunje did not know of any canner or canners who favored S. 109. This was not intended. I, of course, have no way of knowing whether or not he has any such knowledge. Otherwise, the statement in my wire stands. Please make this wire a matter of record for your committee.

"M. A. CLEVENGER,
"Canners League of California."

I think you can determine from Mr. Clevenger's telegram that my statement to the effect that certain canners from California were not opposed to S. 109 was in accordance with the facts notwithstanding the efforts on the parts of the canners association to make it appear otherwise. Please accept my warmest regards and best wishes.

Yours very truly,
RALPH B. BUNJE,
General Manager, California Canning Peach Association.

ORDER OF BUSINESS

Mr. SYMINGTON. Mr. President, I ask unanimous consent to proceed for 5 minutes.

The PRESIDING OFFICER (Mr. BYRD of Virginia in the chair.) Is there objection? The Chair hears none, and it is so ordered.

"PRACTICE NINE"—A MAGINOT LINE FOR SOUTH VIETNAM?

Mr. SYMINGTON. Mr. President, several weeks ago, a story appeared in the press which implied that the Defense Department planned an extensive maginot line installation below the DMZ in South Vietnam; and in recent months, some of our colleagues have mentioned this possibility on the floor of the Senate.

I am one who trusts that this strange theoretical idea does not become a reality; because the idea is just that, theory, because any such chain of forts would be tremendously costly, and because, for many reasons, the concept would not work.

When I was in the Far East back in December of 1965, a member of the State Department advanced to me for the first time this idea of a defense line to be drawn across northern South Vietnam, with wire, the forts in question, new gadgets, and so forth.

I thereupon checked the thought out with members of the various military services and found them unanimous in belief that such a scheme would be costly, impractical, and ineffective to the point of being plain silly.

How many times in recent years have the American people read in the press that U.S. forces had cornered a large North Vietnam contingent and were moving in for their capture or destruction, only to hear later that the enemy had successfully slipped away and thereby avoided the trap.

If this has often been true in areas of a few hundred yards, consider how in-

finitely more fruitless it would be to, in effect, make the same effort in an area stretching over mountainous jungle for a great many miles.

There are other reasons I would doubt there is any such plan to put any such scheme in operation. It would imply that the United States plans to stay in Vietnam for a long period of years, at an additional cost of tens of billions of dollars, with hundreds of thousands of the best of our young Americans remaining in Vietnam indefinitely, on a basis comparable to that which has resulted in hundreds of thousands of these same type young Americans remaining in Europe—where they are now—for nearly a quarter of a century.

One also should ask whether it would be best to put the additional billions involved in such a maginot line, or whether the required money might better be spent to combat the increasing problems of our cities, the critical needs incident to the education of our youth, the control of floods, and water and air pollution control.

I ask this now because many of our fiscal and monetary experts are becoming increasingly apprehensive about the integrity of the U.S. dollar, a problem continuously exacerbated by the heavy U.S. military expenditures now being made all over the world, especially in Vietnam.

A primary reason for not believing such a plan is being prepared for implementation, however, is the fact that, even in executive session, said plan has never been discussed with either the Senate Armed Services Committee or the Senate Appropriations Committee. Obviously, therefore, not only has no money been appropriated to implement the plan, but none has even been authorized.

We all know mistakes have been made in Vietnam, political and economic as well as military; and no individual, no single group, can be held responsible for all of them. Let us not compound these mistakes, however, by now trying to construct any such maginot line. We have enough troubles already, domestic as well as foreign. We should not, we cannot, be the world's policeman.

An editorial in the Washington Sunday Star of July 9, "The Outlook in Vietnam—More Hard Going," states in part:

> There are some who advocate "sealing off" Vietnam south of the demilitarized zone to prevent further infiltration. This looks good on paper, but it would require a very large number of troops—troops who could be used to much better advantage for such other purposes as the search and destroy operation. We will, of course, use all kinds of devices to help detect infiltrating troops. As far as we can learn, no serious consideration is being given to the "human wall" scheme at this time.

Let us earnestly hope these thoughts, as expressed in this editorial, are correct. The plan to some may look good on paper. From a practical standpoint, however, it makes little sense.

The only way to attain possible success in this Vietnam adventure is to utilize in normal fashion our technological superiority in the air and on the sea.

For years I have believed, and have so stated, that any other course would never show light at the end of the tunnel of this long war.

As mentioned at the beginning of this short talk, my apprehension about this matter grew after reading a paragraph in the Periscope of Newsweek. I ask unanimous consent that this paragraph, "'Practice Nine' for the DMZ," be inserted at this point in the RECORD.

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

[From Newsweek, June 19, 1967]

"PRACTICE NINE" FOR THE DMZ

Pentagon sources say that Defense Secretary McNamara is giving unusually strong encouragement to research designed to develop an electronic infiltration barrier across Vietnam's 17th parallel. The project, codenamed "Practice Nine," would use a variety of electronic devices to detect any movement from the north across the DMZ. "Practice Nine" could cost $3 billion to $5 billion and require 250,000 mobile troops to respond to alarms.

Mr. TOWER. Mr. President, I wish to commend the distinguished Senator from Missouri [Mr. SYMINGTON] for his timely and wise remarks relative to Vietnam and our military posture there. There is a great deal of wisdom in what the Senator has said, and he reflects the professional military judgment. I hope that many people will read the material which he placed in the RECORD. I thank the distinguished Senator from Missouri.

EXPANSION OF SANDYLAND RESEARCH

Mr. TOWER. Mr. President, recently the Big Spring Field Station Advisory Board at Stanton, Tex., met and passed a resolution concerning expansion of sandyland research.

A copy of the resolution was sent me by the Chairman of the Research Advisory Board, Mr. Jack Buchanan, who pointed out in his letter that the winter and spring of 1967 have been dry and the need for expanded research on wind erosion and moisture conservation on sandy soils is very evident at this time.

I ask that the resolution be printed in the RECORD.

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

> The Advisory Board for the USDA, Big Spring Field Station, recognizes the need for research to insure a strong stable agriculture on the dryland sandy soils of the Southern Great Plains. We as members of this Advisory Board represent all phases of the agriculture industry in West Texas and ask your support for the following resolution:
>
> "Whereas, the 40,000,000 acres of sandylands in the semiarid Southern Great Plains have an irregular weather pattern causing problems unique to this area and;
>
> "Whereas, the Southern Great Plains has a great potential for agricultural production;
>
> "Whereas, the USDA, Big Spring Field Station is situated in this area and is conducting research on sandy soils; and
>
> "Therefore, be it resolved that the USDA, Big Spring Field Station be expanded into a Regional Research Center to insure an adequate supply of food and fibre to meet the needs of our growing population."

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may be allowed to proceed for a period not to exceed 20 minutes. I shall not take that much time.

The PRESIDING OFFICER. The Senator from Montana is recognized for 20 minutes.

VIETNAM

Mr. MANSFIELD. Mr. President, yesterday a thoughtful, considered speech was made by our colleague, the distinguished Senator from New Jersey [Mr. CASE]. The subject was Vietnam. One does not have to agree with every thought contained in that speech to recognize it as constructive and helpful. It showed a facing up to the realities in the situation in that unhappy country. It was the work of a concerned, responsible American carrying out his responsibilities as an elected Member of the Senate. It was an expression of an effort to be helpful to our country by advancing ways and means which might provide a way around the impasse in which we find ourselves in Vietnam.

Our distinguished colleague from New Jersey [Mr. CASE] is to be commended for the sense of sober responsibility which he has shown. I would hope that what I have to say will be useful in the same sense.

The most difficult subject to talk on today is the question of Vietnam. Regardless of how one feels about it, it is an issue which is in the mind of everyone. It is an issue which overshadows all else.

For several weeks, events in the Middle East have held the attention of this Nation and the United Nations. It is not surprising that interest in the situation there is high. What transpires at the crossroads of Asia, Europe, and Africa has long been of many-sided concern to the world.

It is time to note, however, that for the most part the guns are silent in Sinai and along the other frontiers of Israel. All the while, though, they continue to shatter the stillness at the 17th parallel in Vietnam. Even as the last of the fallen from the recent desert war are counted, the dead continue to pile up in Vietnam. If the plight of the refugees from less than a week of conflict in the Middle East weighs heavily on the human conscience, what is to be said of the immense accumulation of the uprooted and homeless after years of war in Vietnam?

It does not minimize the recent clash in the Middle East to point out that a reasonably effective cease-fire has been achieved and the central concern is now the design of a peace which will inhibit another outbreak of war. That is a far cry from the situation in Vietnam. In that tortured nation, the beginnings of the beginning of peace are not yet in sight. There is not even a glimmer of the end.

To be sure there is a continuing danger of a third world war emerging from the local war in the Middle East. The birth of a conflict among the great powers will remain a possibility in the ab-

sence of a durable settlement among the small powers of that region. Who will say, however, that a third world war is not already incubating in the ever-deepening and expanding struggle in Southeast Asia?

It seems to me that whatever the angle from which these two situations are viewed, Vietnam remains the most serious disruption in the well-being of this Nation and it constitutes for the United Nations, the most urgent threat of a third world war. That appears to me to be the reality and it would be well to keep in touch with it.

The need is especially acute at this time when, once again, we are apparently approaching a fork in the road in Vietnam. The harbingers of significant decision have emerged in the form of obscure "official" rumblings, rumors, and revelations concerning Vietnam. The search, it is said, is being renewed for a "more effective and extensive" use of airpower against North Vietnam which, may I say, is probably another way of asking why Hanoi and Haiphong are not bombed into extinction. There is talk of again lifting the American manpower commitment in Vietnam—not much, it is said, just another 100,000 or 2 in the next few months—to add to the more than half million or more men presently engaged in and around Southeast Asia. Ironically, this talk of the need for more men comes at a time when it is revealed that only one-sixth or one-seventh of the U.S. troops already in Vietnam are actually involved in combat.

The inference of these rumblings, rumors, and revelations is that one further step in military escalation will carry us over the top. The implication is that one additional reach of American military power deeper into Southeast Asia will bring the sun of final victory out from behind the restraining clouds.

And once again, Mr. President, the Secretary of Defense has gone to Saigon to make a firsthand evaluation of the situation. According to the press he has heard and accepted the most encouraging reports of "progress" toward our "objectives" in Vietnam. While I do not in any sense question the accuracy or the objectivity of the evaluations which he has received, it must be asked in all frankness what is meant by "progress" toward our "objectives" in the context of the present situation in Vietnam? In all frankness, it must be said that these generalizations of progress would be more reassuring if they had not been heard from American leaders in Vietnam at many other times, stretching years into the past. Indeed, I know of no American leader, military or civilian, in Vietnam during the past decade or more who has contended that we were doing anything else except making "progress" toward our "objectives."

The fact is that reports of progress are strewn, like burned out tanks, all along the road which has led this Nation ever more deeply into Vietnam and Southeast Asia during the past decade and a half.

They were present when the sole function of American military personnel in Vietnam was that of aid suppliers to the French-commanded Vietnamese loyalist forces. They were present when our military functions in Vietnam evolved into that of trainers and advisers of the South Vietnamese forces, to that of air transporters and supporters, to that of combat bulwarks and, finally, to that of combat substitutes for the South Vietnamese forces.

The generalization on progress, in short, is the ever-present beat which is to be heard throughout the transition of the American military role from the most remote and invisible rear to the most forward and conspicuous front of the Vietnamese war. It has been present, this promise of progress, as the casualties in our forces in dead and wounded have increased from less than 10 a year, to 10 a month, to 10 a week, to 10 a day, to 10 an hour of every hour of every day. It has been present as the estimated expenditures of the Federal Government for Vietnam have increased from a few hundred million a year, to $2 billion, to $12 billion, to the current level of probably not less than $25 billion a year.

May I say that I have remarked on these overlooked and negative aspects of the Vietnamese situation, not in criticism of our leaders in Vietnam or of the Secretary of Defense, or the President. These men have carried the immense responsibilities of the war with integrity and personal dedication. I have raised them, rather, in the hope of introducing a measure of historic perspective into the consideration of the question of Vietnam as we approach, apparently, another point of significant decision. And may I add that there are other aspects of the question which should be raised in order that the problem of Vietnam may be also seen in the full scope of its worldwide ramifications.

Yes, Mr. President, we can put another 100,000 men into Vietnam or, I suppose, 200,000 or even more; there are a lot of young Americans, even though the supply is not unlimited. Yes, we can mine the harbor of Haiphong as we have already mined the rivers of North Vietnam; we have most effective mines and the best sowing techniques. Yes, we can level the city of Hanoi as we have leveled its power plants; we have the ordnance, as the circumlocution for bombs now puts it.

It is to be hoped, however, that before we embark on this course of expansion toward total war in Vietnam, we will pause for a long and sober think. Before we take another significant step deeper into Vietnam, it is to be hoped that we will have asked ourselves at what point we intend to increase taxes, apply the wage and price controls, tighten the draft exemptions, call up the Reserves, and make the countless other adjustments in our national life which are implicit in further extensions of the American involvement.

It is to be hoped that we will have asked ourselves, too, Mr. President, at what point in this ever-increasing infusion of American men and power into South Vietnam we reduce the present Vietnamese politico-military structure which is based on Saigon to a final irrelevancy.

It is to be hoped that we will have asked ourselves what indiscriminate bombing in North Vietnam may have in common with any objectives of the United States anywhere in Vietnam or Southeast Asia. It is to be hoped that we will have asked ourselves what interests of the Vietnamese people—in whose interests we were prompted to go into Vietnam in the first place—will be served by the bombing of combatant and noncombatant, in Hanoi and Haiphong?

And it is to be hoped that we will have asked ourselves about the next step beyond the bombing of Hanoi and Haiphong if that, too, should fail, as every other escalation to date has failed to bring this conflict to a conclusion.

We have the power, Mr. President, to bomb the Vietnamese back into the Stone Age. And if that power is unsheathed once in error, we had better be prepared to move back into the caves, along with the Vietnamese, and the rest of the world.

It is to be hoped that before plunging deeper we will have asked ourselves at what point that which began as limited U.S. aid to the South Vietnamese military becomes wholly an American war against all Vietnam, becomes a war in Korea, becomes a war in the Formosan Straits, becomes a war with China. And while we are asking we had better ask ourselves, finally, at what point in this ever-widening compass of conflict—at what point along the road to world war III—the Sino-Soviet breach is finally healed? And, thereafter, at what point a new eruption occurs at Berlin or some other pressure point of potential universal conflict?

These are questions, Mr. President, which General Westmoreland and Ambassador Bunker are not equipped and ought not to be required to answer from Vietnam. They are questions which Secretary McNamara ought not to be expected to answer on the basis of a visit to Saigon. Yet, they are questions of great relevance, along with reports of "progress" toward our "objectives," in any decisions involving Vietnam. They are questions for all of us.

Quite apart from the answers, may I say, the very pertinence of the questions suggests to me the need for the greatest restraint in any further increases in the American involvement in South Vietnam or in any expansion of that conflict beyond its present geographic dimensions. Indeed, the very pertinence of these questions urges a renewed effort to reduce the present level of American involvement. In this connection, I would refer once again to the recent proposal of the Senator from Kentucky [Mr. COOPER] to limit bombing in the north to areas of immediate relevance to the infiltration of supplies and men across the 17th parallel into the south. I would refer once again to the proposal to concentrate a military effort on the construction of a defensive barrier just south of the demilitarized zone at the 17th parallel across Laos to the border of Thailand which can be held by South Vietnamese forces. And I would refer once again to the suggestion that this Nation move to have the U.N. Security Council regard the situation in Vietnam at least with

the equivalent concern which it shows for the Middle East. We owe it to the Americans whom we have sent to Vietnam, to ourselves, to the Vietnamese, and to the world, to try to bring about a face-to-face confrontation of all involved in Vietnam at the U.N. Security Council.

We need to continue this initiative, based on the U.S. resolution before the U.N. Security Council since January 1966, so that the world may know what kind of peace is sought and by whom. We need to continue this initiative in order that no stone may be left unturned in the effort to bring about a cease-fire and honorable settlement of this ugly war.

We cannot and should not withdraw. We should not and, I hope, will not enlarge the war in Vietnam against the north. The most important question which confronts this Nation at this point is not the Middle East. It is not domestic policies. It is the situation in Vietnam. That will continue to be the case and all else will be subordinate until this conflict can be ended in a fashion which preserves the integrity of political choice of the people of South Vietnam.

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

Mr. MANSFIELD. I yield.

Mr. AIKEN. Mr. President, I have listened very carefully, but without any great degree of optimism, to the remarks of the majority leader of the Senate.

It is unfortunate, Mr. President, that the advice of the majority leader has not been accepted by the administration to the same degree as the advice of certain military leaders who have far more knowledge of weapons than they have of people.

I have no particular use for Monday morning quarterbacks, although I recognize there is a great opportunity for their talents in consideration of the situation in Vietnam. I am getting letters now from people who once thought that a short foray into North Vietnam by our planes would bring the war to an early close. Their excuse for not winning the war is that it has not been wide enough, it has not been intense enough, and now they go so far as to say we should, if necessary, destroy all of North Vietnam's resources. What they apparently mean is that we should use the atom bomb.

I do not know whether they have thought through well enough the effect of such action; whether they have considered that our position in history, if we used the atom bomb in North Vietnam, would be more glorious or not, assuming that history is permitted to continue—and it can be destroyed. But I do hope that they are considering the cost. When you talk of dollars and cents, they really understand that.

I suppose Secretary McNamara will be back very shortly from his trip to South Vietnam. I expect that he will recommend intensification and probably some increase in armed services personnel in that part of the world. But before expanding—whether he recommends expansion or not—we should consider whether we are willing to pay the cost.

Senator MANSFIELD and I were told by the highest military authorities what we have in Vietnam, that it takes 10 regulars to cope with one guerrilla. I do not know how much of the opposition over there is in organized units and how much is in the form of guerrillas. I think it is safe to say there are 50,000 or 100,000 who would qualify as guerrillas still operating in Vietnam. Multiply that by 10 and you find that no insignificant number of our forces can cope with them. Even half a million cannot cope with them. Probably a million might be able to control the situation and restore a semblance of order in South Vietnam itself.

We hear that the administration now says we must have a tax increase to meet these additional costs. They have already moved around figures relating to the financial condition of our Government until they really cannot move any further without a tax increase. They talk about a 6-percent increase. More recently we heard it might go to 10 percent. People who know Government financing say it will require an 18- to 20-percent surtax on the income taxes of this country to meet the additional costs which have been incurred over in Southeastern Asia.

I would like to ask these people who are so free with their advice as to what we should do over there, and who suggest exterminating North Vietnam, whether they would be willing to impose the additional taxes needed, whether they would be willing to remove their own tax benefits, particularly those who are making untold millions of dollars out of furnishing supplies and operations for our wars. Are they willing to have wage and price controls imposed, which, if we are to have an increase in the war effort, must come?

They talk about inflation, about only a 2- to 3-percent inflation over the past year or so, or maybe 3 or 4 percent. The inflation has come in the things which the people have to have, and the only reason why the percentage is held down is that included in that estimate of the inflationary gain—or loss, I would call it—are all the things they do not have to have. But if you are sick today, if you have a child needing an education, if you need a home, you will find the cost has gone up 20 percent, rather than 2 percent, the last year or so.

I have no advice to give the administration. They would not take it if I gave it. So what is the use of wasting my breath?

I do not think it was a smart move that we made in Africa. I was very much interested that on this floor statements were made in which they got good advice from people far better advised in military tactics than I am. I hope they will use reason.

I would like to see someone in our Government admit making a mistake. It would make him a big person. I have often thought that anyone in a high position in Government ought to make one mistake so he can admit it and gain or regain the respect of the people.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from Vermont for his frankness as well as his kind remarks.

May I express the hope that we will continue to ask ourselves questions, be aware of the potentials and the possibilities involved in that area of the world, and compare them with our own vital interests.

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

Mr. MANSFIELD. I am delighted to yield to the distinguished Senator from Missouri.

Mr. President, I ask unanimous consent that we may proceed for an additional 5 minutes.

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

Mr. SYMINGTON. Mr. President, I respectfully commend the able senior Senator from Montana, our majority leader, for his thought-provoking talk this morning. With most of it I agree; with some I do not.

It is unfortunate to hear the casual way people often discuss indiscriminate bombing. The concept of air power, as recommended, is against meaningful military targets only, and does not involve destruction of towns. The basic idea behind those who believe in Air Force and naval air is that the more artillery and guns destroyed by the Air Force and the Navy in North Vietnam, the fewer Americans will be killed in South Vietnam.

I was saddened to hear the Senator from Vermont, in discussing this matter a few moments ago, talk about the fact people who do not believe in turning this entire war over to ground forces could be people who want to drop the atom bomb in Vietnam. I have heard no military man, at any time, recommend the dropping of the atom bomb in this Vietnamese war.

What we are becoming steadily more involved in today is a major ground war in Asia. If we would utilize—on military targets only—our airpower and seapower, we would have far better results than we are having, or would have if we turned the entire war over to ground forces.

Nobody has greater respect for the Army and Marine Corps than I. On the other hand, it has been proved by the history of past wars that have been successful—far more successful than any results we have achieved to date in Vietnam—that a team of land, sea, and air is far more effective in modern engagement than employing ground forces alone.

Let those who apparently have no faith in airpower, used only on military targets, bear with me in the telling of just one story.

In December 1965, at a U.S. base, a bird colonel said to me, "I am a Regular, proud to fight for my country. But I don't see why I do it under all these restrictions. Several times a week I fly in a multimillion-dollar airplane, in order to bomb an empty barracks or an empty bus."

One year later, I was back at that same base, and asked, "How is my friend Colonel Nelson? Has he gone home, or is he still here?"

The reply was, "No, he got his on his 77th mission, attacking one truck."

It is unfortunate that some people do not realize, if you attack, say, a powerplant in North Vietnam, the casualties to the North Vietnamese would be very

few—probably not more than a half dozen people.

Anyone who understands a powerplant operation knows that to be true. But the attack might save many American lives in South Vietnam.

On the other hand, for a great many months, pilots of the Navy and Air Force have been allowed to conduct armed reconnaissance. They can go up a road where a bus is moving and destroy it. They have no idea, of course, whether in that bus are soldiers or schoolchildren.

Rules and regulations governing the action of a single pilot in a single-engine airplane have run as long as seven pages listing what he cannot do. The whole concept of the proper utilization of airpower and seapower, at times, I am sure, inadvertently, is being misstated and becoming misty. We are getting away from any team concept of land, sea, and air, and asking the ground forces to do it all. Mr. President, as stated before, no one has greater respect for the Army and Marine Corps than I, but even if we had a million men in South Vietnam, instead of the half million we approximate today, we would get no further than we have pursuing these unfortunate policies. The trouble is not in North Vietnam; the trouble is primarily with the people in South Vietnam.

Therefore, Mr. President, I hope we do not make this war from here out only a major ground war on the mainland of Asia, which the great military—such as Marshall and MacArthur—have warned against during all this century. It would be far more logical with that premise, to turn it all over to the South Vietnamese Army, not the U.S. Army. But what I do not understand is why anybody would think the poor South Vietnamese would fight any better behind this proposed Maginot line below the demilitarized zone than they have in the rest of their country.

Why not face it? From here out it is the American forces that must do a steadily increasing amount of the fighting if the present South Vietnam Government is to survive.

I thank my beloved friend, the majority leader, for yielding.

Mr. MANSFIELD. Mr. President, I thank the distinguished Senator from Missouri for his frank remarks, to which I have listened with interest. It is evident that there are some matters upon which we disagree, but that is one of the strengths of a democracy, and one of the strengths of the Senate, as I see it, as an institution.

I may some day go into further detail about this barrier below the 17th parallel, because I certainly am in disagreement, to put it mildly, with the thesis advanced by the Senator from Missouri this morning. But it gives us something to think about.

Mr. SYMINGTON. Mr. President, I would only say that perhaps there are things about this proposed barrier which the Senator from Montana knows that I do not know.

For 15 years I have been a member of the Committee on Armed Services; and for many years a member of the Committee on Foreign Relations. There has been no testimony before either committee with respect to any such "barrier." All I know about it is what I read in the newspapers. One gets a bit tired of obtaining military information from the newspapers instead of even in executive sessions with the proper persons from the Department of Defense and State as witnesses.

I know the able majority leader agrees with me on that, and am glad that on many other subjects, such as reduction of our troops in Europe, we are together. It is always a privilege to be together with him in any matter.

Mr. MANSFIELD. I may say to the Senator from Missouri that my information comes only from the public prints; I have no inside "dope."

ONE MAN, ONE VOTE NEEDED FOR CONGRESSIONAL DISTRICTS

Mr. BAKER. Mr. President, especially since the Senate began to consider legislation affecting congressional redistricting, there has been an outpouring of popular sentiment in support of the principle that each man's vote should count as much as the next man's in elections of U.S. Representatives.

The Federal Constitution, good judgment and equity require that any Federal legislation affecting congressional redistricting should strengthen rather than impede the enforcement of this important principle.

Two recent editorials, one published in the New York Times, the other in the Knoxville News-Sentinel, have been particularly timely and thoughtful.

The Times editorial, published today, makes the important point that the Senate's strict prohibition against the discredited practice of gerrymandering is an essential part of the Senate version of the bill and should be retained in the conference report. I thoroughly agree.

The editorial in the News-Sentinel develops in more detail how malapportionment and gerrymandering have in the past denied many American citizens fair representation in the U.S. Congress.

I ask unanimous consent that both of these excellent editorials be printed in the RECORD.

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

[From the New York Times, July 11, 1967]

BAN THE GERRYMANDER

Any compromise on the Congressional redistricting bill reached by the House-Senate conference committee should retain the provision against gerrymandering contained in the original measure passed by the upper house. Senator Ervin's reported desire to knock it out and leave this aspect of the problem to the discretion of the states is in effect an invitation to continue an old and dishonored practice.

The bill will be bad enough if it permits a 20 to 30 per cent variation between the smallest and largest districts in a state until the election of 1972, but it will be far worse if it omits the Senate requirement that districts be compact. Gerrymandering is a notorious, discredited device to perpetuate the party in power; and it will be a disgrace if Congress now sanctions it by silence.

[From the Knoxville (News-Sentinel), June 11, 1967]

CORRECTION BY THE SENATE

Under a principle established by the Supreme Court in recent years, the voters are entitled to representation in both houses of their legislatures on a "one-man-one-vote" basis.

There is good ground for dissent from this ruling, especially on the question of the state voters having a right to choose their own system.

But there is no ground for deviation from this rule when it comes to electing members of the United States House of Representatives. Under the Constitution, the House is to be chosen on a population basis.

In the past gerrymandering and neglect consistently have violated this principle. In Oklahoma, for instance, the population of the Fifth District is more than twice the population of the Fourth District. There is a disparity of nearly 280,000 between the largest and smallest districts in California. Even in Nebraska, where apportionment should be relatively simple, there is a difference of 125,000 in the populations of the congressional districts. These are even worse than a disparity of 112,000 a Federal court has just corrected in Tennessee.

Despite all this, the House recently passed a bill permitting the congressional districts in any state to vary as much as 35 per cent until the 1972 elections. The Senate has just reduced this margin to 10 per cent, a reasonable leeway. In this action, the Senate overruled one of its own committees. And Sen. Howard Baker scored a victory over his father-in-law, minority leader Everett Dirksen.

Now the two houses will try to compromise their differences. There can be only one honest "compromise"—in favor of the public and fair representation in Congress. The House should yield to the more equitable Senate bill.

CHARITY BY INDUSTRY PRAISED

Mr. BAKER. Mr. President, American industry has nearly always responded effectively and prudently to the social needs of our Nation in recent years.

This is a very sensible and practical trend among industrial leaders. Not only does it help the industry involved by stimulating good will among potential customers, but it reduces the necessity for Government to step into areas which should be handled privately if possible and feasible.

Recently, Robert D. Lilley of Short Hills, N.J., in a speech before the annual convention of the New Jersey Circle "K" International, outlined the social role of business.

I commend him and New Jersey Bell Telephone Co. for recognizing human needs and going about the vital task of meeting them.

I ask unanimous consent that an article relating to Mr. Lilley's speech be printed in the RECORD.

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

PRAGMATIC CHARITY—LILLEY CITES BUSINESS' SOCIAL ROLE

Robert D. Lilley, president of New Jersey Bell Telephone Company, said yesterday that the increasing tendency of business organizations to assume social responsibilities has not been prompted "solely by altruism and charitableness."

Lilley said that the willingness of large corporations to direct their power into so-

cially useful channels developed out of the basic insight that business can survive and succeed "only in an atmosphere of liberty, progress and prosperity.

"What's even more important," he said, "is that the business community knows that it either takes an active part in removing obstacles to liberty, progress and prosperity, or it relinquishes initiative."

COLLEGE GROUP

Lilley's remarks were made during a speech in Atlantic City before the annual convention of the New Jersey District of Circle "K" International, the largest college campus organization in the country, with 750 clubs and 14,000 members.

The Circle "K" International is sponsored by Kiwanis International. There are 13 member clubs at New Jersey colleges and universities.

Lilley said he was convinced that business can best demonstrate the effectiveness of free enterprise by being responsive to the nation's human needs.

"What's happening here in the United States is that we've developed a new mix of public and private efforts. It's a mix which we apply, in constantly varying proportions, to the direction of our affairs and the solutions of our problems.

"In the best American tradition, it's a uniquely pragmatic way of getting things done," Lilley said.

WINTHROP ROCKEFELLER DETAILS CASE FOR REVENUE SHARING

Mr. BAKER. Mr. President, almost a year ago, on July 21, 1966, Gov. Winthrop Rockefeller, of Arkansas, spoke in Washington as a Republican candidate for Governor before the International Platform Association's annual convention here in Washington.

Mr. Rockefeller, in his address, underlined the financial dilemma facing the States today and the growing need for the Federal Government to act in the near future to meet this challenge to our traditional system of federalism.

Together with 15 of my colleagues, I introduced a bill—S. 1236—on March 9, which would return a fraction of the Federal revenue to the States for their use without strings attached. While my plan varies from Mr. Rockefeller's in a few details, the underlying principle remains the same—namely, a recognition of the problems of State and local governments and the commitment to face up squarely to the issue without compromising the traditional freedoms and responsibilities of State and local governments.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of Gov. Winthrop Rockefeller's speech of July 21, 1966.

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

REMARKS BY WINTHROP ROCKEFELLER AT THE INTERNATIONAL PLATFORM ASSOCIATION'S ANNUAL CONVENTION, WASHINGTON, D.C., JULY 21, 1966

I. A STEP TOWARD A MODERN FEDERALISM: FEDERAL BLOCK GRANTS TO THE STATES

Today my text comes from Abraham Lincoln:

"The legitimate object of government is to do for a community of people whatever they need to have done, but cannot do at all or cannot do so well for themselves."

My topic today concerns what the American people are today doing through the states and what they are doing through the federal government. The question is whether we really must admit that the states cannot live up to their responsibilities. Is it true that all the services now performed by the federal government are, in the words of Lincoln, something the states "cannot do at all or cannot do so well for themselves?"

My main observation this morning is on a familiar theme: our federalist system is out of balance.

Today there is widespread recognition of the fact that we have let our state governments go into decline and sometimes into decay. We have given more and more power to the federal government. We have given Washington more and more power. In one field after another we give to Washington the power to tax, the power to spend, and the power to control or guide a hundred different areas of our life.

Today even those who wield these powers are somewhat frightened at their size.

Is there no stopping place, no way of slowing down this growth of centralized power? Today many of us are saying: *there has to be a way*. We must slow down the growth of Washington. And we citizens must work harder at the problems of our states.

I am pleased that many of the Democratic Party today agree that we must find ways of restoring a proper balance between state and federal power. I believe most of what I say today concerns problems which cut across party lines.

This morning I shall discuss some specific proposals for starting on the road back to a truly federalist form of government, a balanced federalism.

But first I would like to remind you why those of us who are studying state problems are quite alarmed at present trends.

II. A LOOK AT THE PRESENT BALANCE BETWEEN STATES AND FEDERAL GOVERNMENT

It is time that every citizen took a good look at his state government, took a look at what his state is doing, and what it costs beyond the rate of population explosion. In 1952 all the states employed a total of four million persons. Now they employ eight million persons. Their employees have doubled in 14 years.

Few persons realize that the total amount of money spent by the states has kept going up—and rising at a higher rate than the amounts spent by the federal government. In the twenty years since the war, the states' general spending has gone from $11 billion to more than $64 billion. This rate of increase is many times the percentage of federal increase. I repeat, state expenditures have gone from $11 billion in 1946 to $64 billion in 1966.

The federal budget has now gone over $100 billion a year and the total of the states' budgets will probably go over $100 billion by 1970. That's right—the federal and state budgets will be about equal sometime in the early seventies. Then the states' total will pass the federal government's total. I wish when the two were exactly equal someone would ring a bell. In any case I urge you to watch this exciting race—your money is on both sides.

The States do not have the tax resources which the federal government has developed. Today we cannot go into all the reasons for this. Perhaps there are two main reasons: one, the federal government got there first, and now the state governments cannot come along and tap the same sources, not without screams from the taxpayers. Back of that is the other reason: you and I are citizens of the United States and citizens of some state. But as state citizens we have somewhat sat by for years, while tending to leave things to Washington.

Of course this financial situation is but a reflection of the general neglect we have given our state governments. State governments are providing more services, but we are not at all sure that programs assigned to them will be well-managed.

One writer put it in this gloomy fashion in the *Saturday Evening Post*.

"Nearly every state faces the specter of further federal encroachment into areas it once considered to be its own responsibility. Nearly every state faces a fiscal emergency. Nearly every state is inefficiently and wastefully governed—stymied in its actions by an outmoded constitution. Under many Capitol domes, stagnation reigns.

"For the citizens of the states the results is tragic—bad government in all its frustrating, dispiriting aspects."

I quote this not because I agree entirely with this prophet of doom.

But there is plenty of reason for gloom when one looks at the balance of the states and the federal government. I will give you a few more figures. Since 1954 the debt of the federal government has increased by 20 per cent. But the debts of state and local governments have increased more than 400 per cent.

So we have a situation where all our governments are spending a great deal. The federal government has worked out a smooth and powerful system of taxation.

The states have not developed their own tax resources as they should. In any case the federal government's income tax system goes up with production and up with inflation and so to a degree helps keep the main system in balance.

Meanwhile the states are going broke.

The idea I am discussing with you today is simply the idea of taking some tax money from the rich federal government and giving it to the poor—the states.

This is a simple idea, and I think it is a grandly simple idea. This particular scheme for taking from the rich and giving to the poor will be more complicated than the operations of Robin Hood, but it is still essentially a system for restoring a balance.

III. THE REPUBLICAN "POSITION PAPER"

This year the Republican Party, through its coordinating committee, has approved a position paper proposing an interesting and, we believe, a workable plan for block grants. This morning we have reviewed some of the reasons behind this position, so I will quote only one sentence to you. I believe this makes an excellent point about the current situation, "It is very wrong to do what we are doing—building up an entire system of national fiscal controls on state and local governments without adequate consultation with state and local authorities."

This nation is still too large and varied for Washington bureaus to guide and direct. The states and their governors have different problems, different funds, and different money available. The federal government cannot possibly keep up with the changing picture.

For example, in Arkansas we have a good state hospital for the mentally ill. Through it, we are doing already many of the things which the federal community mental health program would like to see done. Therefore, federal funds—now earmarked for mental health facilities and programs—would be of more use in Arkansas if they were earmarked instead for public education. More money for education is one of our greatest needs.

In this one area of education, from one office of one cabinet department, you might be surprised at the number of different programs and procedures with which local government is expected to cope. I do not see how any reasonable person can expect any national organization, governmental or private, to have so many different systems, in cooperation with local systems.

In our Republican position paper we rec-

ommend a two-way program for returning to the states a share of federal government revenues with *a minimum of strings attached*. We believe this will help the states to solve some of their problems. The proposed program which we have outlined would have two major objectives.

First, it would return to the states a gradually increasing portion of the personal and corporate income taxes collected by the federal government.

This portion for return to the states would start with two percent of the collections in the first year the program is put into effect. The percentage would gradually increase to ten percent in eight years.

The second major objective of the program we are proposing is a system of federal grants to the states in broad, functional areas such as mental health, education, water pollution control, highways, and the like, *with a minimum of supervisory controls*. There should be no federal attempt to dictate the precise nature of these programs. States would thus be free to spend the money in their own way on needs which they find most pressing. In my view this naturally means that all of us as citizens must then take more interest in state government.

The only federal requirements included in the proposal are (A) *that the states should not reduce their own tax collection levied to finance their programs;* and (B) *the provisions of the 1964 Civil Rights Act prohibiting racial discrimination in federally financed programs should apply.*

The formula for returning a portion of personal and corporate income taxes collected by the federal government to the states would be:

One-half of each state's share would be computed on the basis of returning income tax collections to the state in which they originated.

The other half would be computed in a way which would provide some measure of fiscal equalization.

We believe grants by this formula would help the poorer states along with wealthier ones. You should understand clearly that we are not proposing that "block grants" should replace all special grants from the federal government to the states. We *are* saying that this proposed new system could replace some existing grants and prevent unnecessary growth in other areas.

All of you who believe in the principle that the closer government is to the people, the better it works, must be interested in this basic concept.

IV. IN CONCLUSION, SOME OF MY OWN OBSERVATIONS

In closing, I would like to make two points about the dollar cost of big government and about the cost in human terms.

The cost of administering services goes up surprisingly according to the size and nature of the government agency. It simply costs a great deal more for the Veterans' Administration to run a large hospital than it does for a small town to run a hospital.

Surveys have shown that a dollar's worth of government service at the city level costs ten cents. At the county level the same service costs twenty-three cents to administer. At the state level the cost goes up to forty-nine cents.

At the federal level the same dollar's worth of government service costs a dollar and ten cents to provide.

But I believe the dollar cost is only part of this story. As organizations become larger there is also an increasing human cost which no one can calculate. In my own experience, and very likely in yours, too, we all know something of what is sometimes called the curse of bigness. With the same mission and the same money, a big federal agency may be quite different from a small state agency.

It does, after all, make a difference whether you are going to your county courthouse to see friends of yours or friends of your friends in some office. When you arrive it does make a difference whether you are with persons who can understand your language, customs, and your needs.

Even without such factors, the factor of size of itself causes human complications everywhere. I speak from observations of various kinds of large organizations. Beyond a proper size they all tend to be bureaucratic whether they are a government agency, or a business, a university, or a foundation.

Personally I have spent a good deal of time learning about medical centers. In general I am very much in favor of the new regional concept of up-to-date centers for health care.

But I can sympathize with the poor Puerto Rican woman who has to walk in the door of a great hospital. Perhaps it is a medical center with 30 out-patient clinics. That woman has three children, let us say, and over a period of a year that family—with hard luck—manages to have five different kinds of need for health care.

When that woman enters a modern hospital, she needs a guide. As a matter of fact, the Chairman of the Board of the Hospital needs a guide. Of course, he gets one. The woman doesn't have a guide.

She gets lost and sometimes even gets in the wrong place—and may even get the wrong medicine. That woman has to go to five different places in that great modern scientific complex of buildings.

This kind of thing happens. That woman entering the medical center needs something more than she can get from all the computers in Health, Education, and Welfare. She needs more than all the reports she will eventually be given from the laboratories of that medical center. She needs to be helped by a human being, someone who understands her and life.

In my belief we are now looking for a new balance in many areas of American life. In education, we need to put more attention on the humanities. Bigness is a concern here, too. We need, perhaps, many more junior colleges, and no more universities the size of Berkeley.

Of course, we need a proper balance between the public and the private sector of enterprise and spending.

I would urge upon you that you also consider the balance between federal and state resources and powers.

In this case, I think you will find we have wandered away from that balanced federalism which our forefathers planned for us.

The founders of America were colonials who had been misgoverned by a centralized authority far away. They knew this story. It was an old story even then.

If you look at our situation today I think you will agree that we must roll up our sleeves and go to work to make our states strong again. The reason is not anything so simple—or provincial—as merely to make states strong, nor to pursue some narrow concept of states' rights. The purpose is not to serve government but to serve the human needs of human beings. We must bring government back—closer to the people. This proposal would have more of their tax money handled closer to home. It would lead to *more local representation in charge of our taxation.*

This is an old theme, too. In 1966 it is not so revolutionary as it was in 1776.

But I submit this is still an interesting idea, one which in this form is now appealing both to conservatives and liberals. For my part, I hope we can give it a fair hearing and soon give it a real trial.

JUSTICE TOM CLARK—"WHO MODERNIZED THE MACHINERY OF JUSTICE IN OUR TIME"

Mr. YARBOROUGH. Mr. President, our regret at Justice Tom Clark's leaving the Supreme Court is only partly mitigated by our pleasure in having Ramsey Clark as Attorney General and Justice Thurgood Marshall on the Court.

Justice Tom Clark, whom I have known for 36 years, has made a peerless record of service to his country, in the Justice Department and on the Supreme Court. Our public life has been immeasurably enriched by his activities. All of his friends will share my regret that he has left his high official position, but we know that his useful public service will continue.

For 18 years as a Justice of the Supreme Court of the United States, Tom Clark has contributed his experience and wisdom to the decisions of that Court. It is unprofitable to try to characterize the Supreme Court as having "liberal" or "conservative" blocs, and it is unwise to attempt to assign Justice Clark's decisions to such a label. His decisions are marked by a high regard for the law and the courts, and display his independence of mind and great experience as a public and private lawyer. He wrote the opinion of the Supreme Court in such notable cases as Mapp against Ohio and Sheppard against Maxwell, the school prayer cases, and many others. He has left his mark on the history of justice in our country.

Tom Campbell Clark was born on September 23, 1899, in Dallas, Tex.; his father and grandfather were well-known and highly regarded lawyers, one of whom participated as a delegate in the constitutional convention that wrote the present constitution of Texas.

He attended the Virginia Military Institute briefly and served in the U.S. Army before the end of World War I. He returned to the University of Texas and received his B.A., then his LL.B. in 1922.

Tom Clark was engaged in the private practice of law in Dallas with his father and brother until 1927, when he entered the office of the Dallas County district attorney. It has been said that he did not lose a case during his 5 years there. After another period in private practice he joined the Department of Justice in Washington in 1937.

In the Justice Department, Tom Clark held a variety of positions of increasing importance, including work in antitrust and war frauds cases. He rose steadily within the Justice Department, until in May 1945, he was appointed Attorney General by President Harry Truman, with whom he had worked during the Truman committee's investigation of war frauds. Tom Clark's stature continued to grow during his 4 busy years as Attorney General, heading the Department during the active period of litigation resulting from World War II.

Tom Clark's donning of the judicial robes in 1949 did not mean that he resigned from a concern with public affairs. He has been a tireless worker for the cause of improving the administration of justice. He has traveled thousands of miles to encourage groups of lawyers and judges all over the country, passing on to others his enthusiasm for the legal profession's efforts to improve the quality of justice. He has always been willing to bring an inspiring

message on the law to groups across the Nation, and has brought to many a new appreciation of the dignity and authority of the U.S. Supreme Court.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that I might be permitted to continue for an additional 2 minutes.

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

Mr. YARBOROUGH. Mr. President, it was my great pleasure to be present June 12 at a banquet honoring Mr. Justice Clark for his services as the first and only chairman of the joint committee for the effective administration of justice. President Orison Marden of the American Bar Association led a distinguished group of Justice Clark's coworkers for court modernization in paying tribute to his efforts in the following words:

Justice Clark has gladly given us virtually all of his spare time for the past decade. He has been correctly called the travelling salesman of justice. But selfishly we want more—much more of his time and of his unique talent.

And so—though saddened by his loss from the Court—we rejoice that he will now be able to give more for improvements in the administration of justice.

Arthur Vanderbilt spoke truly when he said that judicial reform is no game for the short winded.

Most of us I regret to say are short winded—and a Tom Clark is needed to recharge our batteries and push us forward when we have become discouraged.

Elder Brother of the Discouraged is a title we might well confer upon Mr. Justice Clark.

History will group him with Arthur T. Vanderbilt and John J. Parker as the triumvirate who modernized the machinery of justice in our time.

President Marden rightly singled out Justice Clark's tireless work. Justice Clark has recently accepted the chairmanship of a newly created special committee on evaluation of disciplinary enforcement sponsored by the American Bar Association. This far-reaching study will embrace all aspects of professional discipline. It is but another assignment accepted by Justice Clark for the legal profession. As chairman of the ABA section of judicial administration he spearheaded the movement leading to the establishment of the National College of Trial Judges for training of newly elected or appointed state court judges. Even now, Justice Clark is overseas on a speaking tour enhancing international respect for our system of law and justice.

Mr. President, the National College of Trial Judges is an organization through which trial judges from the various States are called to a few of the great universities in the summer, and the judges spend some weeks there taking courses on how to improve their efficiency as trial judges.

The National College of Trial Judges has elevated the cause of justice in this country immeasurably. It is in its beginning. The number of judges participating has doubled and tripled in the last 3 or 4 years.

Justice Clark's whole career has been a symbol of the quest for justice by our bench and bar. His tireless and contructive labors both on and off the Supreme Court bench have made a record hardly equaled by any other jurist in our Nation's history.

In the whole history of this Nation no other Justice has traveled as much or as far or worked as hard to improve the administration of justice all over the country in Federal and State courts as has Justice Clark, and this record will continue to grow.

Mr. President, I ask unanimous consent to print in the RECORD at this point the remarks of the Honorable Orison Marden, president of the American Bar Association, made at the dinner honoring Justice Tom Clark on June 12, 1967.

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

REMARKS AT TESTIMONIAL DINNER FOR MR. JUSTICE CLARK

We are gathered tonight to honor the first and only chairman of the Joint Committee for the Effective Administration of Justice. When the history of our time is written, I think that the Joint Committee will be credited with some of the most notable advances in the field of judicial administration.

The Joint Committee was organized during the administration of President Seymour, largely through the efforts of his President-Elect, John Satterfield. Sixteen organizations interested in the field of Judicial Administration undertook to cooperate in the work of the Joint Committee. All of these organizations are represented here tonight. The original idea was thus summarized in the first literature issued by the Committee:

"This project contemplates a national effort on the part of the people and organizations interested in the effective administration of justice to bring to trial courts of the several states an optimum of effectiveness. This can be accomplished by bringing those who have encountered and solved existing trial court problems into association with those who are presently groping with the same problems in other localities. By tailoring each program to the needs of the community of judges for which the program was developed, the committee can bring the focus of national interest and experience to answer the local needs of the courts."

The Committee met for the first time in June, 1961, under the chairmanship of Mr. Justice Clark. Its excellent staff was headed by Ernest Friesen, now an Assistant Attorney General, and Gene Heine, now chief of Section Services of the American Bar Association. Pilot programs then agreed upon were so promising that the W. K. Kellog Foundation of Battle Creek, Michigan made substantial grants to cover the work of the Committee for a three-year period.

The major thrust of the Joint Committee's program was educational. Each project—whether state-wide, regional or local in scope—sprang from a request made by someone in the area. Arrangements for each program were made with local people; specific judicial problems of the area were canvassed and judges in other jurisdictions who had faced similar problems were then consulted.

After careful preparation by the Committee and its staff, a conference would be sponsored to which every judge in the locality would be invited, along with experts who had dealt with problems similar to those to be discussed. More often than not these experts were drawn from the ranks of the National Conference of State Trial Judges, which, like the Joint Committee owes much to Justice Clark for its existence and vitality.

In addition to educational seminars for judges, the Committee served as a constant source of information and support to states interested in improving Judicial administration, as well as for bar associations and citizens groups considering proposals for modernizing court structures.

Some fifty judicial seminars were sponsored by the Joint Committee over the three-year period. Out of these came a considerable body of knowledge about the problems of trial courts as well as a group of judge-faculty members that had required considerable expertise and were willing to share it. With this combination available the next logical step was the establishment of a National Judicial College.

In 1964 the National College of State Trial Judges was opened with 96 judges in attendance. In 1965 the College accommodated 104 judges. In 1966 it held two sessions to meet the increased demand for admission. These sessions were attended by a total of 213 judges. This coming summer the two courses sponsored by the College will be attended by some 300 state trial judges.

The College has supplemented rather than supplanted the state and regional seminars which are still being held although the Joint Committee has long since been dissolved. The conferences continue to fill a constant need for discussion and solution of problems generated at the community level.

The work of the Joint Committee has continued although it no longer exists in its original form. This national program to modernize state court systems has led to or encouraged court reorganization in more than twenty states. It has moreover inspired some form of court modernization in almost every state.

The notion that a lawyer, once elected or appointed as a judge, thereby comes fully equipped to judicial office, has been dispelled, I hope, for all time. It is now acceptable for new judges to meet together with others more experienced in judicial work to prepare themselves for the efficient administration of their court. This movement is now being reflected in the Federal judicial system, through legislation now pending in Congress for the establishment of a Federal Judicial Center.

So, as we pay tribute to Mr. Justice Clark tonight, the first and only chief of the Joint Committee, we are also honoring the farsightedness of all of those who participated in the work of the Committee—an excellent example of the effectiveness of collective action in attacking difficult problems of judicial administration.

With this all too brief account of the work of a committee which set a new course for the administration of justice, I will turn now to an introduction of the official representatives of the organizations which formed the Committee and of some of our many distinguished guests.

INTRODUCTION OF HEADTABLE GUESTS

I have a dual representation by virtue of being President of both the American Bar Association and of the National Conference of Judicial Councils.

Mr. Justice Black.

Mr. Justice Douglas.

Mr. Justice Harlan.

Mr. Justice Brennan.

Mr. Justice Stewart.

Mr. Justice White.

Mr. Justice Reed.

The Attorney General, Ramsey Clark.

The Solicitor General, Thurgood Marshall.

Earl F. Morris, Columbus, Ohio, President-Elect, American Bar Association.

Ernest C. Friesen, Jr., Washington, D.C., Assistant Attorney General and Staff Director, Joint Committee for the Effective Administration of Justice.

Lewis F. Powell, Jr., Richmond, Virginia, Vice President, American Bar Foundation.

Herbert Brownell, New York, New York, President, American Judicature Society.

Whitney North Seymour, New York, New York, President-Elect, Institute of Judicial Administration, Inc.

Samuel Langerman, Phoenix, Arizona, Vice President, American Trial Lawyers Association.

Judge Orman W. Ketcham, District of Columbia Juvenile Court, President, National Council of Juvenile Court Judges.

Professor Maurice Rosenberg, New York, New York, Director, Columbia Project for Effective Justice.

Lawrence N. Marcus, New York, New York, Chairman, National Conference of Court Administrative Officers.

Paul H. Gantt, Washington, D.C., President, Federal Bar Association.

At a special table in front of the podium are past members of the joint committee who I should like to introduce in recognition of their contribution to the work of the joint committee.

Justice Louis H. Burke, San Francisco, California, Supreme Court of California.

Professor Delmar Karlen, New York University Law School and Secretary, The Institute of Judicial Administration, Inc.

Judge Alfred P. Murrah, Oklahoma City, Oklahoma, U.S. Court of Appeals, 10th Circuit.

Sylvester C. Smith, Jr., Newark, New Jersey, former President, American Bar Association.

Glenn R. Winters, Chicago, Illinois, Executive Director, American Judicature Society.

John C. Feirich, Carbondale, Illinois, former representative of the ABA Section of Young Lawyers in the Joint Committee.

John Eckler, Columbus, Ohio, ABA Committee on Court Congestion.

The Reverend Edward L. R. Elson, Washington, D.C., National Presbyterian Church.

Albert E. Jenner, Chicago, Illinois, Vice Chairman, Joint Committee for the Effective Administration of Justice.

Chief Justice Robert B. Williamson, Augusta, Maine, First Vice President, Conference of Chief Justices.

Judge Frank J. Murray, now of the Federal District Court, Boston, Massachusetts, past Chairman, National Conference of State Trial Judges, former acting Dean, National College of State Trial Judges.

Bernard G. Segal, Philadelphia, Pennsylvania, Treasurer, American Law Institute.

Frank G. Raichle, Buffalo, New York, President, American College of Trial Lawyers.

Professor Wex S. Malone, Baton Rouge, Louisiana, President, Association of American Law Schools.

Theodore Voorhees, Philadelphia, Pennsylvania, President, National Conference of Bar Presidents and past President, National Legal Aid and Defender Association.

Mrs. Tom Clark.

Tom II.

Mr. Justice Clark.

INTRODUCTION OF JUSTICE CLARK

On this very day, Justice Clark concluded 18 years of distinguished service on the highest court of our land. We view his retirement with such contradictory emotions as sorrow, dismay, joy and relief.

To lose him from the Court is a grievous loss indeed—for he has been a very great justice.

Yet as President Johnson said to some of us recently—candidates for the Supreme Court are not hard to find!

And where can our profession find a man as gifted as this—to serve as the catalyst who can make judges and lawyers and laymen to—move together towards reforms of the legal process so long needed and so long neglected.

Justice Clark has gladly given us virtually all of his spare time for the past decade. He has been correctly called the travelling salesman of justice. But selfishly we want more—much more of his time and of his unique talent.

And so—though saddened by his loss from the Court—we rejoice that he will now be able to give more for improvements in the administration of justice.

Arthur Vanderbilt spoke truly when he said that judicial reform is no game for the short winded.

Most of us, I regret to say, are short winded—and a Tom Clark is needed to recharge our batteries and push us forward when we have become discouraged.

Elder Brother of The Discouraged is a title we might well confer upon Mr. Justice Clark.

History will group him with Arthur T. Vanderbilt and John J. Parker as the triumvirate who modernized the machinery of justice in our time.

TRIBUTE TO A DISTINGUISHED JAPANESE AMERICAN COMBAT UNIT

Mr. FONG. Mr. President, Hawaii's 100th Infantry Battalion—the famed "Purple Heart Battalion" of World War II—observed its silver anniversary with a reunion in Honolulu last month. The occasion recalled the formation of this all-Nisei Army unit 25 years ago and its outstanding battlefield record as the first Japanese American unit to go into combat.

The 100th Infantry Battalion was organized as the Hawaiian Provisional Infantry Battalion on May 28, 1942, on orders of Gen. George C. Marshall, Army Chief of Staff. Its enlisted men and most of its officers were former members of Hawaii National Guard units which were inactivated after the Japanese attack on Pearl Harbor.

Instead of "sitting out the war" under a cloud of suspicion because of their racial ancestry, the Japanese Americans insisted on an opportunity to serve in uniform. They received the support of stanch friends in the local community who had complete confidence in the loyalty of the Nisei to their country. The result was the creation of the first Nisei military unit in American history.

On June 5, 1942, the Provisional Battalion left Hawaii for Camp McCoy, Wis. There it was redesignated as the 100th Infantry Battalion, Separate, or the One Puka Puka, and trained for infantry combat duties. In early January 1943, the 100th was transferred to Camp Shelby, Miss., for further training. It left Camp Shelby on August 11, 1943, and on September 2 debarked at Oran, North Africa. There it was attached to the 34th Infantry Division.

The 100th saw action in Italy beginning September 25, 1943, at Salerno, at Volturno, at the Rapido River, at Cassino, at Anzio beachhead, and on the breakthrough to Rome, prior to its integration into the 442d Regimental Combat Team, though retaining its identification as the 100th Battalion of the 442d Regiment.

In its rugged fighting through some of the more difficult battles of the early Italian campaign, the 100th earned its place in the military annals of our country, being given the identification as the "Purple Heart Battalion" because of its heavy battle casualties. Indeed, it suffered so many casualties that most of the 1st Battalion of the 442d were used as replacements, so that when the 442d was sent overseas in May 1944, it sailed minus its 1st Battalion.

The 25th anniversary of the 100th was celebrated a fortnight ago by Club 100 together with other Nisei veterans groups—the 442d Veterans Club, the Military Intelligence Service Veterans Club of Hawaii, and the 1399th Engineers Group. Hundreds of Nisei veterans and their families from the mainland United States joined their hosts in Hawaii for the reunion.

A timely editorial, entitled "Twenty-five Years Later," was printed in the Honolulu Star-Bulletin on June 28, 1967. 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:

[From the Honolulu Star-Bulletin June 28, 1967]

TWENTY-FIVE YEARS LATER

Twenty-five years ago this month, 1,300 young men of the Hawaiian Provisional Infantry Battalion sailed from Oahu for war duty. On the battlefields of Europe, they wrote indelible pages in our nation's history as the bemedaled 100th Battalion.

This week they are holding their Silver Anniversary reunion, culminating in an aloha luau Saturday with Gen. Mark Clark, their wartime commander, as principal speaker.

Many of the men who made up the 100th had been in the Hawaii National Guard before the smoke and flame of December 7 plunged the United States into war. Because the attack on Pearl Harbor had come from Japan, guardsmen of Japanese ancestry were told to surrender their uniforms.

A group of them, unwilling to sit the war out with their loyalty under a cloud, volunteered for any kind of work—digging ditches, anything. They were assigned to a labor battalion.

Meanwhile there were in the Army and in the civilian community a few who not only had faith in these young men, but were willing to put their faith on the line. Among them was Brig. Gen. Kendall J. Fielder who persuaded Gen. Delos C. Emmons to recommend creation of what later became the 100th. He got strong support from Robert Shivers of the FBI, Walter F. Dillingham, Charles Hemenway, Leslie Deacon, Gen. Briant H. Wells, Lorrin P. Thurston and Riley H. Allen. When Gen. George C. Marshall, chief of staff, heard of the plan, he welcomed it and the One-Puka-Puka battalion came into being.

The rest is history. No fighting outfit in American annals performed more valiantly in battle. And when the shooting was over, many of the men of the 100th returned to become leaders in the civilian community: in business, in the professions and, perhaps even more significantly, in the political life of the islands as they moved toward Statehood.

Those who meet this week in nostalgic reunion have given much to their country. They know that they will be asked to give more, for it is from those with the capacity to give that more is asked.

Now in the full flower of mature creativity, they are partners in the great task of building a better life for themselves, their families, their communities, their state and nation and in seeking beyond its shores a community of understanding that will spare their sons the horrors they know on European battlefields.

THE CRISIS IN THE CONGO

Mr. DODD. Mr. President, I want to associate myself with the remarks made on the floor yesterday by the distin-

guished senior Senator from Georgia [Mr. RUSSELL] concerning the decision to send planes and troops to the Congo. I regret that I was unable to be on the floor at the time because I was conducting a committee hearing. However, I do want to say that I think the Senator from Georgia has raised an issue of vital importance, and he has based his argument on a careful and accurate review of the facts.

The Senator is right in stating that the fighting that has been going on in the Congo in recent days is a purely internal disturbance, that the question of communism has nothing to do with it, and that our national security is not directly involved.

The Senator also performed a service in pointing out that the Mobutu government's story of an invasion by mercenary paratroopers was a complete fabrication, that the mercenaries involved are not in the pay of Tshombe or of any foreign nation but in the pay of the Mobutu government.

It is in our interest to assist countries to protect themselves against Communist subversion and aggression, and there are certain strategic areas where we may be obliged to intervene in order to prevent a Communist takeover.

The majority of the Senators did not question our intervention in the Dominican Republic.

Nor did I.

We supported it as essential to the national security, on the one hand because the lives of American nationals were involved, on the other hand because our own security could not help but be affected by the further expansion of Communist power in the Caribbean.

I also join the majority in supporting our commitment to the freedom of Vietnam, because we cannot afford to permit the whole of Southeast Asia to fall under Communist control.

Lest there be those who feel that I am inconsistent on the Congo because of certain positions I took on the Congo crisis of 1961 and 1962, let me point out that I opposed intervention by the United Nations in an entirely internal Congolese problem at that time, on the same ground that I oppose intervention today.

I note, that there was no significant opposition to the dispatch of a small number of transport planes to the Congo in July of 1964 to help put down a Communist-led and Communist-supplied insurrection—supported by the Soviet Union and China and Prague and Cairo—which by that time had succeeded in overrunning almost two-thirds of that rich and strategically important country.

But this is a completely different situation.

Whether one approves of the Mobutu government or disapproves of it, no one has yet made the charge that the revolt is in any way Communist inspired; and no one believes the claim of the Mobutu government that the revolt is really an aggression from abroad.

I for one cannot share the enthusiasm which some people apparently display for the Mobutu government. This Mobutu government has imposed on the Congo the most tyrannical dictatorship in its 7-year history.

Its extremist policies have frightened away foreign investment and are driving white technicians out of the Congo.

The incredible brutality of this regime was best characterized by the farcical public trial of former Prime Minister Kimba and four other former cabinet members in the fall of 1966. The five men were sentenced to death after a trial that lasted roughly half an hour, conducted without any judicial procedure or defense counsel. And they were publicly hanged the following day—with hoods over their heads because their eyes had been gouged out prior to their execution. The Mobutu government converted the hanging into a public festival and brought out scores of thousands to witness the hanging in Leopoldville's largest public square. The event was so revolting that not a single member of the diplomatic community honored the invitations they had received to attend.

More recently, there was the affair of Mr. Van Den Steen, a Belgian who was arrested by the Congolese authorities and who, in the course of his interrogation, had his stomach burned with hot brands and had the five fingers of his right hand and his right ear cut off. The Mobutu government did not dissociate itself from the torture of Mr. Van Den Steen by condemning the local authorities who were directly responsible. Indeed, its only comment on the case consisted of a counterattack on Belgian colonialists and saboteurs.

The Belgian press has been full of the case of Mr. Van Den Steen. I have here some photographs printed in the Belgian weekly Pourquoi Pas? of Van Den Steen as he was presented to the press in Elizabethville with his hand and head bandaged. But for some strange reason the American press has not said a single word about it. Nor, since the Kimba affair, has it said anything about the arrest and torture and execution of scores and hundreds of Congolese natives suspected of opposing the regime.

In very recent days, the Congo Government has again done violence to every civilized concept of law by bribing an agent to kidnap Moise Tshombe, former Prime Minister of the Congo, by highjacking in midair a chartered plane on which he was a passenger.

It is clearly the hope of the Congo Government that Algeria will honor their request for the extradition of Tshombe to the Congo, where he was some time ago sentenced to death in absentia, in the course of a military trial conducted without counsel of any kind, and the record of which has never been made public.

It is my earnest hope that the Algerian Government will reject this request on humanitarian grounds.

For all these reasons I cannot pretend to any enthusiasm for the present Government of the Congo.

But even if I approved of the Mobutu government, I would still be opposed to our direct military intervention, because that is precisely what is involved, in this purely domestic disturbance.

If we now intervene at the request of the Government of the Congo, will we intervene next at the request of the Government of Nigeria in the current Nigerian civil conflict? Or will we intervene in Rwanda or Burundi or Ethiopia or Tanzania, if these countries become the prey of domestic disturbances and ask for our intervention?

Mr. President, we have in recent weeks made it clear by our attitude that we consider the Biafra cessation in Nigeria to be a purely internal matter and that we intend to keep our hands off. Yesterday this policy was formalized in a public statement.

I say that this is the precedent that must govern our policy, and not the exceedingly dangerous precedent which our intervention in the Congo will serve to establish if it is not countermanded.

From an extensive correspondence and conversations with President Kennedy at the time of the Congo crisis of 1961–62, I can state as a certainty that there were times when President Kennedy had serious doubts about the wisdom of the Congo policy then being advocated by certain people.

It is my belief that President Johnson is today receiving bad advice from much the same group of advisers who were responsible for our mistaken support of the tragic and costly and fruitless United Nations intervention in the Congo.

I know the President to be a man of the greatest good will, and what I have to say about the Congo is not intended as a criticism of him; it is rather an expression of difference with those who have fed him incorrect information and bad advice.

I earnestly hope that before it is too late we will reverse our position with respect to the present difficulty in the Congo.

ARMED FORCES MANAGEMENT MAGAZINE GIVES FULL REPORT ON ECONOMY IN GOVERNMENT HEARINGS

Mr. PROXMIRE. Mr. President, the Subcommittee on Economy in Government of the Joint Economic Committee held hearings in May—at which I had the honor to be chairman—that zeroed in on the Defense Department's procurement and equipment utilization practices. "Sloppy" is the word that most accurately describes these practices, the subcommittee found.

The June issue of the magazine Armed Forces Management contained an excellent article on the subcommittee's hearings which I commend to the attention of the Senate. I ask unanimous consent that the article be printed in the RECORD.

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

JOINT COMMITTEE ZEROES IN ON "SLOPPY" PENTAGON BUYING PRACTICES

"Incredibly sloppy, a clear dereliction of duty." These are strange words to have leveled at the Pentagon. Yet, Sen. William Proxmire (D., Wis.) was leveling these charges at the Defense Department, and more than that, applying them to Defense's competitive procurement procedures. This has been one of the backbones of Secretary of Defense McNamara's cost reduction program.

Rep. Thomas Curtis (R., Mo.) went further asserting that the Pentagon has "corrupted the meaning of competition."

These strong words came as the Subcommittee on Economy in Government of the Joint Economic Committee heard testimony from Comptroller General Elmer B. Staats of the General Accounting Office and a brace of Defense officials headed by Paul Ignatius, Assistant Secretary of Defense for Installation and Logistics.

Prompting these congressional outbursts was the assertion by Staats that "a large percentage of the actions which were classified and reported to higher management levels within the Department of Defense as competitive procurements, in our opinion, were in fact made without competition."

Root cause of this problem is that the Armed Service Procurement Regulation, by exception, allows a procurement to be "competitive" if two or more proposals were requested, even though only one might have been finally submitted. Said Staats in explaining the problems: "The primary cause for misclassifying procurements as having been awarded on the basis of price competition appears to stem from the criteria in the Armed Services Procurement Regulation. The regulation permits a contract award to be classified as competitively priced, even when only one response is received as long as two or more proposals were solicited and the accepted proposal meets certain other evaluation tests. In addition, the Armed Services Procurement Regulation permits purchases of $2,500 and under to be reported as competitive even though many are not."

In his prepared statement, Ignatius presented a chart to the committee showing "the dollar value of contracts awarded on the basis of price competition (during FY '66) amounted to 44.4 percent of the total value of contract awards—up from 32.9 percent in FY 1961." Vice Admiral Joseph M. Lyle, Director of the Defense Supply Agency, followed and reported "in spite of the pressure of high priority requests for support of the combat forces in Vietnam, we have maintained a high rate of competition in the procurements made by our supply centers. As of the end of March 1967, 92.5 percent of the $4.8 billion worth of the procurements made during the current fiscal year have been competitive. With regard to this percentage, I might add that we do not have a potential for significant increase because of the continuing high volume procurement of brand name merchandise for commissary resale and off-shore purchases of bulk petroleum, neither of which qualifies as a competitive procurement."

These latter two procurements, however, were not at issue. What was was the more mundane procurement of approximately $2 billion of aeronautical spare parts. In his testimony, Comptroller Staats had pointed out that $425 million of these parts had been reported as being procured competitively. Actually, he said, only $114 million of the $2 billion had been purchased through advertised bids. The remaining $311 million competitive procurements had been bought through negotiated procurements with the number of companies asked to bid "somewhat limited."

Rejecting arguments that these negotiated procurements were necessary because of a lack of adequate technical data, Staats told the subcommittee that GAO would propose ASPR changes to give "additional guidance to contracting officers for classifying and reporting of negotiated contracts." Ignatius' defense of the Pentagon's method of reporting competitive contracts drew the comment by Rep. Curtis that DOD has "corrupted the meaning of competition."

Defense was also criticized for allowing contractors to use government-owned materials, equipment and facilities. Estimating the value of this equipment, located in 5,500 plants, at $11 billion, GAO boss Staats criticized industry for not maintaining "financial control accounts for government-owned material and special tooling" as required by the procurement regulation.

Continuing on industrial use of government equipment Staats revealed that a GAO survey had questioned the retention by contractors of 328 items worth $15.9 million. "We questioned the retention where no use had been made of the equipment over an extended period of time, where 75 percent or more of the equipment use had been for commercial work, or where usage of the equipment was low." He then brought his point home by telling the Congressmen "our examination of records at the Defense Industrial Plant Equipment Center revealed that 81 of the items were in critical or short supply."

GUIDELINES BEING SET

Progress has been made in this area, Ignatius reported. Defense is working with GAO to come up with an improved property accounting system and is also revising the ASPR so as to give property administrators more definitive guidelines requiring closer surveillance of contractors' property control systems and more frequent utilization surveys. Defense Supply Agency Director Lyle listed other steps being taken to get a handle on property administration:

"Requests for procurement of industrial plant equipment are screened by the Defense Industrial Plant Equipment Center to determine whether equipment, available for use, can be obtained from industrial nonmilitary sources or from the Defense Industrial Plant Equipment Center's inventory of idle equipment. Only when equipment is found unavailable are certificates issued permitting procurement.

"To assure proper utilization of industrial plant equipment by contractors, industrial specialists of our Contract Administration Services organization visit facilities of Defense contractors to assess the use of Government-owned industrial plant equipment loaned to the contractor; to evaluate the development of current and projected use controls by which the contractors can plan more effective use of government equipment and to identify items of government-owned equipment no longer required for government contract performance so that such equipment can be reported to the Defense Industrial Plant Equipment Center as available for other use.

"We are also conducting a one-time equipment inventory reconciliation program. The program will provide adequate and compatible central inventory records of the industrial plant equipment located at contractor facilities under Defense Contract Administration Services' cognizance. This two-year program envisions a reconciliation of approximately 83,444 industrial plant equipment items in the hands of 1,081 contractors. At the conclusion of the first three months of 1967, 18,000 industrial plant equipment items reported to be or found to be in the possession of 248 contractors had been reconciled and records corrected."

Senator Proxmire's comment that Pentagon supply practices were "incredibly sloppy" came after hearing Comptroller Staats' discrepancies between stock record balances and the actual quantities in inventory. The difference between the two was so great, the GAO head testified, that Defense had to adjust inventories "up or down . . . an average of $2.4 billion annually in fiscal years 1965 and 1966." Total value of the inventory of spares, components and supplies under question is $10.4 billion and is located at 43 major depots.

During the past year Defense has completed actions designed to improve the management and control of short-shelf-life items. On June 22, 1966, it reached an agreement with the General Services Administration on cross-servicing of shelf-life items. Under the agreement shelf-life items that are potentially excess to DoD components and civil agencies may be transferred without reimbursement. Accordingly, the market is widened and there is greater assurance that items of this type will be consumed before their shelf-life expires.

To implement this agreement, DoD issued an instruction on November 18, 1966. This instruction is comprehensive and covers the many aspects of shelf-life item management, not just the utilization aspect. By November 1, 1967, a date that necessarily coincides with some revisions to its catalog program, Defense expects to have the new system and its controls installed.

During the twelve-month period ending December 31, 1966, approximately 308,000 additional Standardization Status Codes were recorded in the central Federal Catalog System File maintained at the Defense Logistics Service Center. These Standardization Status Codes are assigned to each item of supply after a detailed review of its technical characteristics, application and functional use has been conducted. The codes indicate whether the item is (1) standard; (2) limited standard; (3) non-standard. This information receives consideration in making future procurement decisions.

In regard to the Inventory Item Reduction Program, the Military Services and DSA have submitted "withdrawal-of-interest" and cancellation actions for 236,857 Federal Stock Numbers during the first eight months of FY 1967.

BASE USE REVIEWED

The goal of the base utilization program is to insure efficient use of DoD's world-wide system of bases and installations. Continuous review is needed to keep this system in proper balance. Changes in the alignment of troops and advances in weapon technology have important effects on installation requirements. Moreover, opportunities are disclosed from reviews made to consolidated functions and eliminate unnecesary costs, and to get rid of bases that no longer meet a military requirement.

Since this program began in 1961, a total of 917 separate base closure or reduction actions have been taken. When they are all completed, these actions will result in the release of 1,818,249 acres of excess land, the elimination of 207,000 jobs and annual recurring operating costs of approximately $1.5 billion. The elimination of bases no longer required is necessary in order that funds and manpower devoted to defense are not expended on activities which are no longer required.

To minimize dislocations and inconveniences which unavoidably result from these necessary base changes, however, the closure schedules provide for an orderly phase-out of activities, in most instances over periods of several years. This also minimizes the impact on the communities involved, and provides employees the maximum possible opportunities for relocation. The Defense Office of Economic Adjustment has assisted 56 communities in 31 States in finding a variety of industrial or public uses for bases closed. A job opportunity is guaranteed for every career employee affected by base closure actions. If the new job opportunity requires a move to another location, the Government will pay transportation and moving expenses for the employee and his family. DoD also arranges for retraining at Defense expense and continue the empolyee's salary while he is being retrained.

Since the guaranteed job opportunity program was initiated, no career employee affected by a base closure or reduction has been separated without having received a valid job offer.

SURPLUS SALES CLEARED

At the end of July 1965 the Committee requested the GAO to make a study of the

cost of sales of DoD surplus property and the use of the proceeds, to determine whether any of the proceeds were being used for nonauthorized purposes.

The GAO study concluded that no instances were observed where proceeds from sales of surplus property were diverted for purposes which are contrary to law. However, the report stated that established DoD policies for the reimbursement of disposal expenses and depositing of sale proceeds were not always followed.

The GAO study contained no specific recommendations, although four measures for improving disposal operations were suggested: (1) strengthening of DSA's supervisory role; (2) implementing a uniform cost accounting system; (3) establishing an improved reporting system; and (4) validating the propriety of disposal expenses through internal audit. With regard to the first suggestion, DSA's role as the property disposal program manager was strengthened by Deputy Secretary of Defense memorandum dated November 27, 1964, subject: "Implementation of Secretary of Defense Project 26 as it Relates to the Management of the Department of Defense Property Disposal Program" and was further strengthened by the December 9, 1965 revision of DSA's basic charter. Sufficient guidance has been provided to enable DSA to manage and administer the disposal program. With regard to the other suggestions, the Defense Comptroller will shortly issue a comprehensive DoD instruction which will establish a uniform cost accounting and reporting system for property disposal operations.

While the Subcommittee on Economy in Government will undoubtedly force a change in the "form" of reporting competitive procurement and will continue prodding Defense to improve its supply procedures, another congressional subcommittee could force changes in the "substance" of Defense procurement. Sen. Philip Hart (D., Mich.) announced while the Joint Committee hearings were going on that as Chairman of the Senate Anti-Trust and Monopoly Subcommittee, he had appointed Sen. Edward M. Kennedy (D., Mass.) to examine Defense procurement practices.

Purpose of the hearings is to determine whether Congress should force Defense to widen the base of industrial competitors. A corollary question will be whether Defense, through its concentrated buying, is stifling competition. Said Hart in announcing the hearings, "we know that competition is the force that brings the best products at the best prices to consumers—private or governmental. Our chief concern is that we're encouraging competition in all ways possible when the government makes its purchasing decisions." The hearings are expected to start late this summer.

ADVANCING OCEAN ENGINEERING IN HAWAII

Mr. FONG. Mr. President, I am pleased to invite attention to a current development in marine science affairs in my State of Hawaii. The University of Hawaii, with support from the National Science Foundation, is conducting a unique field laboratory program in ocean engineering. The 6-week summer program is designed to introduce students with bachelor's "land" engineering degrees in such traditional disciplines as civil, electrical, and mechanical engineering, to the relatively new and dynamic field of ocean engineering.

Some of the Nation's outstanding leaders in ocean engineering are serving as advisers and participants in this program. Various mainland universities have sent faculty members and graduate students to Hawaii to participate with their Hawaii counterparts. Valuable facilities and apparatus have been made available to the university by organizations of the Navy, the Coast Guard, the Bureau of Commercial Fisheries, and the Oceanic Institute.

The cooperation exhibited between education, government, and private industry is an excellent illustration that Hawaii can bring its total resources to bear on ocean-related problems.

Ocean engineering, although a relatively new program at the University of Hawaii, is demonstrating the potential of the application of science and technology to problems unique to the marine environment. I congratulate all who are connected with this program for their diligent, farsighted efforts, and contributions to the advancement of ocean engineering.

The program on developing an ocean engineering laboratory was described in two recent articles written by Wallace Mitchell, staff writer for the Honolulu Advertiser. I ask unanimous consent to have printed in the RECORD the articles which appeared in the June 18 and June 25 editions of the Sunday Star-Bulletin & Advertiser.

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

[From the Honolulu Star-Bulletin & Advertiser, June 18, 1967]

UNIVERSITY TO LAUNCH UNIQUE OCEAN ENGINEERING PROJECT

(By Wallace Mitchell)

The University of Hawaii will launch a trail-blazing program tomorrow to expose civil, mechanical and electrical engineering graduates to ocean engineering.

To get it started, Dr. Charles L. Bretschneider, head of the university's new Ocean Engineering department, has assembled a team of advisers and participants that represents some of the country's most inventive and daring marine science specialists.

Edwin A. Link, famed in both aeronautics and oceanography; Carl Holm of Ocean Systems, North American Aviation Co.; Dr. Manley St. Denis, internationally recognized naval architect; Professor John D. Isaacs of Scripps Institutes of Oceanography and Dr. John P. Craven, chief scientist with the Navy's Deep Sea Submergence Program, are the advisers.

Each will be in charge of one week of the six-week program.

Two dozen professors and graduate students from nine Mainland universities in addition to UH will participate.

Frederick Munchmeyer, associate professor of mechanical engineering at the university, has been designated project director by Bretschneider.

"The university started a new graduate program in ocean engineering last September and we decided it needed a field laboratory program," Munchmeyer explained.

"This is needed for students who come to us as bachelor, 'land' engineering degrees—the traditional, civil, electrical, mechanical disciplines.

"Their applications in oceanography are significantly different than the application on land.

"It was decided that in order to be able to transpose such a student's thinking from land to sea it will be necessary to take him into the sea—put him in the ocean.

"Nobody has ever done this—develop a field laboratory course in ocean engineering. It's been done in oceanography but not in ocean engineering.

"The number of ocean engineering curriculums offered is limited to the University of Rhode Island, Florida Atlantic University, the University of Miami and us.

"And nobody has figured out how to introduce this student to ocean engineering."

To develop such a course, money is needed. The university turned to the National Science Foundation and although that federally-supported agency called the UH approach "unusual," granted $20,000 for the six-week experiment.

The money goes to the visiting participants to pay their transportation and living expenses.

"We had decided that the kind of student we wanted was not an ordinary graduate student but one who would help develop the course," Munchmeyer explained.

"So we wrote to deans of engineering around the country and asked them to help us by sending one of their faculty and one of their graduate students!"

Duke University sent the dean of its school of engineering. The University of New Hampshire, Massachusetts Institute of Technology, the U.S. Naval Postgraduate School, the Universities of Rhode Island and California, Florida Atlantic University, State University of New York, and California State College, sent faculty members and graduate students.

"For facilities to go into the ocean we turned to the Navy, Coast Guard, the Bureau of Commercial Fisheries, Oceanic Institute," Munchmeyer said.

"We've got so many field trips arranged that I've lost count—two or three a week.

"The graduate students will be exposed to the problems of applying their individual disciplines to oceanography, and their problems are many.

"For example, with the Navy we will refloat a sunken ship. We're going out on a submarine, one of the big ones, visit the Navy's diving school.

"Rear Admiral Ed Hooper, commander of the Service Force, Pacific Fleet, made the arrangements for the Navy support and without him this thing would not have happened.

"We are going out on the Bureau of Commercial Fisheries' research ships.

"Tap (Taylor A.) Pryor is going to be one of our consultants and we'll spend two days out at Oceanic Institute at Makapuu Point. His people will demonstrate working with tools in the sea—welding, sawing, attaching a mock-up of an undersea oil well head.

"Without the tremendous cooperation of the university, the National Science Foundation, industry, the Navy and Coast Guard and Fisheries people this couldn't have been done.

"With it, we're going to have a bang-up program."

[From the Honolulu Star-Bulletin & Advertiser, June 25, 1967]

INITIATIVE VITAL, SAYS INVENTOR

(By Wallace Mitchell)

Carl Holm—holder of nearly 50 patents for antisubmarine and ocean engineering devices—sees initiative and persistence as the keys to Hawaii's future in oceanography.

"Initiative is where you find it," said the man who wears the Legion of Merit for a still-classified antitorpedo device he turned over to the Navy in the early days of World War II.

"Development, new concepts, advanced thinking are just as prevalent and perhaps more so in the State of Hawaii than most other places in the world."

Holm was interviewed in a lecture room in Keller Hall, which houses the University of Hawaii's year-old Ocean Engineering department.

He had just finished an informal evaluation of the first week of an ocean engineer-

ing field laboratory course for which he was adviser.

The blue-ribbon "class" of 25 participants—graduate students and professors from UH and nine Mainland universities—had opened the six-week course by studying Navy salvage techniques through the cooperation of Rear Adm. Edwin Hooper, commander, Pacific Service Force Fleet.

Holm has an impressive array of medals and citations for the salvage work he directed following U.S. landing assaults on Guadalcanal, New Guinea, Peleliu, Angaur, Okinawa and Leyte Gulf in World War II.

He was asked if Hawaii's distance from Washington, where decisions are made on funding research and development projects, is a deterrent to local firms getting their share of the business.

"You must go to Washington with new concepts that you feel will assist national defense and basic scientific research," Holm replied. "This can be done here under peaceful Hawaiian conditions better than any place I know.

"I am terribly excited about the future of ocean engineering here."

Holm declined to predict whether Congress might reactivate project Mohole, designed to explore the earth's crust by drilling through the ocean floor off Maui. Congress last year withdrew financial backing for the project, under pressure of Vietnam war costs.

"Speaking generally, investigation of the sea floor for scientific and industrial reasons in drilling projects will continue," Holm said.

"It must continue and Hawaii, in my humble opinion, will play a considerable part in this for the long-range future as a result of environmental conditions as well as the already revealed advantages of the sea floor characteristics."

Holm said there is "no question" but that industry will move into ocean-floor drilling.

"They will pitch in with funds for investigation of various conditions that can benefit not only national defense and industry but mankind generally," said Holm, who heads the ocean systems operations of North American Aviation, Inc.

"North American has elected to following the road of taking advantage of environmental power sources in the sea, such as hydrostatic and ocean currents, tidal-operated and sea-slop (surf) operated devices implanted in the surf."

One of Holm's first underwater contracts upon arriving here from Denmark, where he was educated as a naval architect and served in its Navy, was to prowl the Suwanee River in 1928 in search of gold bullion used by the U.S. for the Louisiana Purchase."

"There were reports that it was either $11 million or $13 million," Holm said.

"Papers that arrived here from France said the money never arrived there and whether that is true or not would have to rest with the source.

"But it was persuasive enough to persuade me to spend $15,000 searching for it.

"I didn't find it but the people back in Denmark thought that I did and had become a rich man and was spending it all over here!"

LOWELL SUN ENDORSES BILL PLUGGING GAP IN TRUTH IN NEGOTIATIONS ACT

Mr. PROXMIRE. Mr. President, last month I introduced a bill (S. 1913) to provide authority to the Defense Department to postaudit records of defense contractors. The bill, if approved, would increase the effectiveness of the Truth in Negotiations Act which, I was shocked to learn during the hearings last month of the Subcommittee on Economy in Government of the Joint Economic Committee, has not been adequately enforced by the Pentagon. The Comptroller General pointed out during the hearings that the Pentagon's failure to postaudit contracts is one factor in overpricing that has cost the taxpayer $13 million a year at least. My bill would make it crystal clear that the Pentagon has the authority to postaudit contracts, thus removing any trace of the doubt that apparently is preventing the Pentagon from doing the postaudits now under authority of an administrative regulation.

The Lowell, Mass., Sun, in a recent editorial, strongly endorsed the bill. I commend the editorial to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

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

[From the Lowell (Mass.) Sun, June 15, 1967]

THIS LAW IS NEEDED

A way to end Defense Department excuses and close the gap in enforcement of the Truth in Negotiating Act has been presented to both houses of Congress. Nothing should be done to delay passage of the legislation.

The identical bills offered by Sen. William Proxmire, D-Wis., and Rep. William E. Minshall, R-Ohio, specify that Defense Department auditors shall have access to defense contractors' records.

Hearings held by Proxmire and Minshall established that firms doing business with the Pentagon have overcharged at a rate of many millions of dollars a year. They have gotten away with it because Defense has not insisted that they furnish accurate, current and complete cost information as required by the Truth in Negotiation Act.

The Pentagon also has not bothered to inspect company records when contracts are fulfilled, to check differences between estimated and actual costs.

Passage of the Proxmire and Minshall bills should turn the Defense Department auditors loose on a job of economy that needs doing.

"FACTA NON VERBA"—"DEEDS NOT WORDS"

Mr. MUNDT. Mr. President, on June 10, 1967, at Crescent Temple, Trenton, N.J., a class of 185 new Shriners was designated as "The Albert W. Hawkes Class."

Albert Hawkes is a former Member of the U.S. Senate from the great State of New Jersey. During his service in the Senate, he was in the forefront in the continuing effort to build a stronger America and to preserve the cherished freedoms which we enjoy today and which are the envy of many nations around the world.

In his remarks to the class designated in his honor, Senator Hawkes points out that the teachings of Freemasonry have been responsible for inspiring leadership and character for our Republic and other vitally important things in life. He urged the class designated as "The Albert W. Hawkes Class" to be, by their conduct and example, an inspiration to others and thus help to show the way to the preservation of freedom in a peaceful world.

Mr. President, in order that we might all share in the wisdom of our former colleague's remarks to his class, I ask unanimous consent that there be printed in the RECORD the introduction by Edward D. Stites, Sr.; Senator Hawkes' remarks; and the response of George E. Stringfellow, past imperial potentate of the Shrine.

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

Illustrious Potentate Edward D. Stites, Sr.: Nobles, this class of 185 candidates assembled here tonight and dedicated to duty to God, Country and Brotherhood, is officially named The Noble Albert W. Hawkes Class in honor of an outstanding citizen and member of Crescent Temple, former United States Senator from New Jersey, Past President of the United States Chamber of Commerce and a New Jersey industrial leader. He is a resident of Sea Girt, New Jersey. He is Honorary Chairman of the Washington Crossing Foundation and he is a Trustee of Freedoms Foundation at Valley Forge, Pennsylvania. His wonderful personality and honest opinions have made him an outstanding favorite and I am confident his message to us will be meaningful and very helpful.

I can think of no more appropriate way to present Noble Hawkes to this fine Class of newly created Shriners than to read the citation presented to him tonight by Crescent Temple. That citation says:—

"This citation is presented to Honorable Albert W. Hawkes 'Facta non verba'—'Deeds not words' as a tribute for his many, many services to God, Country and mankind.

Noble Hawkes has endeared himself to all of the Nobility with his unquenchable faith in the dogmas and the performances of our human service for the advancement of world brotherhood.

His labor in life's forum was always enthusiastic; the same kind words of affection and esteem were by him extended, no rank nor station made any difference in his loyalty and devotion to his brethren, individually or to the Craft in general.

It is the wish and desire of the Officers and Past Potentates that whenever possible every Noble convey to the Honorable Noble Albert W. Hawkes their sincere appreciation and most grateful thanks for his many years of distinguished and faithful service.

Therefore, this Citation shall convey our warmest and earnest prayer that Allah shall bless him with good health, success and happiness.

Noble Hawkes will, forever, remain in our hearts for he has won an imperishable place for himself in the annals of Crescent Temple.

It is with pleasure and with a great deal of pride and admiration that I present the Honorable Albert W. Hawkes.

FREEMASONS' CONTRIBUTION TO FREEDOM

Albert W. Hawkes: Illustrious Potentate Edward D. Stites, Sr., I deeply appreciate your kind remarks in presenting me to this fine Class and audience and for the great and meaningful tribute on this beautiful plaque from Crescent Temple, for which I trust I may in some measure be worthy.

I am highly complimented that this Class has been named in my honor. The fact that it numbers 185 gives me hope for the future, because the teachings of Freemasonry have been responsible for inspiring leadership and character for our Republic and other vitally important things in life.

I believe if the teachings of Freemasonry were understood by the leading citizens of the nations of the world, we would find a way to make all the necessary sacrifices to live in a world of freedom and peace and thus avoid the miseries and destruction of war.

It was Lord Byron who said "A thousand

years are scarce enough to form a state; a single hour may lay it in the dust." It is the responsibility of the citizens of all nations to avoid that "single hour." Every thoughtful American realizes that that single hour could occur and destroy everything we have and believe in, if the gray cells in a few irresponsible brains became confused and, in anger, pushed the wrong button.

When he was near the end of his long and productive life, George Washington was asked "To what do you attribute your calm and courage on the battlefields, your faith and determination in the right and your honesty and integrity in public office?" After some meditation, he replied "I think I must give as much credit to my teachings in Freemasonry as any one thing."

Paul Revere, who sounded the alarm so valuable to our revolutionary soldiers, was another Freemason and he, like Washington, was Worshipful Master of his Lodge.

The records reveal that a majority of all those who signed the Declaration of Independence were Freemasons. Those patriots knew that if their efforts failed, the signing of that great document meant for them the supreme sacrifice.

A majority of those who signed the Constitution of the United States were Freemasons. That important document became the foundation for our American system of free men, under a rule of laws as enacted by the people's freely-chosen representatives. Our Constitution was referred to by William E. Gladstone, the eminent Prime Minister of England, as "the greatest piece of work ever struck off by the brain and purpose of man." Our Constitution was again referred to by William Pitt, defender of the rights of American colonists, as "the admiration of all future generations."

Behind the chair of George Washington, who presided over the Constitutional Convention, was a representation of the rising sun. After the delegates had signed the Constitution, the venerable Benjamin Franklin, who had been Grand Master of the Grand Lodge of Freemasons in the State of Pennsylvania for three years, said "In the course of the session . . . I looked at the sun behind the President without being able to tell whether it was rising or setting, but now, at length, I have the happiness to know it was rising . . ."

When a nation remains faithful to the ideals of freedom of the spirit—the essence of Freemasonry—there is no final sunset for its people.

The late Winston Churchill, said by many to have been the greatest statesman of this century, was also an active Freemason.

The years since we became a nation have brought swift changes in the American scene. However, patriotic public service remains now, as in the time of our Masonic forebears, the keystone of the Republic's vitality and power. We Freemasons, who are proud of our heritage, can do no more than emulate their example and we can not, in good conscience, do less. If we are eternally vigilant and act courageously, on time, in defense of our way of life, we will be worthy of our heritage and will thus discharge our duty as citizens.

Lest we forget, I beseech every American to recall those unforgettable words of our great patriot, Nathan Hale who, when sentenced to death at the age of 21, said "I only regret that I have but one life to lose for my country." That is such a great statement that it makes those who have lived many years realize it is not the years one has lived that count, but rather what one has done in those years.

For some time Americans have faced the controversial question of whether our political leaders were wise in abandoning Washington's advice in his Farewell Address "Beware of foreign entangling alliances." In disregarding his advice, before we were prepared to accept world leadership, all will agree that we have not made the world safe for democracy.

We are now an inseparable part of a sick world, therefore we must stand together to help the world find peace. We have cured nothing, even though we have given away hundreds of billions of dollars. It is reliably stated that our total debts of Federal, State and local government are as great as the total assessed valuation of all the property in the United States for taxation purposes.

No price, except the abandonment of principle, is too great to pay for peace and freedom, but we must spend our "substance" wisely to avoid defeat of our objective.

If we would have freedom and peace in a happy world, our conduct must be governed by equity—which is the soul of justice and the spirit of righteousness which flow from the bosom of God.

In our negotiations to establish peace and preserve freedom, here are some of the things we must never forget.

1. See things clearly and as a whole.

2. Remember that there are usually three sides to every controversy—our side, the other fellow's side and the *right* side.

3. Realize that *who* is right is inconsequential when compared with *what* is right. Who is right fades from the memory of man in a few generations or centuries, but what is right is eternal.

4. Try to teach the world that fair reward as an incentive to accomplishment has done almost as much as "old mother necessity" in causing human beings to burn the midnight oil to find new and better ways of doing things, not only for one's own benefit, but for humanity in general.

5. Understand that "he who seeks equity must do equity."

6. That "he who comes into equity must do so with clean hands."

7. Voluntary cooperation is the mainspring of free men at work. Voluntary cooperation cannot exist without confidence in one another. Confidence in one another cannot exist without character, honesty, integrity and a spirit of equity in the hearts of our citizens toward one another.

Liberty is freedom, but freedom is not free. It is the most expensive thing in the world, because it is the most valuable thing in life. Life without freedom is a tragedy. In seeking the preservation of individual freedom in a peaceful world, it would be well to remember Abraham Lincoln's advice that our objective in this country should be to find a way to divide "the fruits of common effort fairly among the people who produce those fruits."

My faith in the teachings of Freemasonry tells me we will find a way and make the necessary sacrifices to save and improve the important things our Masonic forebears helped so much to create for the benefit of mankind.

Let us, as Freemasons and Shriners, by our conduct and example, be an inspiration to others and thus help show the way to the preservation of freedom in a peaceful world.

I can think of no better way for us to keep faith with our Masonic forebears than to make one of our most important objectives the outlawing of war by the powerful nations of the earth and thus prove that we no more condone mass murder throughout the world, as a means of settling our differences, than we condone single murder in our midst for the same purpose.

Our No. 1 objective in life, which includes most of the other objectives, must be the accomplishment of the mandate of the Supreme Architect of the Universe—Peace on earth, good will toward men.

Let us all try to make the little poem "The Man in The Glass" applicable to us in our daily lives.

"THE MAN IN THE GLASS

"When you get what you want in your struggle for self
And the world makes you king for a day,
Just go to a mirror and look at yourself,
And see what that man has to say.

For it isn't your father or mother or wife
Whose judgment upon you must pass;
The Fellow whose verdict counts most in your life
Is the one staring back from the glass.

You may be like Jack Horner and chisel a plum
And think you're a wonderful guy,
But the man in the glass says you're only a bum
If you can't look him straight in the eye.

He's the fellow to please, never mind all the rest,
For he's with you clear up to the end,
And you've passed your most dangerous, difficult test
If the man in the glass is your friend.

You may fool the whole world down the pathway of years
And get pats on the back as you pass,
But your final reward will be heartaches and tears
If you've cheated the man in the glass."

Past Imperial Potentate Sir George E. Stringfellow: Illustrious Sir, members of our Divan, Past Potentates, Noble Albert W. Hawkes, distinguished guests and members of the Albert W. Hawkes Class:

I am most happy to take part in this Ceremonial honoring Senator Albert W. Hawkes, one of the nation's truly good citizens. It was my pleasure to have proposed our honored guest for membership in Freemasonry and the Shrine.

Crescent Temple has among its members some of the most outstanding and patriotic citizens of North America, none, however, more illustrious than Senator Hawkes.

Ralph Waldo Emerson, one of the wisest of Americans, must have had such a person in mind as Senator Hawkes when he said, "I consider him a great man who inhabits a higher sphere of thought into which other men rise with difficulty and labor." I know of no one who inhabits a higher sphere of thought and who has done more to lift the moral and ethical standards of his fellow man than Noble Hawkes.

In every movement there is someone who represents the conscience of that movement. I can think of no one who more nearly represents the conscience of Freemasonry and the philosophy of the Shrine than Noble Hawkes.

He has been my faithful friend for many years and, as Napoleon said "A faithful friend is the true image of diety." By his conduct and example Noble Hawkes has, for decades, been the image of things that help to make this a better world.

SOLUTION OF THE MIDDLE EAST CRISIS

Mr. McGEE. Mr. President, among the momentous problems facing us today is the just solution of the crisis in the Middle East. If we are to end the threat to world peace that has existed in that part of the world for the last 20 years, we need calm, wise, and objective judgment. In my opinion, the recent page 1 editorial appearing in the AFL–CIO News, and written by George Meany, president of the AFL–CIO and twice a member of the U.S. delegation to the United Nations, deserves the careful consideration of us all. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the editorial

was ordered to be printed in the RECORD, as follows:

WHO IS THE AGGRESSOR?

For the last two months, irresponsible denunciations have marred the UN sessions on the crisis in the Middle East. Our country and to an even greater extent, Israel, have been the targets of bitter abuse and slanders by Soviet spokesmen and their Nasserite proxies. In such an atmosphere, the UN cannot serve as an instrument for fostering honorable and harmonious relations among its member states.

In these UN sessions, the technique of the Big Lie, fanatically applied by Hitler and Goebbels against the Jewish people more than thirty years ago, has been perfected by Federenko and Kosygin. Though the outrageous charges of Nazism against Israel and the nations friendly to it are reprehensible frauds, they are not surprising.

It is, however, shocking and distressing that the spokesmen of the democracies sat idly by in stony silence in the face of these diatribes. That such tolerance only encourages Communist arrogance and aggressiveness was subsequently demonstrated in the tone and substance of Kosygin's remarks at the press conference before his departure for Moscow.

It is an old trick of the Communists to charge others with the crimes of which they themselves are guilty. We need but recall that the Soviet government hailed the Nazis as "blood brothers." In partnership with Hitler, the USSR butchered Poland and snuffed out the independence of the Baltic republics. The Kremlin congratulated Hitler on his capture of Paris, while denouncing the Allies for resisting Nazi aggression. Nor has the world forgotten that Communist Russia waged two cruel wars against the small heroic republic of Finland, while denouncing it as an aggressor against the Soviet Union.

And the world can never forgive the Soviet government for crushing by force of arms Hungarian democracy. For years, this same Soviet government—whose representatives now so hypocritically insist on instantaneous compliance with UN decisions—has flagrantly violated 13 UN resolutions for the withdrawal of Soviet troops and the restoration of Hungarian independence. Eighty-five thousand Soviet troops still occupy Hungary. In fact, the circulation of the UN reports and resolutions condemning the massive armed Soviet intervention in the 1956 Hungarian Revolution is still prohibited in all Communist countries on the pain of severe prison penalties.

The Kremlin and its Middle East clients have launched their assaults on truth and decency as a poisonous smokescreen for hiding the humiliating political and military defeat they have suffered at the hands of the overwhelmingly outnumbered Israeli forces, who were fighting for the very life of their country.

The Soviet government is primarily responsible for the dangerous crisis in the Middle East. It equipped Nasser and goaded him on to rally the reactionary Arab rulers for the destruction of Israel. Since the UN cease-fire, the USSR has resumed sowing the seeds of future war by stepping up its shipment of weapons for aggression to the discredited Nasser regime and its Syrian accomplice. The Soviet dictatorship should be sternly condemned and unequivocally repudiated for this war-breeding policy. In this situation, Israel deserves the commendation and support of all people devoted to peace and freedom.

SUPPORT PRESIDENT JOHNSON'S MIDDLE EAST PROGRAM

We appeal to our government to mobilize all its influence and resources for UN support of Pres. Johnson's five point program. It provides a just and sound basis for a peace settlement and joint efforts by all the nations in the Middle East for the social and economic reconstruction they so urgently need. We urge our free trade union colleagues overseas to lose no time in having their governments give prompt and energetic support to this program.

We urge all AFL-CIO organizations and ICFTU affiliates to provide generous assistance to the Histadrut in its efforts to meet the vital tasks of social and economic reconstruction in peace and freedom. In view of its practical experience, Histadrut can make valuable contributions towards helping Arab and Israeli workers alike enhance their well-being, human dignity and self-respect.

We appeal to the workers of the Arab lands to help their countries strike out in a new direction and cooperate with the people of Israel in building a peaceful, free and prosperous Middle East.

CITIZENS COMMITTEE FOR PUBLIC TELEVISION

Mr. JAVITS. Mr. President, as the House Committee on Interstate and Foreign Commerce begins hearings on the Public Broadcasting Act of 1967, it is encouraging to me to learn of the organization and growth of the National Citizens' Committee for Public Television.

The New York Times this morning reports that the committee, formed little more than a month ago, has appointed an executive director, Ben Kubasik, associate director of the Public Broadcasting Laboratory of National Educational Television.

The appointment of Mr. Kubasik is indication that this committee, composed of such distinguished men and women in American arts, letters, and business—many of them residents of New York—is now ready to begin in earnest its work of establishing long-range public interest in public television.

The list of the founders and initial members of this important group, Mr. President, is another indication of awakening national interest in the prospects and possibilities of noncommercial broadcasting. Its chairman is the distinguished New Yorker, Thomas P. F. Hoving, director of the New York Metropolitan Museum of Art and formerly Commissioner of New York City Parks Department. As Parks Commissioner, Tom Hoving captured the spirit of New York and the imagination of its people. I know that his activities on behalf of public broadcasting will be equally effective.

In addition to Mr. Hoving, founders of the committee are: Ralph Ellison, author; Devereux Josephs, former chairman of New York Life Insurance Co. and currently chairman of the board of WNDT, the New York educational television station; Ralph Lowell, chairman of the Boston Safe Deposit and Trust Co., and president of the Boston Education TV station, WGBH; and Newton Minow, former chairman of the Federal Communications Commission and now a director of WTTW, the educational TV station in Chicago.

It has a stellar roster of members highly distinguished in every field of our national life.

The committee has been pledged financial support from the Danforth Foundation, W. K. Kellogg Foundation, Twentieth Century Fund, Inc., Alfred P. Sloan Foundation, the Ford Foundation, and the Carnegie Corp. of New York.

When Tom Hoving took over as chairman of the committee, he said:

There is some real hope now that Public Television will not only get out of the poor house, but will be a magnet for high-voltage talent. I look forward to the day when people will cancel engagements because they have spotted a television show on that evening's program that they can't afford to miss.

The formation of this committee, Mr. President, gives hope to all of us here who supported S. 1160 that the promise of noncommercial broadcasting will be fulfilled through the work of the Public Broadcasting Corporation proposed by the bill and the active support and work of distinguished Americans such as the members of this committee.

Mr. President, I ask unanimous consent to have printed in the RECORD the names of the members of this committee, and an article concerning the committee published in today's New York Times.

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

The following individuals have thus far joined the new National Committee:

Thomas P. F. Hoving, Chairman.

David Amram, Composer in Residence, Philharmonic Hall, New York City.

Robert O. Anderson, industrialist and rancher, Roswell, New Mexico.

Seth G. Atwood, President, Atwood Vacuum Machine Co., Rockford, Illinois; Past President, Young Presidents Organization.

Leonard Bernstein, conductor, composer, New York City.

Kingman Brewster, Jr., President, Yale University, New Haven.

Paddy Chayefsky, author, New York City.

Sister Mary Corita, Professor of Art, Immaculate Heart College, Los Angeles.

Nina Cullinan, Houston.

Mrs. Moise Dennery, President, Greater New Orleans Television Foundation (WYES-TV).

Carl J. Dolce, Superintendent of Schools, New Orleans.

Lee A. DuBridge, President, California Institute of Technology; Chairman, Community Television of Southern California (KCET).

Ralph Ellison, author, New York City.

Mortimer Fleishhacker, Jr., Chairman, Precision Instrument Co.; President, Bay Area Educational Television Association (KQED), San Francisco.

R. Buckminster Fuller, engineer, Carbondale, Illinois.

Gen. James M. Gavin, Chairman, Arthur D. Little, Inc., Cambridge.

Michael Harrington, author, New York City.

Leland Hazard, Professor of Industrial Administration and Law, Carnegie Institute of Technology; Honorary Chairman, WQED, Pittsburgh.

E. William Henry, attorney, Washington, D.C.; former chairman, Federal Communications Commission.

Jerome H. Holland, President, Hampton Institute, Hampton, Virginia.

Devereux C. Josephs, Chairman of the Board, WNDT, New York City.

Milton Katims, conductor, Seattle Symphony.

Arthur B. Krim, President, United Artists Corp., New York City.

Ralph Lowell, Chairman, Boston Safe Deposit and Trust Company; President, WGBH Educational Foundation.

Myrna Loy, actress, New York City.

Arthur Miller, author, Roxbury, Conn.

Newton N. Minow, attorney, Chicago; former chairman, F.C.C.

Mrs. Jennelle Moorhead, President, National P.T.A. Assoc.; Professor of Health Education, University of Oregon, Eugene.

Hugo Neuhouse, architect, Houston.

Prof. Antonia Pantoja, President of the Board, Puerto Rican Forum, New York City.

I. M. Pei, architect, New York City.

Gerard Piel, editor, *Scientific American*, New York City.

Norman Podhoretz, editor, *Commentary*, New York City.

Harold Prince, Broadway producer-director, New York City.

Edward M. Purcell, physicist, Harvard University, Cambridge.

Robert Rauschenberg, artist, New York City.

Edward L. Ryerson, President, Chicago Educational Television Association (WTTW).

Carl E. Sanders, former Governor of Georgia, Atlanta.

Susan Schmidt, editor, *Colorado Daily*, University of Colorado, Boulder.

Budd Schulberg, author, Los Angeles.

Maria Tallchief, ballerina, Chicago.

Alan Temko, Institute of Urban Affairs, University of California, Berkeley.

Leslie Uggans, actress, New York City.

Eli Wallach, actor, New York City.

June Wayne, Director, Tamarind Lithography Workshop, Los Angeles.

Leonard Woodcock, Vice President, United Auto Workers, Detroit.

Whitney Young, Jr., Executive Director, National Urban League, New York City.

BEN KUBASIK JOINS UNIT FOR PUBLIC TV

Ben Kubasik, associate director of the Public Broadcast Laboratory of National Educational Television, was appointed yesterday as executive director of the National Citizens Committee for Public Television. Mr. Kubasik, 38 years old, will assume his new duties on July 31 at an annual salary of approximately $40,000.

The National Citizens Committee for Public Television expects to have as members more than 100 leaders in the arts, education and business. Thomas P. F. Hoving, director of the Metropolitan Museum of Art, is chairman of the group, which currently numbers more than 60.

Mr. Hoving said yesterday that with Mr. Kubasik's appointment "the committee can now begin to move. We have a helmsman now and he certainly knows how to steer. He is the best in the business."

When the committee was formed in May, Mr. Hoving said its main goal was to involve outstanding figures in the nation's cultural life in the promotion of a diversified program service outside commercial broadcast schedules.

The committee has offices at 609 Fifth Avenue.

FEDERAL SPENDING AND THE PUBLIC DEBT

Mr. MOSS. Mr. President, our citizens are always concerned about Federal spending and the public debt. But these matters are of unusual concern at this time because of the military operations in Vietnam which are costing some $20 billion a year.

I have prepared a summary of current spending figures and debt totals which I believe will be of interest to my colleagues.

WHERE DOES YOUR FEDERAL TAX MONEY GO?

Federal expenditures are dominated by items connected with present world crises and past wars, including national defense, veterans benefits, and interest on the debt. These three items alone account for almost four-fifths of total Federal spending—The Problems and Promise of American Democracy, p. 202.

In round figures, here are the 12 categories of the administrative budget—which does not include Social Security:

National Defense, $75½ billion, 56.4 percent.

International affairs and finance, $4¾ billion, 3.5 percent.

Space research and technology, $5⅓ billion, 4.0 percent.

Agriculture and agricultural research, $3 billion, 2.3 percent.

Natural resources, $3½ billion, 2.6 percent.

Commerce and transportation, $3 billion, 2.3 percent.

Housing and community development, $1 billion, .07 percent.

Health, labor, and welfare, $11⅓ billion, 8.0 percent.

Education, $2¾ billion, 2.0 percent.

Veterans benefits and services, $6 billion, 4.5 percent.

General government, $2¾ billion, 2.0 percent.

Interest, $14 billion, 10.5 percent.

(Estimates for fiscal year 1968.)

In June, Budget Director Charles L. Schultze pointed out that Federal expenditures are going down in relation to the national income. Concerning administrative budget expenditures—which do not include social security payments—he said:

Excluding the costs of Vietnam, Federal expenditures in the administrative budget were 16 percent of gross national product (GNP) in 1964—they will be 14 percent in fiscal 1967 and 1968. Taking all four years of the Johnson Administration together, Federal non-Vietnam expenditures averaged 14.2 percent of the gross national product, compared to 16.3 percent for the last six years of President Eisenhower's Administration, the period after the end of the Korean War.

Even including the cost of Vietnam—which are running in excess of $20 billion—the ratio of Federal expenditures to GNP, in both fiscal 1967 and 1968, will be 16.8 percent, less than in 1955 and 1959 (years in which there were no war expenditures), and far below the 21 percent reached during the Korean War.

If social security is added in, expenditures look like this—Schultze quote continued:

If we use the more comprehensive national income accounts budget (NIA), non-Vietnam expenditures fall from 19.1 percent of GNP in 1964 to 17.6 percent in 1967. The ratio will increase to about 18 percent in 1968. The NIA budget (as a percentage of GNP) declines less than the administrative budget primarily because of the rapidly rising expenditures of the self-financed trust funds. (Social Security and Interstate highway.) But these funds are running a substantial surplus—revenues have risen faster than expenditures.

On any measure, non-Vietnam expenditures have risen less rapidly than the national economy. They account for a smaller—not a larger—share of our national income.

THE FEDERAL DEBT HAS GONE UP MUCH MORE SLOWLY THAN PERSONAL, CORPORATE, OR STATE AND LOCAL DEBT

Since 1947, the Federal debt has grown less than 30 percent, while private debt has risen about 550 percent and the debt of State and local government about 700 percent:

[Dollar amounts in billions]

	Federal	Personal	Corporations	State/local
1950	$256.7	$83.9	$167	$20.7
1966	$329.8	$459.6	$533	$101.1
Increase (percent)	28.4	448	219	348

The facts clearly indicate that the greatest portion of our Federal tax moneys and our Federal debt are spent on the security of the Nation. The bill must be paid for war and defense. No one would deny a soldier the money needed to fight a war; but many balk at paying for the freedom, which that soldier gained, when taxes are still being collected 5, 10 or 20 years later.

The responsibility of the Federal Government is to protect the Nation's security and to render those services which our citizens cannot provide as individuals. Wherever there is unnecessary expenditure or any degree of extravagance, it should be ruthlessly cut out. But, by far the greatest proportion of Federal expenditures come in the military and fixed cost areas. Proportionate to our national income there has not been any unwarranted growth in domestic expenditures. It is unrealistic to believe that our fiscal problems can be solved readily by the elimination of unnecessary domestic spending.

THE UPWARD BOUND PROGRAM

Mr. MOSS. Mr. President, it is always a pleasure to receive a letter reporting that a Federal program is going well, and is accomplishing the purpose for which it was established. This is especially true when the program is a humanitarian one, which is improving and conserving our human resources.

I have just received such a letter from Prof. James D. Condie, assistant professor of psychology at Weber State College and director of the Upward Bound program of the Office of Economic Opportunity.

I ask unanimous consent to have Professor Condie's fine letter discussing the positive effects of the Upward Bound program on the lives of students involved in it at Weber State College printed in the RECORD.

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

WEBER STATE COLLEGE,
Ogden, Utah, June 23, 1967.

Hon. FRANK E. MOSS,
U.S. Senate, New Senate Office Building, Washington, D.C.

DEAR SENATOR MOSS: Approximately one year ago, Weber State College began its first year's experience with an Upward Bound Program. I am sure you are aware that Upward Bound is one of the educational endeavors financed through the Office of Economic Opportunity.

Those of us closely associated with Upward Bound at Weber State have seen much improvement in all aspects of the Upward Bound student's life. Naturally, there are some who have been so depressed throughout their lives that in one short year we have been unable to modify their attitude sufficiently to get them college bound. On the other hand, I would like to inform you

of the very positive progress which has been made. As you are aware, approximately eight per cent of the eligible college-age students from low-income families, in reality, attend college. This year, there are seventy-eight per cent of our Upward Bound high school graduates who will begin college. For most, this college experience will be done completely on their own with little or no economic or emotional support from home.

We would be most pleased if you could stop by Weber State some time this summer between June 26 and August 5 to visit with the students and a very capable and sensitive faculty and staff. Since there will be field trips and the students will be gone from campus on occasion, we hope you can find time to visit us when the students are here.

Sincerely yours,

JAMES D. CONDE,
Assistant Professor of Psychology,
Director, Upward Bound.

FORMER FOE HAILS HOUSING LAW

Mr. JAVITS. Mr. President, the New York Times of July 8 published a story which should be of interest to legislators and realtors throughout the country. The article concerns a recent statement by John I. Hasselblad, a director of the National Association of Real Estate Boards who, 2 years ago, was a sincere and ardent foe of the proposed Colorado fair housing law. That law was enacted over the protests of Mr. Hasselblad and many members of the industry, but he now declares that such laws are necessary throughout the Nation "if we are going to solve this problem of human relations in housing."

Furthermore, Mr. Hasselblad finds, "The real estate industry has not been hurt by the law" and the extent of public acceptance is "amazing." He destroys the myth that property values deteriorate when minority groups move into a neighborhood and urges his colleagues in other States to support the passage of fair housing laws.

Mr. Hasselblad's statement certainly encourages those of us who have been working for a national fair housing law and, hopefully, will go a long way toward eliminating the opposition of the real estate industry to such a Federal law.

I ask unanimous consent that the full text of the Times article be printed in the RECORD.

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

FORMER FOE HAILS OPEN HOUSING LAW—DENVER REALTOR SAYS FEARS HAVE PROVED UNFOUNDED

NASHVILLE, TENN., July 7.—A real estate broker who led a campaign against the enactment of Colorado's open housing law termed the law a success and a great contribution to the cause of human liberty today.

John I. Hasselblad, a director of the National Association of Real Estate Boards and a former president of the Denver Board of Realtors, told a race relations institute here that real estate men should promote fair housing legislation in other states.

The institute, the 24th annual conference of its kind at Fiske University, ends tomorrow with reports on clinics conducted in the last two weeks by the 200 participants. Those taking part are civil rights workers, church lay leaders, ministers, educators, sociologists and political scientists.

Mr. Hasselblad recounted what he called "a titanic battle to keep fair housing legislation from being enacted" in Colorado two years ago.

WARNED OF RIOT AND REVOLT

"We warned that if legislation of this sort was passed we would see riots and people in rebellion such as we have never seen before," he said. "We quoted the Constitution. We quoted the Bible. We said this would only lead to the eventual breakdown of all our precious freedoms."

But the campaign failed. The bill was passed by the Legislature and signed by the Governor. A Denver Fair Housing Center was organized by civic leaders to help people find housing wherever they wanted in the city.

"We find a condition today that we would not have believed possible two years ago," Mr. Hasselblad declared. "We find that the real estate industry has not been hurt by the law. We find that there has been an amazing public acceptance of the law."

"The law has definitely assisted the public and the real estate industry to bring about a healthier climate in human relations," he continued. "The law has not brought about an increase in so-called incidents, riots, marches and so forth."

PROPERTY VALUES STEADY

"In fact," he said, "just the opposite! We find that there has not been a decrease in property values by an influx of minority people into an area. The law has helped to create an atmosphere in which responsible organizations and individuals dedicated to the cause of human liberty can work together intelligently and effectively."

Instead of being "a bunch of bigoted individuals," as they are sometimes pictured, Mr. Hasselblad said real estate men are vitally interested and concerned about the total welfare of our communities."

"The paths which the realtors of Colorado have walked in the past two years," he said, "are the paths which all realtors throughout the country must eventually walk if we are going to solve this problem of human relations in housing which, of course, leads to many other reforms."

POLITICAL BROADCAST SPENDING

Mr. PEARSON. Mr. President, recently the Senate was embroiled in a protracted debate over the need to establish some system of public financing for election campaigns. The Senate Finance Committee held a number of hearings on the subject and will shortly submit its report and recommendations for further discussion by the Senate as a whole.

Much of the debate and testimony centered on the threat to our democratic principles posed by the need of candidates for high political office to rely upon a few wealthy sources for their campaign funds. Some have expressed the view that this danger is immediate; others, that it is more remote, or nonexistent.

The point has been made that more people are giving more money to political campaigns than ever before. In 1956, approximately 8 million individuals contributed to political campaigns. By 1964, this number had increased to 12 million.

These figures have led many to ask why any Federal financing of elections is needed when more people are contributing than at any other time in our past and thus the reliance of candidates on a few wealthy sources may in fact be declining.

Mr. President, this reasoning ignores the quantum jump in campaign spending that has occurred in the last few years. The fact is that the cost of election to public office is growing so rapidly as to completely outstrip the increase in the number of individual contributors.

Recent evidence of this fact was presented in an article in this morning's New York Times citing the tremendous increase in spending for political broadcasts in the 1966 elections. For last year's campaigns, all candidates spent approximately $32 million for spot announcements and political programs on radio and television. This amount represents an increase of 60 percent over the total spent in 1962, the last nonpresidential election year. This figure almost equals the $34.6 million spent in the presidential year of 1964.

Mr. President, a suspension of the equal time clause of section 315 of the Communications Act of 1934, as I have proposed for candidates for President and Vice President, would help reduce the major cost of political campaigns by permitting broadcasters to donate time for public debate to our major candidates without the fear of inundation by a host of splinter contenders.

Nonetheless, important though such a measure might be, it would only be a partial step. If the tremendous costs of political campaigns are to be responsibly met, if the burden of securing the election of unobligated officials is to be more fully shared, if the dangerous reliance of candidates on special interests for election financing is to be avoided, more comprehensive reform is required. As the tremendous increase in campaign costs for the 1966 elections indicates, some system of public financing for our Federal elections is an absolute necessity.

Mr. President, I ask unanimous consent that the New York Times article be printed in the RECORD.

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

POLITICAL SPENDING FOR RADIO AND TV UP IN 1966—OUTLAYS OF $32 MILLION FOR OFF YEAR CLOSE TO TOTAL IN 1964 PRESIDENTIAL YEAR

(By Eileen Shanahan)

WASHINGTON, July 10.—Political candidates spent almost as much for radio and television advertising in 1966, a year without a Presidential campaign, as they did in 1964, a Presidential election year.

The Federal Communications Commission reported today that candidates of all parties spent a total of $32-million for spot announcements and political programs last year. The figure represents a jump of 60 per cent from the total spent in 1962, the last non-Presidential election year.

Last year's total almost equaled the $34.6-million spent in 1964, for Presidential and non-Presidential campaigns combined. The non-Presidential portion of the outlays in 1964 was $21.8-million.

Democratic candidates spent more than half as much again than did Republican candidates in 1966—$18.5-million, compared with $12.2-million.

DRAIN MAINLY IN SOUTH

The larger Democratic outlays for radio and TV advertising were accounted for, however, by their heavier expenses in primary elections—mainly in the South.

For the November general elections, the Republicans outspent the Democrats, $10.4-million to $8.5-million.

The commission's report on paid campaign advertising that all of the increased spending, compared with 1962, came from an in-

crease in spot announcements and that the increase was greater for radio than for television.

Paid political ads on standard A.M. radio accounted for 41 per cent of the money spent on political broadcasts in 1966—a total of $13.1-million. That was an increase of 70 per cent in the dollar charges for radio advertising, compared with an increase of 50 per cent for television.

Radio and TV station billings for spot announcements, totaling $27.5-million, were 85 per cent higher than in 1962. Outlays for sponsorship of entire programs, however, declined from $5.2-million to $4.5-million.

Although the Democrats have consistently outspent the Republicans, since 1962 for broadcast advertising, the margin widened considerably last year. In 1964, the Democrats spent $17.8-million, compared with the Republicans' $15-million. In 1962, the figures were Democrats, $12-million, Republicans $7.5-million. In 1960, the Republicans outspent the Democrats, $7.6-million to $6.2-million.

Of the 5,500 radio and television stations covered by the survey of the Federal Communications Commission, only 131—including only 21 television stations—said they had broadcast their own editorials for or against candidates.

The average television station received $20,000 for paid political spots and programs and the average radio station a little more than $2,000.

ADDRESS BY VICE PRESIDENT HUMPHREY BEFORE NATIONAL EDUCATION ASSOCIATION

Mr. MONDALE. Mr. President, last Friday night, Vice President HUMPHREY addressed the annual convention of the National Education Association in Minneapolis, Minn.

The Vice President addressed himself in this speech to what is surely the most significant educational issue today, the quantity and quality of programs for the children of the poor.

Mr. HUMPHREY asked schoolmen to dedicate themselves to helping disadvantaged children "all year long—not all year except the hot, troubled months of summer." He called for school facilities—"educational treasure houses"—to open their doors to poor children in the summers; and he called on the schools to reach out to poor families and get them involved in school planning. And he called for an examination of school curriculums to see that all young people are being prepared for a future to fit their aptitudes and capacities.

Mr. President, this was a magnificent speech, enthusiastically received. I believe it deserves wide circulation. I ask unanimous consent that it be printed in the RECORD.

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

REMARKS OF VICE PRESIDENT HUBERT H. HUMPHREY AT THE NATIONAL EDUCATION ASSOCIATION, MINNEAPOLIS, MINN., JULY 7, 1967

Today I want to talk with you not only as your Vice President, but also as a former teacher, educator, and one who shares your hopes and concerns.

Every one of us is deeply convinced of the importance of education in building a strong and free nation. But sometimes we learn that lesson best by seeing it in practice elsewhere.

I returned two days ago from a mission to the Republic of Korea.

Korea is a nation which has lived for centuries beneath oppression and disaster. At the end of World War II, almost no one would have given odds that the Republic of Korea might one day be a strong, free and self-sustaining nation. Certainly no one would have done so during the terrible years of the Korean war.

But today Korea is a vital, growing nation at the point of economic take-off. It is a nation which will be a power in the years ahead in free Asia—and all this in one generation.

How is it being done?

Careful economic development has been undertaken. However, even more important has been that nation's dedication to education for all her people.

Today the Republic of Korea is still filled with a good deal of poverty. It certainly in no way approximates our own standard of living. But Korea's young people—more than half the population is less than 19 years old—are receiving quality public education. And the nation is moving.

The contrast is stark. Old men and women in traditional dress sit resignedly by their doorways. But the streets are filled with young people—strong, healthy, in Western dress, and typically carrying school books. And these young people are Korea's future.

From a devastated and backward society to a vigorous, progressive nation in one generation—and education is doing it.

One evening while I was in Seoul, I gave a dinner for some of the younger, non-governmental leaders—educators, publishers, labor leaders, businessmen. At the end of the dinner, each of the guests rose to say a few words. All of them shared one theme: We always knew we could do it and that our country could do it. Now for the first time we have the chance.

We have known in our hearts, for a long time, that the best way to build a nation is through education. That is the way Korea is being built today. And that is the way America has been built and will continue to grow.

Ten years ago, we Americans awoke to the fact that our educational system was not what it should be. Sputnik, circling the earth for all to see, gave us a good kick in the seat of our complacency. Sputnik told us something was wrong and that we had better get moving.

I don't need to tell this audience about our progress in education since Sputnik. That progress is well known and evident. What I do want to do is to call your attention to the special efforts we in America still need to make—efforts such as those now being made in the Republic of Korea: I mean better education for the underprivileged and overlooked.

I am Chairman of the new President's Council on Youth Opportunity. For the past several weeks I have been doing my best to open doors for impoverished and underprivileged young people—through summer jobs, camping, more recreational and educational opportunity. This is where we have to do better. This is where your special help is needed.

We have some good laws on the books today. But it will take more than laws to make truly equal opportunity a reality for those whose families have gone so long without it.

We have money, too—still not enough, but more than ever before—and imaginative programs. But these things, too, won't do the job alone if our disadvantaged young people do not have extra help in opening their doors to opportunity. Some of those doors are physical doors—and too many of them are closed right now all over our country. Behind those doors are gymnasiums filled with recreation equipment . . . swimming pools . . . home economics rooms filled with sewing machines and kitchen equipment . . . shops with tools lying unused . . . libraries with books going unread.

In too many American communities, our schools are educational treasure houses closed for three months of the year. And these schools, for many young Americans, are the only positive influences in their lives.

Not only could many of these schools bring education and positive experience to young people in the summer, they could be a source of summer income for poor young people and young adults as well. Teenage boys and girls who need the money could find work supervising activities for their younger sisters and brothers.

Now I know there are a thousand reasons why it is difficult to keep our schools open the year around.

But there are *millions* of reasons why they *must* be kept open—and those reasons are young boys and girls who desperately need the extra help to get an equal chance in life.

These are boys and girls who tomorrow will be statistics on the unemployment, welfare, and crime rolls unless they get help now. These are boys and girls who will be lost resources to our country and a blight on the conscience of a nation which can well afford to help them.

Poor people are poor all year long—not just for nine months a year. Disadvantaged children need help all year long—not all year except during the hot, troubled months of summer.

You may ask: How do we pay for it?

I would like to see the teachers and administrators in every American school district sit down and use their abundant imaginations to find a way their schools can help the children of the poor during the summer months.

Then I would like to see school business managers analyze the costs and come up with what is possible for how much money. I believe we need in our schools the same standards of cost effectiveness which have proved so useful, for instance, in American private industry and the Department of Defense. We need to measure every program in our schools as to its priority and importance vis-a-vis every other program.

I have the feeling that, if truly objective cost effectiveness studies are made, we will find that a twelve-month school year will have priority over any number of other programs already underway.

Then I would like to see every American community scoured for volunteers and a deliberate attempt made to obtain participation of the well-off people in the community.

I believe that our children are more important than the finish on the gymnasium floor. Yes, I believe they are more important than the tradition of three months off for those who work in the school system. And yes, I believe the money has to be found to pay the costs of helping these children a full twelve months of the year.

Yes, I believe our schools should be open twelve months a year.

I also believe that we must do a far better job than we have been doing in the classroom for the children of poverty.

I don't need to tell you that children from families of poverty often have trouble in school.

The whole emphasis of the Elementary and Secondary Education Act is a recognition of this problem—and Head Start is a classic response to it. But the structures of our schools, and the reactions of our teachers to the children of the poor, are two big pieces of unfinished business.

I recently read an article by Miss Jean Grambs, of Baltimore, in the *National Elementary Principal*.

She wrote: "The slum child comes to school with all kinds of things that the school is intent on eradicating. The school can't stand his bad speech habits. The school does not like him to wiggle and squirm. Even if he does so because he is hungry . . . let his stomach growl and churn with hunger; it is

no business of the school's, and besides, it is considered good discipline to sit still when your guts ache.

"The school doesn't like ill-fitting clothes, or uncombed hair, or hair that is combed in a flashy style . . . .

"Now all of these are part and parcel of the neighborhoods these childen come from, part of their families and their growing up. So the school is in essence saying to these children: We don't like you and we don't like your families—and we suspect you don't have a decent family anyway. These appraisals by the school tell thousands of children that they have been assessed and found woefully wanting."

We are beginning to see that this reaction is absorbed by the child of poverty and that he actually comes to believe he *is* inferior. His daily failures and report cards tell him this again as time goes on—and rejection and defeat become normal parts of his daily life.

So this is what I mean when I say that all the laws in the world—all the statements of intent . . . all the money . . . all the power structures and empires will not help the poor child so long as he is rejected as a person by the system and its teachers.

And what about the parents of these children?

Our P–TA's are filled with responsible and God-fearing parents, all of them good people.

But how many families of poverty are represented in your P–TA and many others I know? If these people do not come forward on their own initiative, no effort is usually made to encourage them to come forward.

The whole thrust of our national war on poverty is an effort to bring the poor a role in building their own destinies . . . to get them to lift their voices and become involved. But in far too many of our school systems, this concept does not remotely exist.

What happens too often?: The children from middle-class families, from a wholesome home environment, are easy to teach and pleasant to work with. They receive a good share of attention, take the standard precollege courses, and leave our school systems with a good chance for success in life.

Children of poverty, on the other hand, enter school badly prepared by everything in their experience. They are not so easy to get along with . . . they soon experience frustration and rejection . . . and often as not drop out before their schooling is done—unless somewhere along the way a sensitive and understanding teacher or school system has made the extra effort to help them find their way.

Finally, we must think very hard about just what kind of education the children of poverty are receiving.

Many of our instincts tell us, I know, that all our young people should follow exactly the same homogenized curriculum. But I wonder: Does such a curriculum do justice to all our young people?

Today, there are more than 15½ million young Americans of college age. But only 6 million are, in fact, in college. Our goal, of course, is to raise that figure.

But for those among the remaining 9½ million who will not go to college, we must ask this question: Are they equipped to find a job and a role in life?

Too often, I feel, they are not.

Many of you saw late last month the news of President Johnson's visit to the Opportunities Industrialization Center in Philadelphia, when he signed into law a Bill extending the Teacher Corps.

That Opportunities Industrialization Center—supported by business, labor and a cross-section of the community—has trained and found work for 6 thousand people in the past three years. By and large, these were people whose prior education simply did not equip them for jobs.

At the Center, people are taught radio/TV repair, auto mechanics, household and home repair, and other skills needed in an economy increasingly oriented toward services rather than goods. But they are also trained in such basic things as how to apply for a job . . . how to punch a time clock . . . and how to dress properly to hold a job.

This is not glamorous work for the teachers and instructors. But it does help people. It does fill jobs. It does make the City of Philadelphia a better place in which to live.

So, just as we examine our budgets to find ways to keep our schools open year-round, I think we should also examine our curricula to see if all—and not just some—of our young people are being prepared for a future to fit their aptitudes and capacities.

I am afraid that much of what I have said may sound a bit like sermonizing to some of you. Maybe it is. But we will need nothing less than a missionary spirit if we are to really build the kind of nation we say we believe in.

For I believe, as Franklin Roosevelt did, that: "The test of our progress is not whether we add more to the abundance of those who have too much; it is whether we provide enough for those who have too little."

If poor and struggling nations of this world—nations building a new society from the ground up—are willing to pay the price for the kind of education which can do this, I think we should be willing to pay that price.

If it means harder work . . . if it means higher taxes . . . if it means breaking comfortable old habits, I say we have to do it. Because none of us can avoid this fact: There are two Americas. There is the America which you and I know in our daily lives. And there is the America which lives in poverty . . . in city and rural slums . . . without jobs or self-respect or hope.

And until this other America—the one from which it is all too easy to turn our faces—becomes just as free, just as equal, and just as prosperous as the America of affluence, this country does not live up to what we profess for it.

So I ask your help. I ask you to look around you. I ask you to re-examine the programs, the outlooks, the policies of your schools.

I especially ask you, right now, to do something about keeping your schools open next summer—or for the remainder of this summer, for that matter, if it is not too late.

Budgets are being prepared now for the next school year.

I also ask you to join in our national Stay-in-School Campaign—aimed at getting potential drop-outs to stay in school and off the streets when the summer months end. Your local Mayor's Council on Youth Opportunity will be heading this effort.

I believe the future of our country is unlimited. I think America has only begun to show the world what it can do and to exemplify the ideal we all believe in—namely, that we can truly build a society, "indivisible, under God, with liberty and justice for all."

When this America stands as one, when that kind of society has been built—then we can raise our heads and look to the world around us with confidence and pride. For that will be the day that America the nation matches America the ideal.

ADDRESS BY JENO F. PAULUCCI

Mr. MONDALE. Mr. President, I have the honor to invite to the attention of the Senate a remarkable address delivered recently by Mr. Jeno Paulucci on the occasion of the golden anniversary commemoration of Hibbing Junior College in Hibbing, Minn.

Mr. Paulucci, the son of Italian immigrants, was born and reared in northeastern Minnesota and his early years were spent in the midst of poverty. Today, Mr. Paulucci is one of our Nation's most successful and eminent industrialists and his personal story—much of it recounted in this commemorative address—is fascinating and instructive. Jeno Paulucci's story is that of a man who, through diligence, hard work, and self-sacrifice, has made possible for himself and others the fulfillment of the American dream.

Mr. President, Mr. Paulucci's remarks eloquently express a perspective and philosophy of life which deserve wide circulation and consideration. Because of Mr. Paulucci's important remarks concerning our free enterprise system, the necessity for equalizing opportunity for all our citizenry, and the importance of local institutions of higher learning such as the Hibbing Junior College, I ask unanimous consent that the address be printed in the RECORD.

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

Good evening, friends . . . Salute!

It's good to come home again to meet old friends and acquaintances and former schoolmates and teachers. It's really great to get together with you! My good wife, Lois, sends her greetings and regrets for not being with us this evening. This being the last week of school in Florida, she felt it necessary to be with our children.

Like others here . . . I highly prize the privilege and honor to pay homage and tribute . . . long overdue . . . to our Hibbing Junior College . . . to which so many of us owe so much on the occasion of the Golden Anniversary of its founding 50 years ago. I don't limit this indebtedness to the many thousands of students, graduates, and their families who have benefitted directly from all the Hibbing Junior College has offered and provided over all these years . . .

On the contrary . . . I include *all of us who have lived in this last half century in this community embracing all of Northeastern Minnesota . . . who have shared indirectly . . . and directly . . . in so many countless ways . . . in enriched lives . . . as a result of our Hibbing J. C.* . . . and the wonderful, dedicated staff of teachers, professors and deans who have guided the progress of Hibbing Junior College so well these past 50 years . . . our special thanks and tribute to them.

I personally greatly appreciate and acknowledge with limitless gratitude what Hibbing J. C. gave me and my family during the formative years of my youth . . . as it has so many others here. Hibbing J. C. helped immeasurably in giving me a broader outlook on life as well as that all-important ingredient . . . greater motivation . . . of where I wanted to go in life and how I wanted to get there. Besides giving me new horizons . . . Hibbing Junior College further taught me how and where to look for and how to get the answers to problems later in life . . . of which, believe me, I've had my quota . . . and more, as you have too, I'm sure.

Hibbing Junior College, combined with earlier training in our fine schools . . . and all the experiences inside and outside the home . . . and growing up here on the Iron Range . . . contributed . . . more than I can ever indicate . . . contributed . . . more than I can for myself . . . or, in a word, becoming the individual and the individualist that I eventually became . . . with the help and guidance of my parents and most of all, my mother, Michelina, and my sister, Elizabeth . . . here with us tonight.

When one starts at Hibbing J. C., whether he plans on a life in one of the professions or in any other vocation . . . he finally recognizes and realizes that he has "come next door" to the unsheltered life in the great, wide, wonderful world that awaits his intelligence, talents and energies . . . and which today presents greater opportunities than ever before.

Because of this rapid maturing and "coming to grips with life itself" in the outside world that takes place at Hibbing J. C. . . . this institution has proved such a powerful factor in producing the individuals and the individualists . . . such as make up those gathered here this evening.

Surely everyone knows . . . *only the individual and the individualist . . . "Makes the world go 'round."* Nothing ever happened . . . that some individual or individualist didn't start. Sometimes it appears or looks like a group . . . but a group never acts unless some individual or individualist "sparked it into action" . . . and, whatever the project or program, "got the ball rolling" . . . and *hence the overwhelming importance of the individual and the individualist.*

I have accepted the invitation to speak tonight about "Our Parents' Generation." In accordance with my record as a nonconformist and a "Maverick" . . . *I want to bend the topic a bit . . . just enough to encompass the heritage each of us received from "Our Parents' Generation"* . . . that has made us the individuals and the individualists that we've become.

To do this . . . I must become personal . . . and for this . . . I trust you'll excuse me. I cannot speak for you or anyone else . . . but only for myself . . . because *I intimately know only my own experiences.*

Each of us see "Our Parents' Generation" through youth's candid eyes. *But the kaleidoscope of our lives with our parents takes on new clarity in retrospect.*

Each of us can quickly bring into sharp focus the heritage that "Our Parents' Generation" provided us with . . . the opportunities or the lack of them . . . the character traits passed on to us by design or example or the lack of either . . . the motivation . . . the conscience . . . the ideals.

And as I reflect upon my heritage as I see it now . . . I invite you to do likewise. As I will now with myself . . . *I ask you to take a good hard squint at yourself . . . in your own mental mirror . . . and tell yourself, honestly, what you see.*

In my judgment each of us is motivated by certain beliefs . . . disbeliefs . . . likes and dislikes . . . starting early in our lives and dating back to our childhood experiences. Motivation is how we put to work for good or bad, success or failure, happiness or sorrow . . . the basic elements that result from our early environment and blended with our heritage.

My motivation, simply put, has been to fight for what I believe in and battle against that which provokes me as a result of my own past environment and experience and heritage.

The formula of my life has been very simple . . . first the cause . . . then the reaction . . . then the motivation.

I say to you, motivation is the fuel for your soulful energy . . . the platform of your credo of life . . . and the strength of your convictions.

Once you find and determine your motivations . . . and channel them properly, you put true purpose into your life.

Allow me to quickly review my past experiences so that I can outline the causes, the reactions and the resulting motivations.

Recently a major publisher asked to produce my biography. I seriously doubted it would, at this stage in my life, prove interesting to readers. *Since this leading publishing house initiated the project* . . . I, however, decided after considering it at length . . . to cooperate in the work.

Among the first things . . . this brought up . . . "Let's see what really and basically motivates Jeno from his early age." In checking back . . . *I've known very little middle ground.* From my early childhood in Aurora, Minnesota . . . of which I remember little . . . to my years of growing up in Hibbing, *I've proved to be violently for or against the causes I've espoused or opposed.*

I've just as ardently demonstrated my opposition to that in which I do not have faith . . . as I've fought for that in which I do believe . . . this, frequently to my great personal disadvantage . . . *as witness the lost causes* I've fought for just as hard as those in which I've ended up on the winning side . . . such as the political campaigns and the Taconite Amendment Drive and other projects and programs in which I've had a part here in N. E. Minnesota.

From the outset, and here at Hibbing Junior College, as well as throughout my life . . . I've hated what I've considered injustices, unfairness and impositions of all kinds. *And, not with any mild hate either.*

I don't mind telling you I've found joy and gratification in holding to such a course even though I've often "gotten battle scarred" in pursuing it.

What I like or what others associated with me like . . . does not motivate me. I've taken good care of my family . . . my Mother, my Father (when he was alive) . . . and later my Wife and Children, giving them many of the good things in "la dolce vita". . . and sometimes too much.

What motivates me . . . had its early roots in what I learned when we lived in Aurora before we moved to Hibbing. For example, my Dad held the job of school janitor . . . that paid $5.00 a day. In those days you either kept the bosses happy or you lost your job.

I remember the bosses and school officials . . . who frequently came to our home with their hands out . . . to get spaghetti and wine and other gratuities for their regular *"take"* as office holders and bosses. Ever since, I've hated the thought of anyone having to curry the favor of the boss to get and keep his job, instead of holding his job on the basis of his ability to fulfill the requirements of his work.

Later in Hibbing, we had a similar parade to our door of city, county, state and federal keepers of public trust to "demand their pound of flesh". . . for my Dad's wages of $4.20 a day for 13 hours work, 6 days a week . . . and then in depression years, during which one counted himself lucky if he got one week's work every 6 weeks . . . we made and sold wine like many other Italians. After all, with only $25.00 income every 6 weeks . . . a family of four could hardly keep body and soul together.

In addition, during the winters with temperatures falling as low as 30 and 40 degrees below zero . . . I picked up coal that had fallen off locomotive tenders and coal cars along the railroad tracks.

The owners of the mines in North Hibbing also owned the railroad . . . as many of you will remember . . . and they didn't like trespassers picking up coal on their right-of-ways. Fearing to lose his job in the mines . . . *my Dad* asked me to stop scavenging this coal . . . but I didn't. Where else could I get coal for our stove?

When I couldn't pick up enough coal . . . I had to resort to tar impregnated paving blocks for fuel. Can you imagine the stench from burning these creosoted wood blocks in a pot-bellied stove *in our $5.00 a month, 4-room flat?*

Once I stood in a long, slow-moving relief line awaiting hand-outs. I couldn't stomach myself doing this . . . so I got out of the line and I never returned to become the recipient of such doles. I resolved that one way or another . . . I'd figure out how to help our family get along . . . without going to the relief lines . . . so common in those days . . . *by finding ways and means to earn money.* This credo, in turn, has made me *adamantly* against any type of dole or relief except for the helpless and indigent. My belief has always been that the able-bodied can always find a way to earn a living if they so want.

When I was about 10 or 11 years old, I might . . . if "lucky" . . . get a job paying 25 or 50 cents to unload a whole railroad boxcar of coal for the Mesaba Lumber Company in North Hibbing with a two-wheel scraper that was actually bigger than I was. For unloading a whole boxcar of watermelon by hand . . . for the wholesale produce firms . . . I used to get a speckled watermelon for my pay.

Growing older . . . I went to work in a grocery store . . . at Day Light Market . . . at the age of 14. I worked before and after school and all day Saturdays until Midnight. My day on Saturdays started at 5:00 A.M. Starting with unpacking and putting vegetables and fruit on display and helping there and elsewhere in the store . . . in addition they had me mopping the place and cleaning out the meat counters after the store closed at night. *I really appreciated this opportunity to have a job.* However, for all this work, they used to give me a bushel of overripe tomatoes or vegetables and fruit for my pay. They were supposed to pay me $2.50 in cash for a week's work . . . but the boss would instead compute what he felt was $2.50 worth of more or less unsalable fruit and vegetables. I felt *I was being taken advantage of.* Later I stood up for my rights and I got $3.00 a week in cash, and later on $5.00 a week . . . but as a result *I have always demanded and seen to it that a laborer, no matter what his work, receives a full day's wages for a full day's work.*

Going to Duluth at the age of 16 . . . I pitched fruit and vegetables like a circus barker from an open air stand. I started at 6:00 in the morning during school summer vacation until 10:00 or 11:00 every night. On Sundays I would hitchhike home to Hibbing to help my Mother in our neighborhood grocery store so that she could go to an afternoon movie. Her hours in the store were from 7:00 A.M. to 11:00 P.M., seven days a week. On Sunday evenings I then would get a ride back to Duluth with the Zinsmaster bread truck.

At Duluth I was exposed to something I am *against*, and that is *a slow-down on the job.* It amazed me when my fellow workers in this particular store corralled me one day in a group and told me I was working too hard and too fast. They told me I had better slow up so that I didn't take work away from somebody else. It was absolutely unbelievable to me that anyone would create a slowdown. This again created in me an antagonism against anyone who didn't give his best efforts to his job and *an honest day's work for an honest day's pay* . . . because he could always quit if for any reason he didn't like his job.

I pitched so hard and barked so loud and long during those days in the open fruit stand that other businesses in the block in Duluth signed a petition and got the city council to pass an ordinance so that there could be no more barking, and as a result I lost my job.

Returning to Hibbing, I again started working in a grocery store in the morning and at night and on Saturdays. While in school, if I felt the teachers dealt fairly with students and I liked a subject, I worked as hard as the best of them. But the reverse was also true!

At one time we had a teacher by the name of Dr. Milo Bail. No doubt many of you remember him. He came to Hibbing High School to set procedures for students. He wanted each student to do a couple of hours

homework at night on each of his subjects. This did not seem fair to me, and it would have made it impossible for me to continue with my work in the grocery store.

Instead of accepting this edict and doing the best I could with it. . . I started somewhat of a rebellion in school against Dr. Bail's policies. I even made speeches when Dr. Bail was present in classes. Possibly some of you remember this.

Over the intervening years, Dr. Bail has become Dean of a college in Missouri. Just recently he nominated me for a trusteeship of that college. I became on the 14th of March of this year . . . a Trustee of Missouri Valley College. It pleases me much that over the years he must have realized that possibly I wasn't just a renegade and a maverick who didn't know what he was doing . . . but rather a person who would not bow to edict or rules if in his heart he felt they were unjust.

All my years in school I held steadfastly to this principle . . . if I believed in something. I was 100 percent for it . . . but if I believed it was against the personal rights and privileges and liberties of the individual, I came out openly against it and fought it tooth and nail. More often than not I found myself on the winning side . . . because most always it wasn't for any personal advantage or benefit that I fought . . . but rather for what seemed to me to be right and fair.

Looking back at my crusades . . . (as I call them) . . . few of the projects and programs for which I've battled have been wholly and solely for private, personal gain . . . but rather and instead for the common good in which we all share and gain.

In spending some time in Mexico a few weeks ago . . . and seeing extreme wealth on the one hand . . . and extreme poverty on the other . . . I thought then, and do now . . . that this is what creates Communism. Eventually the poor and impoverished rebel and one way or another will take the wealth away from those enjoying special advantages . . . when they continue to abuse their privileges and don't share fairly with even the illiterates, the poor and the impoverished. Then Communism naturally follows.

Those who are more fortunate must in some way share their good fortune with those less fortunate . . . no matter whether or not those having money and wealth earned it the hard way . . . by dint of their own strenuous efforts and exceptional talents or abilities. Unless they find a way of sharing it, eventually it will be taken away from them . . . so, it is an enlightened selfish interest of the wealthy to see to it that they share their gains, and their good fortune, with those less fortunate, if for no other purpose than maintaining their position that they treasure so much.

Unless they change their income tax in Mexico from the 3% that it is now, to 20% or 25% or more . . . and use the proceeds of it to build better housing, to supply better farm equipment, to help those people to help themselves . . . eventually the poor peons will take away from those favored few of the small specially privileged class . . . the wealth they now hold more precious than life itself.

America has proved a most wonderful land . . . because we have had an enlightened people as the result of the foresight of our forefathers who believed we must provide for those less fortunate.

Individually and as a nation . . . we fully appreciate . . . as no other people and nation have in all history . . . that we must share with the less fortunate. This . . . and this alone . . . makes our people and our nation the greatest since the beginning of time.

When CBS-TV was making a documentary film of Sinclair Lewis' life in Duluth, they stated in an interview with myself and my wife, Lois, in my office last November that some of the favored few in Duluth . . . some of the "Private Club" members . . . declared that I was a traitor to them; that I was a traitor to the businessman; that I was a traitor to the wealthy; and that I was a traitor to the class to which they felt I should belong . . . *because I fought for the common man and the majority and because I favored unions.* They felt I had sold out the business community! . . . and the favored . . . or should we say selfish few who we commonly refer to as "coupon clippers."

My answer is no! What I have done really has been . . . indirectly in the best interest of the favored few, of the selfish, of the wealthy . . . whether they realize it or not . . . because unless someone battles the status quo as I do, and does what he can to share wealth and good fortune, then it could well happen that it will be taken away as years go on . . . from those who have enjoyed special privileges in the past . . . and unfortunately continue to ignore the less fortunate.

Such *shallow allegations* and charges against me have met with deepest resentment and contempt by me, but *have not swayed my course.* I have not done what I have . . . for "do gooder" or "Pollyanna" reasons. Instead, I've simply provided additional opportunity for those who were willing to progress and earn more . . . who have proved themselves worthy and deserving.

In every plant we have had since starting, no matter where, we've had an organized union shop. But we have made every union fight for every inch they got and we have respected the unions because most of them are run by intelligent, progressive people who once they know the peculiar problems of your particular industry, and if you take the time to fight and argue things out with them, to educate them to your business needs and requirements, they will meet you more than half of the way and will not do anything to put you out of business. *As the result of treating employees fairly and giving them what's justly due them, we have not had a strike or slowdown in any of our plants in more than 20 years in business.*

Call it what you will . . . intuition, superstition, or just a selfish instinct on my part . . . but I learned many years ago that if I felt I did right . . . things appeared to turn out right for me . . . and if I did wrong . . . I some how or some way got hurt. In observing this tenet religiously, I find myself much ahead of the game because of having done so.

Often I liken the life of any of us to that of the farmer who must "put back into the soil" something of what he takes out or the next harvest will suffer. In prospering, we have had to "put back into the soil" in one way or another . . . by helping in a common cause for the general good of one sort or another . . . to reap a more bountiful harvest as the years went on. *This pattern of enlightened self-interest . . . you might call it . . . has worked wonders for most, if not all of us, I'm sure.*

Since a mere youngster . . . I've been opposed to bigotry in all forms because I know the price of bigotry. *I am against those who consider themselves in any way better than others.* Money or good fortune doesn't make one person better than another . . . or any group better than another group. *Money and good fortune and physical properties can make a person only more comfortable . . . but never better.*

One can have a better education and have more advantages . . . but this doesn't make one any better than another.

This conviction has not changed in any way since my first experience in this connection as a youngster . . . 8 or 9 years old . . . when I lived on the edge of the iron ore dumps in North Hibbing. I had made a new friend and we played and got along beautifully together. He was Scandinavian and I was Italian. Then one day he invited me to his very nice home. We had been friends for about a month and I had never been to his home. As we reached his front door, his mother was there and she said, "Don't you try to come in you dirty little Wop!" For years as a result I thought to myself, "For one month this boy and I had been friends and having fun, but because I was a so-called "Wop," our friendship had to cease . . . because the mother "didn't like dirty little Wops."

I also ran into trouble with the prejudice that has existed against Jews. I asked, "What makes the Jewish boy any different than me? . . . or the Swede, or the Frenchman, or the American?" . . . *No one to this day has even pretended to offer a reasonable answer.* This feeling of bigotry has created in me an animosity and vile disgust for anything that smells of bigotry. I value my fight and struggle against bigotry in any form and shall continue to speak and fight against it for the rest of my days.

If you are for something . . . or against something, and if your thought and your actions are for the common cause and the common good . . . then you should let nothing stand in your way . . and I cannot say so more emphatically. Whether it is the loss of friends, or the creation of enemies, or the oppression of political bodies, or the pressures of economic groups and corporations . . . you should just tie into them tooth and nail and fight for what you think is right. What you'll gain, far outweighs any economic losses or social recriminations you might endure from those who may be opposed to your views.

In this last gubernatorial campaign we fought hard for the former Governor. We believed that by keeping the state administration democratic like the federal administration . . . that we would continue to garner the benefits (especially for Northeastern Minnesota) such as we had these past few years. *This was my belief, right or wrong.* Yet it was surprising and disgusting to see the letters we got from professional and business people . . . who should know better . . . accusing me of being a traitor and violently criticizing me because I was supporting the former Governor. They felt anybody who was a businessman was a traitor for so doing.

My answer to this was: *"Isn't this America?* Aren't you and your letters and vile statements against the freedom we cherish so much? Aren't you interfering with my personal privilege of choice of political candidates, my choice as to what I want to say, the freedom of speech?" But no, just because they felt this was against the concepts of class distinction, I was judged wrong. *That's why I am 100 percent for the liberties of the individual.*

I regard my business operations as giving me the wherewithal, the funds, the staff, the people, to do the other things I want to accomplish, to achieve my real purpose in life. And when it comes to business, I have been against following in the footsteps of others.

If there is a better way of doing anything . . . do it that way is our credo . . . notwithstanding what might have been years of accepted practice and custom.

I don't believe in pressures, and don't believe in people forcing you to do something. Anyone who has a business is entitled to run that business as he sees fit within the laws of the land. . . in line with the common good . . . and I have tried to run my enterprises that way.

One thing seems generally well-known. . . Jeno is not any paragon of virtue. Only with the somewhat coming of age . . . have I begun to know some moderation.

At the age of about 14 I could and did drink with the best of them; I got into fights

with the toughest of them. Where many people got kicked out of the best of places, I got kicked out of the worst places. Do any of you remember the "Old Stables?". . . that was one of them. Then came a time in my life when I was 27 years of age, I decided I had had enough and I quit drinking overnight . . . also smoking a little while later.

But during the days of drinking and smoking before I was married, I did my share and more of carousing during my early days here on the Iron Range and Duluth. This, however, proved good for me because I got that sort of thing out of my system once and for all. Truthfully I can say that in those early days I mixed with the worst of them and as a result, today *I find there's not much difference in people. . . for there's so much good in the worst and a lot of bad in the best.* . . so I can frankly say that there really isn't one hell of a lot of difference between the worst and the best. . . except possibly a different set of circumstances.

In a 1929 Ford . . . during the spring of 1937 . . . I well recall driving around the Hibbing J. C. steadily one morning for hours wondering and debating with myself whether or not I should get out of the car and continue my schooling and working in the morning and the evening and on Saturdays in the Minnesota Market on Howard Street, plus helping my Mother and Sister in the small neighborhood store in front of our home at 2326 Third Avenue South. My ultimate objective was to become a lawyer.

My dilemma was whether or not I should drive off, go to Duluth . . . and accept an opportunity to work as a commission salesman for a Duluth branch of a St. Paul wholesale grocery house . . . and start opening up new accounts and territories on the Iron Range and in North Dakota, and live off of a couple hundred dollars I had saved until I could get my first commission check. I finally decided that I would rather become a marketing man with "the world as my oyster," and with horizons unlimited, than to become a lawyer where possibly even if I was a good one, I would be restricted in my earning power.

In my judgment I would be limited as a lawyer because in that profession I could do only one man's work at a time. In marketing, if I could do it right, I could have many men doing my job, working for me and I could grow and prosper more and faster . . . and that the best basis of all in my judgment . . . if I could do so . . . was to be an individualist and work for myself in my own business.

As a result eventually I went into the Bean Sprout business so I could be my own boss and where there were no limits to my horizons of opportunity.

When one thinks of going into the Bean Sprout business here in N. E. Minnesota . . . doesn't it really prove how great this land of opportunity is? Where else but in America could an Italian go into the Bean Sprout growing business . . . in the predominantly Scandinavian country of N. E. Minnesota . . . and become the world's largest Chinese food packer . . . right here in the shadow of the iron ore dumps? Do we need any better proof of what a great country we live in and how great our people are?

So why have I related the foregoing?

In this way and by this means . . . I have attempted . . . first to indicate how much of a debt each of us owes "Our Parents' Generation" . . . in the founding of this fine institute, Hibbing Junior College . . . and to the fine staff of teachers, professors and deans who have been part of it these past 50 years. *With formal education becoming such an imperative necessity* . . . required to take advantage of the rapidly expanding opportunities in all directions . . . *you can see how valuable Hibbing J. C. has been and will be in this vast changing universe of ours.*

Secondly, let us . . . while continuing to make Hibbing J. C. an ever greater institute over the decades to come . . . in its effect on the lives of all of us in N.E. Minnesota . . . not overlook nor forget the other powerful forces in this area emanating from "Our Parents' Generation" . . . that have contributed so mightily to making each of us what we are . . . and I don't exclude the adversities and hard times in those early days that no doubt have helped to make a good number of us more reliant individuals and individualists who are able to think for ourselves.

Those adversities served to increase our resourcefulness, ingenuity and imagination . . . by having to get along without . . . and to make do and go with what we had. *I submit this constitutes and results in education of the highest order.* Some of us refer to it as the "school of hard knocks."

To anyone inclined towards self-pity . . . and bemoaning . . . as what might look to them as an unfortunate beginning from "Our Parents' Generation" . . . I say "look again!"

This land of America today offers and will continue to present in the future many times the opportunities of that of any other country . . . in the history of the world.

To all of you tonight, I say it has been wonderful being here with you this evening. In our own way . . . let's always thank the Good Lord for being Americans and part of this great heritage of ours and to have had our early education here at Hibbing Junior College.

Hopefully many of you will be at the next 50 year celebration denoting a century of progress of Hibbing J. C. I know I won't be here as well as others of us . . . but just to be at this 50th celebration of Hibbing J. C. with my Mother and Sister and my other dear ones, along with you tonight, will be a memory I shall cherish for whatever years I may have left.

God bless you and good night.

A VIEW OF VICE PRESIDENT HUMPHREY

Mr. McGEE. Mr. President, last month, Elmo Roper authored for the Saturday Review an article which dealt with our Vice President, HUBERT HUMPHREY. It could, perhaps, be called a defense of HUBERT HUMPHREY for the sake of liberals. But the point it makes is that Vice President HUMPHREY needs no defense among those who carry forth the banner of a true liberal philosophy. His accomplishments are many, and to point this fact out, Mr. Roper has listed a number of HUBERT HUMPHREY's proposals long applauded by the liberal community.

Mr. President, the point of Mr. Roper's article is that quite too often the liberals—or, as he terms them, the so-called liberals—insist upon conformity to their viewpoint in all things, permitting only themselves the right of dissent. I ask unanimous consent that the article from the Saturday Review of June 17 be printed in the RECORD.

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

A VIEW OF H. H. H.

(By Elmo Roper)

Since this article just might be construed by some as an attack on "liberals"—or at least self-proclaimed liberals—perhaps it would be an act of discretion on my part to present my credentials:

I have been favorable to labor unions since my college days and have several highly esteemed friends—such as Jack Potofsky—in the movement still. I was the first national fund-raiser for the Urban League, was on its board for many years, and have been a member of the NAACP since the days of my Redding friend and neighbor, Walter White. For eighteen years I served as a member of the Connecticut Commission on Civil Rights, and for a time was its chairman. I voted for Al Smith, Norman Thomas, Franklin Roosevelt, Harry Truman, and Adlai Stevenson, in that order. Add to that, current membership on the board of the Fund for the Republic, Freedom House, and the Population Crisis Committee, and decide for yourself whether that adds up to a general liberal or a generally conservative position.

I have gone to the trouble of listing this information because I am very unhappy today with a large segment of people who vigorously proclaim themselves liberals and yet scream when some other liberal disagrees with them on *anything*. It seems to me that the ability to tolerate dissent without abusing the dissenter is—or ought to be—the cornerstone of any liberal philosophy.

And yet today a good many of my friends who insist they are liberals are heaping abuse on Hubert Humphrey because he happens to disagree with them on the virtues and vices of the war in Vietnam. I believe everyone has a perfect right in this country to a viewpoint on Vietnam; all I am insisting is that Hubert Humphrey has that right, too—and that includes the right not to be regarded as "an ex-liberal" or a "traitor to the cause of liberalism" by those who disagree with his viewpoint—however right they may be in opposing that viewpoint.

For twenty-five years Hubert Humphrey has acted as the spearhead of liberal causes and has probably done more to push the liberal cause forward than all of his current detractors put together. But since so many of the self-proclaimed liberals seem to have short memories, let's list here—as a reminder—some things for which Hubert Humphrey was, in large part, responsible:

Human Rights: Mr. Humphrey's record in human rights hardly needs recounting. Under his leadership as mayor, Minneapolis adopted the first municipal Fair Employment Practice ordinance in the nation in 1947. At the 1948 Democratic National Convention his work in drafting a strong civil rights plank and his subsequent speech before the convention brought him to national prominence. Once elected to the Senate, Mr. Humphrey began to introduce bills to protect and strengthen the rights of all Americans. In March 1949 he sponsored an anti-lynching bill. In April he introduced a bill to establish a Commission on Civil Rights. In June 1951 he introduced a federal Fair Employment Practices bill to prohibit discrimination in employment because of race, color, religion, or national origin; a bill to outlaw the poll tax in national elections; a bill to provide equal access to and use of public interstate transportation; a bill to protect existing rights guaranteed under the Constitution or federal law; and a bill to protect the right of political participation.

Virtually all of these Humphrey human rights proposals, so "extreme" and "impractical" in the early 1950s, have since been written into law. The passage of the historic Civil Rights Act of 1964 climaxed Hubert Humphrey's sixteen years as chief civil rights spokesman in the Senate.

Food For Peace: Mr. Humphrey's concern with utilizing American food stocks to aid hungry people dates back to his earliest Senate days. In 1950 he introduced a bill to send wheat to India and Pakistan. His Food for Peace proposal, which authorizes the use of foreign currencies obtained from sales of surplus U.S. food for promoting local economic development was introduced on February 25, 1954. All subsequent Food for

Peace and Food for Freedom programs have been based on Mr. Humphrey's 1954 bill. Senator George McGovern has said "Humphrey was the Congressional father of the Food for Peace program."

Medicare: In 1949 one of Mr. Humphrey's first proposals was to establish a program of health insurance for the elderly, financed through social security. Congress, however, refused to act on it. Mr. Humphrey reintroduced the bill himself in the 82nd and 83rd Congresses, then asked Senator Anderson to sponsor it in 1955 and in subsequent years. The King-Anderson Medicare Bill passed in 1965, sixteen years after Hubert Humphrey first introduced his original measure.

Aid to Education: Hubert Humphrey was an early and constant supporter of federal aid to education. In 1949, his first year in the Senate, he introduced legislation authorizing federal assistance for the construction of elementary and secondary schools. In 1952 he co-sponsored with Senator Murray a bill to establish a federal scholarship program for college students. In January 1957 he introduced three measures providing for 40,000 federal scholarships coupled with grants to colleges for facilities, loans to college students, income tax credit for college tuition payments, and federal assistance to states for school construction. These bills were virtually ignored until the Soviet Sputnik of October 1957 prompted President Eisenhower and Congress to seriously consider the need for federal contributions to general education. Mr. Humphrey pushed vigorously for the inclusion of scholarships in the National Defense Education Act of 1958, although the final bill authorized student aid only in the form of loans and graduate fellowships.

Arms Control and Disarmament: Although Hubert Humphrey had voiced the need for disarmament in Senate speeches beginning in 1950, his substantive accomplishments date mainly from the work of the Disarmament Subcommittee of the Senate Foreign Relations Committee. In April 1955 he sponsored the resolution to establish the subcommittee which was approved in January 1956. Mr. Humphrey was made subcommittee chairman.

Nuclear Test Ban: The groundwork for the nuclear test ban of 1963 also was laid in the Senate Disarmament Subcommittee (Hubert Humphrey, chairman) during the late 1950s. In October 1956, Mr. Humphrey's subcommittee released a report on the technical aspects of nuclear weapons testing and urged that the United States pursue the negotiation of a test ban among the nuclear powers. By 1958 Hubert Humphrey was speaking frequently on the floor of the Senate for a test ban and was receiving strong support in Congress and from the public for his efforts. In 1959 he introduced a Senate resolution to "support the efforts of the United States to continue to negotiate for an international agreement for the suspension of nuclear weapons tests. . . ."

A "limited" nuclear test ban treaty was signed by the United States, Great Britain, and the Soviet Union on July 25, 1963. Mr. Humphrey then led the Senate to ratify it on September 24, culminating more than seven years of personal effort for a ban on nuclear weapons tests.

Peace Corps: On June 15, 1960, Mr. Humphrey introduced the first bill to establish a program to send young American volunteers overseas for teaching and economic development programs. This was four months before Senator John Kennedy espoused the idea in his Ann Arbor campaign speech. After John Kennedy was elected, Mr. Humphrey introduced the Administration Peace Corps bill which became law in 1961.

To disagree with Hubert Humphrey's stand on the Vietnam war is one thing; but to heap the opprobrium, to hurl the invectives that many "liberals" are loosing today is quite another. Too many times in the past forty years have I seen the effectiveness of good liberals destroyed by the carping criticism of other so-called liberals who seem to insist on conformity to their viewpoint.

Many years ago my good friend Estes Kefauver asked me how I reconciled being a frequent critic of some of his methods and yet was one of his three or four best campaign fund-raisers. I gave him an answer that I still wouldn't change much today:

"Roper's Law for judging U.S. Senators goes like this: If a Senator votes as I would have voted had I been a Senator 40 per cent of the time, I'm disappointed in him. If he votes as I would have voted 60 per cent of the time, I'm pleased with him. But if he votes as I would have voted 80 percent of the time, I begin to worry because he probably can't be reelected."

I suggest that philosophy is worth the consideration of those self-proclaimed liberals who argue loudly for the "right to dissent" and then show by their actions that what they mean is *their* right to dissent—*from them.*

SUPERSONIC TRANSPORT

Mr. HARTKE. Mr. President, few Government-sponsored projects offer the financial returns that are expected of the supersonic transport, now due to enter its prototype construction phase.

Royalty on each aircraft sold begins flowing back into the Federal Treasury the moment the first commercial delivery is made. On this basis, the Government is expected to recoup all of its investment on the first 300 airplanes sold. The total investment plus interest would be returned by the 500th delivery, and the Government would continue to share in the profits until at least 15 years after the plane is certified.

In view of Boeing's estimate that by 1990 a market is expected to exist for at least 650 SST's, with a more likely number being 1,100, I believe this project represents a sound investment for all parties involved.

I ask unanimous consent to have printed in the RECORD a recent Time magazine article which elaborates on the financing of the SST.

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

HOW THE SST WILL BE FINANCED

"If you don't do a hell of a job," warned Federal Aviation Administrator William F. ("Bozo") McKee, you sure stand to lose a hell of a lot of money." McKee was talking to negotiators from Boeing and General Electric, shortly after the terms of their FAA contract to build the U.S. supersonic transport were settled. Signed on May 1, and made public in detail last week, the contract is, according to McKee, "one of the toughest that has ever been written." It is certainly one of the biggest.

Calculating the potential market for the SST with conservative care, the FAA figured that sonic-boom problems would limit the aircraft to routes over oceans and sparsely populated areas. On that basis, it predicted sales of 500 planes, at $40 million each, by 1990. By the time the first SST is delivered to an airline in late 1974, the cost of building two prototypes, production facilities and parts inventories will total some $4.5 billion, including $3.43 billion at Boeing, which is assembling the airframe, and $1.07 billion at engine-building G.E.

The contract provides for cost sharing between the Government and the builders on a 90%–10% basis—but only for some expenses. Boeing will actually get only $726 million in cash-on-the-line federal funds. To appease a reluctant Congress, ten U.S. airlines currently holding options on the SST volunteered $1,000,000 in "earnest money" for each of the 52 planes they have ordered. Future "progress payments" from airlines should come to $1.35 billion; tax relief in the development phase will mean another $310 million. In all, by 1975 Boeing will have scraped up a fantastic $1.06 billion on its own. G.E. will face a more manageable risk of $420 million.

Risks & Rewards. Financially, the FAA is determined to let the builders fly on their own after the prototypes are built, though the U.S. may well help Boeing with its huge capital needs by guaranteeing some loans. Even so, the Government's share of the $4.5 billion development bill should come to no more than $1.3 billion. The Government should easily recover all of that through royalty payments with the sale of the 300th plane (so far, including foreign orders, options have been taken on 114 U.S. SSTs). After that, Government royalties will be all gravy; by the sale of the 500th, for example, the return on the taxpayers' investment will be climbing beyond a compound annual rate of 4%.

Boeing and G.E. share most of the risks—and they are in for most of the rewards. It will probably be 15 long years before they recoup their costs, but they could earn more than 11% to 12%, after taxes, on their investment, which makes for quite a deal.

THE ANNUAL DEBATE OVER THE RISING DEBT LIMIT

Mr. McGEE. Mr. President, writer Clayton Fritchey took a look at the annual debate in Congress over the rising debt limit and, in a column printed in yesterday's Evening Star, made the point that it is a rather pointless debate. His viewpoint certainly has its merits. I commend it to the attention of the Senate and ask unanimous consent that it be printed in the RECORD.

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

CONGRESS SHOULD STOP THE YEARLY DEBT MINUET

(By Clayton Fritchey)

Now that Congress has authorized another increase in the national debt and the republic has once more been rescued from the brink, perhaps consideration can be obtained for a motion to swear off this annual opera.

In the closing days of the debate, before Congress began its Independence Day recess, the House rang with shouts of "baloney," "nonsense" and "irresponsibility" from both sides of the aisle. For once the epithets were in order.

Almost every year the administration (be it Democratic or Republican) marches up Capitol Hill to inform an always horrified Congress of new deficits in the budget and to request legislation to raise the federal debt ceiling.

The ensuing minuet is invariably the same: First step—shock and indignation at the profligacy of the executive branch; second step—warnings that big spending has got to stop; third step—predictions that a soaring debt will ruin the country and break the back of future generations; fourth step—tentative refusal to authorize a higher limit; last step—capitulation.

The travesty of this constantly repeated mock performance is the solemn pretension of Congress that it has any real alternative to raising the ceiling, for the only other course open to it is to bring the entire government to a halt.

The point of the hypocritical exercise is to put on a show of congressional devotion to thrift, economy and a balanced budget. But Congress knows, even if the voters don't, that the debt limit cannot regulate spending. It can only paralyze the Treasury's ability to meet the obligations that Congress itself has created.

As Treasury Secretary Henry Fowler has pointed out in his quiet, rational way, if Congress wants to influence the course and amount of spending by the government, it can do so by its action on appropriations or recessions of specific spending authority—and that, of course, is the proper way for Congress to regulate spending.

The Treasury cannot spend a dime that the Congress does not previously authorize. It controls the purse. The debt limit change is designed solely to enable the government to pay its bills, meet its debt obligations and carry on vital activities such as the Vietnam war.

Congress knows this, but a majority of the House, including every Republican voting, defeated the bill before it was later revived and passed.

The Senate also has given its approval, so all is well for the time being, but there is no assurance we won't be exposed to this dumb show again as soon as the new ceiling requires adjustment.

It can only go on this way because Congress has for years exploited or kowtowed to the seemingly unshakable myths that cling so tenaciously to the national debt, especially the fixation that there is something inherently bad about a rising debt.

This expands into the belief that it is an overhanging burden, that it must be paid off some day (suggesting a day of reckoning is ahead), and finally that the interest on it is going to eat us out of house and home—none of which is true.

The fact is that the federal debt, which rose to $329 billion in 1966, has on balance been a blessing to the economy. It probably will never be paid back, any more than the present corporate debt of $533 billion will be retired.

Americans now living may very well see the federal debt climb to a trillion. If it does, and if it stimulates the economy as it has for the last 30 years, Americans will be living on a scale undreamed of now.

Actually, the federal debt in real per capita terms has gone down, not up, owing to the tremendous growth of the country. It has dropped from $1,911 per capita in 1946 to $625 in 1966. In the depression it cost about $1 billion a year to service the federal debt, as against about $13 billion now, or an increase of $12 billion. Meanwhile, however, personal income in the United States has gone up more than $500 billion a year.

It is also interesting to note that, while the total federal debt went up 28.4 percent between 1950 and 1966, in the same period personal debt increased 448 percent, corporate debt 219 percent, and state-local debt 348 percent.

Moreover, at the end of World War II the federal debt was greater than the nation's gross national product, but today it is only 45 percent of the GNP.

The argument that the budget is a danger to the free enterprise system, says Fowler, is like the notion that our deficits are increasing in real terms—"altogether untrue." Federal spending was a bigger proportion of the economy in the 1950s than it is today.

C. PERRIE PHILLIPS, CONNECTICUT PERSONNEL COMMISSIONER

Mr. RIBICOFF. Mr. President, C. Perrie Phillips, Connecticut's new personnel commissioner, is a son of the Confederacy and a son of the American Revolution by family lineage. He also is a resident of Connecticut by choice, and we in the State are very glad that he is.

Perrie Phillips has served Connecticut well, having a distinguished record as deputy finance commissioner and State auditor. I had the pleasure of working with Perrie myself and the good fortune of benefiting from his many and unique skills during my term as Governor. He is a man of vast and stimulating experience and talent. Mr. President, I salute C. Perrie Phillips as a delightful individual and a truly brilliant public servant. I ask unanimous consent that an article published in the Hartford Courant be printed in the RECORD.

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

SOLDIER, LAWYER, EMPLOYE CHIEF

(By Jean Tucker)

C. Perrie Phillips is a Son of the Confederacy and, on his mother's side, is descended from the Perrie family who were given what is now the State of Arkansas as a baronial fief.

His great, great, great uncle, Francis Johnson, was vice president under Martin Van Buren and his great, great grandfather was the last territorial governor of Arkansas to name just two of his illustrious ancestors.

The story of how he has become Connecticut's new personnel commissioner might make the novel he plans to write some day. It would have the necessary sensitive, restless hero—well-born with brains and dash—adventure, a variety of locales, romance, drama, humor and famous people.

In his 44 years, the quick-thinking, quick-moving, quick-talking Phillips has covered a lot of ground. He said the other day, though, in a typical dramatic pronouncement about himself, that he'd done all the living a man should do in a lifetime before he was 23. (Such remarks are made often, but more for effect than to be believed, and they punctuate his consistently interesting anecdotes).

In those first 22 years, he'd been born in Los Angeles, his father's hometown; lived in Bronxville, N.Y., and West Hartford; went to Paris or Brittany annually to visit his maternal grandparents who spent six months of every year in France; attended Romford School in Washington; was graduated from Williams College (with a B.A. in political science and a Phi Beta Kappa key) and joined the U.S. Army.

WOUNDED TWICE

Because he could speak French fluently, he was assigned to military intelligence. He was soon wounded twice by American fire and almost killed by a German machine gun bullet which zinged through the earpiece on a head 'phone he was using while he was on reconnaissance.

"At 22," he says, "I was the sole tenant with an unlimited drawing account in a gorgeous chateau with five servants," when he was assigned to observe movements near the Jural Mountains.

When World War II ended, Phillips, still 22, went to South America, "I bummed around for six months with a beard and a typewriter," he said, carting the typewriter through jungles and the idea of writing a novel—"like another million ex-G.I.'s," he said.

In South America, he eventually met an American airline stewardess, and when she returned to Miami base, he followed her.

There, he was met by military intelligence personnel who first grilled him for six days about an Ecuadorian revolution he had just bumped into, and then convinced him he should re-enlist with them. He did so and remained either in active intelligence or reserve until 1964.

At headquarters, there was a secretary, "the most beautiful girl I'd ever seen in my life," Perrie said. He borrowed some money from her so he could date the stewardess, but when he received his first pay check, he repaid her and also took her to dinner.

Three weeks later they were married. In August, they'll celebrate their 21st wedding anniversary with their three children.

When doctors ordered Mrs. Phillips to a cooler climate in 1949, they decided to move from Miami to New Haven where her family lived. From there, Phillips entered Yale Law School.

"So, I wouldn't have to go to work," he says, "and to prepare myself for strategic intelligence." For a lazy student, he did rather well, however. He was graduated with honors, 10th in a class of 150.

When he tried for a job in intelligence, he was unsuccessful. Preparing for it and seeking it openly immediately made him suspect, he says.

THAI CONSULTANT

But after a year in a government agency, he became a consultant to the Thai Police force in Bangkok. His family went with him and his middle daughter, then a year, learned to speak both Chinese and Thai before she spoke English. "I couldn't talk to her, because I didn't know any Chinese," he complained.

The stint in Bangkok lasted three years, and it was a marvelous experience for everyone. Phillips would have stayed longer, but his wife decided "This is no place to raise American children."

"It is not a great place for an American woman either," Phillips admits. When he'd been there a short time, he was invited to a reception.

"Delighted," he said, "What time should my wife and I get there?"

"Oh, so sorry," was the answer, "but wife will be provided on arrival."

The Phillips' came back to New Haven, and Perrie joined what is now the law firm of Sachs, Sachs, Glamo and Sachs. He hated the private practice of law, however, and spent only a year at it.

And then Eugene Rostow who at that time was dean of the Yale Law School, recommended him to Gov. Ribicoff who was looking for a young lawyer for his staff. Phillips worked for Ribicoff as a special assistant for two years, then became Deputy Finance Commissioner and finally State Auditor.

He's been called Gov. Dempsey's brain trust, because he doubled as speech writer and drafter of legislation, as well as one of the policy makers for the Democratic Party. And during the last session of the legislature, Perrie was the man to see if you wanted to get a bill through.

A lobbyist who saw him often says, "the leaders would farm out decisions to him; and for us, he was understanding and cooperative to the extent that he could be. He's a gentleman and open-minded."

C. Perrie Phillips, as well as being a son of the Confederacy, is a son of the American Revolution on all four sides. His paternal grandfather was Henry Wallace Phillips a writer who created Red Saunders, "a real cowboy, not one of these pretty boys," whose exploits appeared frequently in the Saturday Evening Post. This grandfather lived with the Dakota Indians for a time and wrote the only Dakota dictionary.

WRITES AS HOBBY

A former colleague says Perrie "can really put words together." Perhaps his talent comes from this grandfather. At any rate, Phillips writes as a hobby. But he's never tried to sell anything.

"It's not good enough," he explains in his abrupt manner, "and I'm a pretty good judge of stuff, including my own."

Some people call Phillips "high strung"

but add that he hates formality and red tape. He describes himself as "casual in a temperamental way." At any rate, he's brilliant, a pacer, and a voracious reader. He smokes four packs of cigarettes a day, sips coffee constantly, prefers Jack Daniels straight and is thought charming by many.

Not everyone thinks of him as a son of either the Confederacy or the Revolution, however. But this is to be expected with such a mercurial chap, and though there are some who might find him irritating, no one could ever find him dull.

COMMUNITY DEVELOPMENT FOUNDATION REPORT

Mr. RIBICOFF. Mr. President, throughout American history the people of this country have demonstrated a deep compassion for human suffering.

Americans have traditionally worked to bring assistance to distressed peoples at home and around the world.

This concern for those less fortunate than we are has, in recent years, increasingly found expression through the social welfare activities of American voluntary organizations working to help others build richer and more productive lives.

There are many of these agencies which depend on voluntary contributions from the American public to carry out assistance and self-help programs in developing countries around the world, and in disadvantaged areas in this Nation.

One of these organizations—the Community Development Foundation—has its headquarters in Norwalk, Conn.

The Community Development Foundation has emphasized the self-help approach to domestic and foreign assistance.

Results show that self-help programs are highly effective in raising the living standards of disadvantaged people and young nations.

For the past 7 years, Community Development Foundation, a private, nonprofit, American agency, has been applying the principles of self-help and demonstrating what can be achieved through community cooperation.

One of its major objectives is to advance the well-being of people living in less developed areas of the United States and abroad on a basis that enhances their self-respect, and in a manner which inspires the good will of other nations for our own country.

The Community Development Foundation was established in 1959 after a period of exploration in the techniques and methods of self-help which indicated a strong potential for fostering social and economic progress.

It has a record of experience with 12,000 community self-help projects in 25 countries around the world, including the United States—in Appalachia and among the American Indian tribes of the Southwest.

What is community development? It is a people-directed program for self-improvement. The needs it recognizes are those expressed by individual persons in a village or community group.

The aims it sets are those selected by the local inhabitants. The tasks it supports are those at which the people freely work.

It begins with a new look at the causes of discontent and moves toward an answer that offers fulfillment.

It creates an ever-growing confidence in man's ability to find new and better ways to increase income and to build a better life.

As we assess our national foreign aid program in line with the idea of self-help and community development, it is helpful to examine how the work of the Community Development Foundation—CDF—has opened up new opportunities and new concepts of freedom and equality for thousands of village people in Europe, Latin America, Africa, Asia, and in our own pockets of poverty.

As an agency registered with the Advisory Committee on Voluntary Foreign Aid, of the Agency for International Development, and as a nongovernmental organization with United Nations consultative status, CDF operates a service designed to help people help themselves through demonstration programs working directly with village self-help and in programs cooperating with national governments.

The foundation has also supported projects recommended by community development experts of the United Nations and U.N. specialized agencies.

With the help of Community Development Foundation, people around the world have been able to build roads to new markets, plant vineyards, put unused acres into production, build docks for better fishing and sea commerce, increase their crops, improve the quality and production of farm animals, construct reservoirs for pure water, install electrical systems and irrigation systems, repair their homes, enlarge their schools, and establish health and recreation centers for more wholesome and abundant living.

The largest and most dynamic program was initiated in Mexico—a community development program in collaboration with the Government of Mexico.

Originally, the cooperative program was a pilot project, limited to five zones. It spread into 16 and then 21 zones.

As eager Mexican villagers—demonstrating their capacity for self-help—built hundreds of miles of roads, erected classrooms, constructed town water supplies, sanitation and irrigation systems for their communities under the cooperative plan, the Mexican Government expanded its program to keep pace with the growing needs and aspirations of the people.

In December 1964, the Mexican Government initiated its own national program. Food grown in Mexico was used to aid villagers in Mexico while they actively participated in community activities. By the end of 1966, this new program, the national program, had surpassed the cooperative program in scope and accomplishment.

Today the prodigious amount of human energy that has been put into both the cooperative program, adding up to 5,027,250 man-days, and the national program, an additional 3,190,237 man-days, in Mexico shows an impressive total of 8,217,487 man-days worked by villagers on some 9,546 projects.

Community development in Mexico has grown to become a $24,344,918 project.

The village people in Mexico have made 68.6 percent of the investment themselves, and it is they who are the senior partners in the venture.

Behind the statistics are the warm human stories. Three brief examples will suffice here.

Compesinos in a remote farm village of Yucatan were motivated to build a road which would connect them with a new market for their crops. It took 2 months of backbreaking labor with picks and shovels to complete the road, and present farm incomes are greatly improved.

Through self-help, the men of Amatitlan built an airstrip 350 meters long, shearing off a mountain to do it, so that medical help would be readily available to the isolated town.

When a tornado destroyed a banana crop, the economic mainstay of nine towns around San Blas, reducing sales from 6 tons a day to 3 tons a week, community development workers encouraged planters and field hands to organize volunteer groups to clear the fields, restore the land, and replant the crops.

In Latin America, CDF technical services are welcomed and widely used. National programs in the Dominican Republic, Guyana, and Honduras have received CDF aid in training personnel, using food incentives, and keeping records through an IBM computer system.

President Joaquin Belaguer, of the Dominican Government has stated:

> I consider community development today as one of the renovation movements for Latin America. It is already a very important factor in economic, social, moral and political transformation. . . . In the urban as well as in the rural zones, private groups are giving economic and technical assistance to many projects of community development. . . . In this form a healthy social integration is being produced in which the most powerful groups pool their resources and techniques toward the creative efforts of the less favored population.

His government has recently approved a contract to utilize more CDF services for statistical reporting, program evaluation, and administrative counseling.

In Brazil, Community Development Foundation participated in the creation of a program between the private sector and local governments which has resulted in the introduction of textile factories in the favelas in Rio de Janeiro.

Now in cooperation with Brazil's Minister of Health and U.S. AID, the foundation is helping the Government of Brazil to expand a national program of community development.

The foundation's longest and broadest experience has been in demonstration programs.

Following up an experiment initiated by Save the Children Federation, in the villages of Greece in 1954, the foundation continued and expanded a program for rural areas in France, Finland, Italy, Korea, Lebanon, and in parts of the United States.

Foundation counselors encourage families and neighbors to work together for a variety of community improvements.

With the support of a CDF counselor and the opportunity to use a small CDF loan or grant, community leaders awaken the people to the potentials of their own manpower to achieve long-dreamed-of goals.

Projects are chosen and carried out voluntarily by village people with their contributed labor and native materials.

The value of self-help is confirmed by looking back at the early demonstration projects as they continue to bear fruit.

Many have generated a succession of additional projects, and a number have shared the self-help idea with neighboring villages where it has also been productive.

The little Greek village of Oropos proved self-sufficient after four village projects, and another town, Geronium, became economically self-sustaining after six cooperative village projects.

Both villages continue to progress without any foundation assistance today.

In Lebanon and Korea as well as in Greece, many villages now initiate and carry out most of their projects alone, turning to the foundation only for interest-free loans which are conscientiously repaid and then made again available for other community improvement projects.

In Kfune, Lebanon, near Jubail, a small town with 130 children and 150 adults, three projects were initiated in 1 year.

To clothe the village children, the women contributed their labor and the use of their machines while a local merchant gave yard goods enough for a dress or suit for each child. To make schools and markets easy to reach, the men of the town improved a mile and a half of road.

The third project renovated the schoolhouse with paint and plaster and a new large glass window.

These projects together were done at the cost of 32 cents per child.

Then the community launched two more ambitious projects—first improving village chickenhouses for healthier hens and better egg production; then planting a community almond orchard, 50 trees per family, which has increased village income.

In the United States, the Community Development Foundation has been working to stimulate community improvement through 412 self-help projects for Appalachia and 251 others to benefit the American Indians in the Southwest.

Since the passage of the Economic Opportunity Act in 1964, the foundation has provided training services enabling community leaders to shape the programs they need to overcome some of their basic causes of deprivation.

With the help of CDF, disadvantaged people of Elliott County in Kentucky planned and operated an OEO project that combined preschool training, work training, recreation and scholarship programs.

Later the OEO provided funds for a program conducted by CDF to train community leaders in four counties of the East Lake Cumberland area.

Following project demonstrations by foundation counselors, Sandoval County Pueblo Indians of New Mexico received a grant for the first American Indian program of Operation Headstart, and more recently another to provide health aids, home enrichment and adult education.

How do foundation ideas accelerate results for less-developed countries beginning their own economic improvement programs?

First, through a counseling method which supports and develops local leadership to find and mobilize local resources rather than to depend on outside aid.

Second, by using U.S. Public Law 480 title II food to sustain the strength and enthusiasm of people who offer volunteer labor on community improvement projects.

This helps to channel the food where the need is greatest, assures adequate nutrition for the arduous hand labor and motivates continued and widespread participation.

Third, CDF officers developing nations the advantages of computers in handling economic and social problems.

An International Data Processing Center established in 1966 in Norwalk, Conn., by the foundation, provides records for thousands of projects in Mexico, the Dominican Republic, France, Greece, Lebanon, Korea, the United States, and South Vietnam.

The speed, flexibility, and accuracy of computerized service cuts redtape and permits efficient allocation of resources to keep economic projects moving steadily forward.

Monthly or quarterly reports help governments know what is happening with every project in the program, point out trouble spots needing immediate attention, analyze the successes and failures, and indicate remedial steps for improvement.

They also serve as work incentives for villagers whose proud record of contributed manpower motivates them to renew and often redouble their efforts.

The foundation also provides cash grants and technical assistance for some small projects administered by others. Such projects have proven successful in Tanzania, the Philippines, Morocco, Cameroon, Italy, Finland, Egypt, and Ecuador.

One of these projects with the Tanzania Community Development Trust Fund is the Mangomeni Teachers Training School near Dar es Salaam where safe and constructive care of children is available while young mothers engage in community activities.

Another recent project helped to introduce solar cookers to improve the diet for African schoolchildren.

The foundation's most recent project is an extensive training program of special teams to work with refugees in South Vietnam, under a contract with the U.S. Government's Agency for International Development and the South Vietnamese Government.

Initially, the training program is centered in Qui Nhon in Bin Dinh Province, where there is an urgent refugee problem.

The program is aimed at teaching displaced South Vietnamese to help themselves.

To carry out this program, the foundation has assembled an international staff of specialists who work under the direction of the foundation's director for Vietnam.

The refugee situation is not merely a problem but also an opportunity to advance the skills and education of an important segment of the South Vietnamese population so that, to the degree that it is possible, they might be enriched during this period.

For this reason, personnel are being trained to handle vocational and home industry training for people in refugee centers.

To help them do a better job, CDF trains mobile teams of Vietnamese workers to work with refugees.

The use of CDF computer technology will keep records of the training program activities.

A feedback system assures that training will be fully understood in spite of the language barrier.

Such teams show villagers how to protect themselves, instruct them in rebuilding their houses, help them to put in a clean water supply and improve their fields.

Thus, even while war rages around them, hope stays alive and learning for productive living goes on.

The philosophy of CDF is based upon respect for the village people everywhere.

CDF counselors do not tell people what they should do; instead, they work to motivate people to think and plan and work together to accomplish those things the village people consider most important.

The executive director of Community Development Foundation is Glen Leet, formerly the head of the United Nations Community Development Unit.

His experience also includes many years in the field of public administration and public welfare in the United States and a distinguished record in Greece as UNRRA Director of Welfare and Repatriation.

Leet expressed the purpose of the foundation very simply when he said:

> If we can show a village how to use its idle manpower to build a road to market, an irrigation system to its fields, or a water supply to its homes, and inspire local leadership to keep working at such improvements, we've done our job. We leave behind a belief that people can help themselves.

Now as our Government seeks new and positive ways to create a world of greater opportunity and advantage, the achievements of the Community Development Foundation acquire major significance.

This international agency whose work pleases people and governments alike and inspires the confidence of the private sector, invites individuals everywhere to support its program and thereby to buttress our national public effort. The foundation maintains headquarters at 345 East 46th Street, New York, and in Norwalk, Conn.

Reports of its work are available on request.

SENATE HAS WAITED TOO LONG—TIME TO RATIFY HUMAN RIGHTS CONVENTIONS IS NOW—C

Mr. PROXMIRE. Mr. President, as I speak today on the Human Rights Conventions on Forced Labor, Freedom of Association, Genocide, Political Rights of Women, and Slavery, I wish to note that this marks the 100th time during the 90th Congress that I have urged the Senate to ratify these conventions.

Someone asked me the other day: "Why do you speak daily? Do you really think your daily statements are accomplishing anything?"

Well, Mr. President, I can only cite the progress that has been made since January.

The distinguished chairman of the Foreign Relations Committee [Mr. FULBRIGHT] appointed an Ad Hoc Subcommittee to consider and report on the Conventions on Forced Labor, Political Rights of Women, and Slavery.

During February and March the subcommittee under the able chairmanship of the senior Senator from Connecticut [Mr. DODD] held hearings on the three conventions.

The lead-off witness before the subcommittee was the exceptionally gifted U.S. Ambassador to the United Nations, the Honorable Arthur J. Goldberg.

I was delighted to testify before the subcommittee in favor of Senate ratification along with dozens of distinguished representatives of American labor, religious, legal, and civic groups.

The subcommittee has since reported the three conventions to the full committee where, it is hoped, they will soon be considered and favorably reported to the full Senate.

Mr. President, I want to emphasize that it is entirely possible that all of these events would have transpired without my daily statements on the Senate floor. However, nothing had happened for 4 years on any of these human rights conventions.

So, with the belief that my daily reminders to the Senate might be doing some good and having some impact, I shall continue.

But the advocates of Senate ratification of the human rights conventions will not be satisfied or mollified with the approval of three of these five conventions.

The Senate has an obligation to ratify the Convention on Genocide and the Convention on Freedom of Association.

So, Mr. President, in response to the original question: I speak daily, because I believe the Senate has a responsibility to the American people, to the United Nations, and to people everywhere to put the United States squarely on record on the fundamental question of human rights by ratifying all the human rights conventions.

ADDRESS BY DR. ROLAND I. PRITIKIN TO PEARL HARBOR VETERANS

Mr. DIRKSEN. Mr. President, Dr. Roland I. Pritikin of Rockford, Ill., delivered a speech to the Pearl Harbor veterans several years ago, and it has been suggested that it would be appropriate to have it included in the CONGRESSIONAL RECORD. Accordingly, I ask unanimous consent that it be printed following these remarks.

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

The greatest threat to world peace today are the immoral imperialists in the Kremlin. For twenty years, they have been able to hold the upper hand, because we have been on the defensive. In that time, they have committed hundreds of deeds of deception, and broken pledges around the world. There are three methods by which we can take the offensive, and put them on the defensive.

1. A daily complaint for censure by the U.N. Example: Everytime Soviet or satellite arms and equipment are found in the hands of subversive organizations in the newly emerging nations of Africa or elsewhere, a complaint should be lodged.

2. A daily diplomatic note of protest or proposal. Example: When the Hapsburg empire was dismembered after W.W. I, Czechoslovakia, Austria, Hungary, and Yugoslavia were created. These countries were not satisfied with their national boundaries, because at some time in history they all overlapped each other. Furthermore, they all suffered economically by the partition. One of the many examples is the following: Czech lumberjacks would float down the Danube on their rafts and work in the wheat fields of Hungary all summer and fall. Thus, they were employed the entire year. Hungarian factory workers, when unemployed, would go by train to Czechoslovakia and frequently have a job immediately. Thus, all were employed the entire year. This was impossible after partition, and resulted in great unemployment and poverty. Our proposal should be to form a Danubian confederation based on the provincial boundaries, which have not changed during the centuries. This would be a federal union consisting of Bosnia, Herzegovina, Croatia, Montenegro, Albania, Wallachia, Moldavia, Slovakia, Ruthenia, Bukovina, Bohemia, Moravia, Transylvania, etc, etc. The people living in that area would consider this plan a god-send, but the imperialistic dictators in the Kremlin would consider it a calamity for them, but would not dare oppose this openly.

3. The Soviet constitution guarantees liberty of conscience, but only Jews are still persecuted, because of their religion. Furthermore, people persecuted for religious reasons in the past in every country on earth, have been free to leave. This is not the case with the imperialists in the Kremlin. They will permit no one to leave. We should protest vigorously the cold programs of today, in the same manner that presidents Arthur, Cleveland, Harrison, McKinley, Theodore Roosevelt, Taft, and Wilson protested the hot programs of the Czars.

Some of our problems in combating the immoral imperialists in the Kremlin has been apathy, and lack of knowledge of what they are doing around the world. They are exponents of the "wedge-technique," and the "divide-and-rule" system, which they call "the-balance-of-power," or "support-of-the-weaker" of two antagonists. Many of these antagonistic situations have been their own creation. They want two of Germany, China, Viet Nam and Korea. They want disputes and friction to continue in North and South America, Africa, Asia, the Middle East, the Caribbean, and Oceania.

To overcome the enemies of peace and freedom a contemporary Moses would give us these ten commandments.

1. Give strength to America by accepting your responsibilities and privileges, whether it be jury duty, military duty, or voting.

2. Be healthy and alert. Overcome the "wedge-technique."

3. Be strong for education.

4. Support freedom from corruption.

5. Support freedom from crime.

6. Support freedom from want.

7. Support freedom of communication.

8. Support freedom of conscience. Remember that if there is no religious freedom for one, there is no religious liberty for all. Overcome prejudice no matter how difficult.

9. Support absolute justice for all internally (in the U.S.A.).

10. Support absolute justice for all externally (in our dealings with other countries).

Respice—look back in history, and learn from it.

Aspice—behold the historic facts unfolding in the space and nuclear age.

Prospice—look forward, remembering that the heresies of yesterday are the facts today, and that some of them will be the sophistries of tomorrow, and the superstitutions of the day thereafter.

Will the immoral imperialists in the Kremlin be Hitler's heirs?

Will they be permitted to continue in their immoral, sinful, criminal, and illegal behavior?

The quickest way to prevent them from accomplishing their despicable aims is to carry out the program outlined above. If we are alert and determined, all that is necessary is that we will it. If the world is to have Peace and Freedom, we must stop them on their evil path.

NATIONAL CEMETERY SHORTAGE

Mr. BREWSTER. Mr. President, the decreasing availability of burial sites for our Nation's veterans has long been a matter of concern to me. We have only enough space to bury one-fortieth of our veterans who are living today, and it appears that we have no plans nor any disposition to acquire more space. I strongly decry this policy which would deny those who serve our country the right to be buried in a national cemetery.

In the past, I have written to both the President of the United States and the Secretary of the Army, asking for a review of national cemetery policy with an eye to expanding existing facilities and reactivating closed cemeteries.

I ask unanimous consent to have printed in the RECORD an article written by John E. Davis, the national commander of the American Legion, which appeared recently in Parade magazine, in order that Senators may have an opportunity to profit from his suggestions.

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

FOR THE DEAD

(By John E. Davis, National Commander, the American Legion)

More than a century ago, at the close of the Civil War, the American people made what they believed to be an eternal pledge to the men and women of their armed forces: Rich or poor, famed or unheralded, you have earned the right to be buried in a national cemetery, where your memory and your service will be forever enshrined.

Today, the pledge has been broken by the Department of Defense, the powers in the Pentagon have quietly decreed in typical governmentese that the burial right of our veterans and servicemen must be "phased out through a nonexpansion policy" because there is no more room in the rich earth of America for the men and women who have served her so well.

In a series of communications to the

American Legion over the past year, the Defense Department has stated that our military cemeteries are rapidly overcrowding and that it has no intention of expanding the area made available.

As things stand, more than 40 million Americans are eligible for burial in fewer than 1 million grave sites. And the situation is getting worse, because, since the beginning of World War II, the number of eligible veterans has been increasing at a rate of almost 1 million a year.

The "no room for veterans" policy was announced by Army Secretary Stanley R. Resor more than a year ago. And as national commander of the American Legion I have received many hundreds of angry letters on the subject from aging veterans who had expected that Arlington or another military cemetery would be their last resting place.

These are no longer young men—almost 2 million of U.S. veterans are over 70. They are men who fought in World War I and the Spanish-American War—and there are even three hardy survivors of the Indian wars. How can we explain or justify to such men—who served in their youth—that their service has now been downgraded, that they are no longer fit to be buried beside their comrades?

That the right of burial in a national cemetery for both servicemen and veterans has been clearly established by law is without question. And the refusal of our government to honor this right, this sacred pledge of our forebears, is a rank and undeserved injustice to all who bear arms for this country today and to every veteran who has borne them in the past.

THE LAND IS THERE

We are told that there is no more room for our veterans, no more hallowed ground in which to bury our honored dead. But the truth is that there are millions and millions of acres of available land, owned by the government and scattered throughout the 50 states, which apparently has not even been considered by the Department of Defense.

When we have arrived at the point where our existing cemeteries can no longer be enlarged, why should we not set aside some of these lands as appropriate sites for veterans' cemeteries? They could be located fairly close to our major population centers, where friends and relatives could conveniently visit them. I believe the upkeep could be kept to a minimum by enlisting the aid of local veterans' groups.

My second proposal is that responsibility for our national cemeteries—now scattered among the Defense and Interior Departments, the Veterans Administration, and the American Battle Monuments Commission—be combined under the single authority of the Veterans Administration. Traditionally, the Veterans Administration has been more sympathetic to, and more understanding of, the needs of our former servicemen and women. Most important, the Veterans Administration can and will give full time and attention to this deeply human problem.

Surely, on this, the 191st anniversary of our Declaration of Independence, it is not too much to ask that Americans who have served their country be served upon their return, that they be granted their final rest in hallowed ground.

BYU DANCE GROUP HAS BEEN ACCLAIMED WORLDWIDE

Mr. BENNETT. Mr. President, the Brigham Young University's Folk Dancing and Singing Group, from Provo, Utah, has been widely acclaimed during their numerous tours abroad. Their performance has delighted audiences the world over.

They make a very interesting contrast to the pop, op, and hippie groups that are so much on American television and in the American press.

It has been my great privilege to see their show on many occasions. A few years ago the BYU singers and dancers appeared here in Washington, where they were enthusiastically received.

The Ambassador to Portugal, W. Tapley Bennett, Jr., has written me a letter telling of the overwhelming response they received when they appeared recently in Portugal and Brazil. I ask unanimous consent that the letter be printed in the RECORD.

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

EMBASSY OF THE UNITED STATES OF AMERICA,

Lisbon, June 28, 1967.

Hon. WALLACE F. BENNETT,
U.S. Senate.

DEAR SENATOR BENNETT: I want to write to tell you what a great success the Folk Dancing and Singing Group from Brigham Young University has been here in Portugal. The recent visit was a repeat of their visit to Portugal last year.

The primary purpose of their visit was to appear at a National Agricultural Fair at Santarem, about an hour and a half drive up the Tagus River from Lisbon. They also gave performances in other nearby communities and in an International Folk Festival here in Lisbon, and appeared on Portuguese television.

Several Portuguese groups took part in some or all of these affairs and there were groups from several European countries including Belgium, Bulgaria, France, Ireland, Italy and Spain. True to communist practice, the Bulgarians sent a highly skilled, professional group; other national groups were well coordinated and of long experience. But our young people from Brigham Young University were unqestionably the big hit. They were the ones the people wanted to see, and they were universally welcomed and applauded. People of all walks of life have commented to me about "the young Americans" on the television program, and I think it fair to say that this has caused more comment at different levels of the population than any other event in my year here—at least more people have spoken to me about it.

On my first meeting with the group at the Agricultural Fair I was so impressed with the clean, outgoing qualities of all these pretty girls and fine looking young men that I went back the second day at their request and had the pleasure of marching with them in the international parade which wound through the streets of the medieval town. In the evening performance, which went on until two in the morning, when I went forward to the platform at the urging of the Festival Director and the young Brigham Young University student who performs the Indian dance to receive an Indian feather, there was very warm applause from an audience of about three thousand people to show their appreciation of the American presence.

When the group came down to Lisbon I had the opportunity of having them all to the Residence for a late afternoon gathering. After being away from home for awhile they all seemed to enjoy the hamburgers which they had been missing in the local diet. For our part, it gave us an opportunity to invite some Portuguese university students; the resulting songfest was a treat for the whole neighborhood.

I just thought you might be interested in an account of the fine impression made in this country by some of these young people from your State. It was one of the most impressive groups I have seen in a long time, and I don't think we need to worry about the broad appeal of our country for people abroad when we have outstanding representatives like the Brigham Young University group traveling and making friends.

I hope you and Mrs. Bennett will be coming to see us again here in Lisbon.

With warm personal regards,

Yours very sincerely,

W. TAPLEY BENNETT, Jr.,
Ambassador.

THE STALLED WAR IN VIETNAM

Mr. GRUENING. Mr. President, the leading article in the current issue of U.S. News & World Report, owned and edited by the well-known nationally syndicated columnist David Lawrence, who has strongly supported the administration's policy in Southeast Asia, is entitled "Stalled War: Now What?" It points out that Secretary of Defense Robert McNamara "will have to report back to President Johnson after his ninth visit to this war area that the military situation is not really encouraging."

The article goes on to say that—

> The U.S. military here is offering the same prescription as before: more combat troops.

The article quotes a ranking U.S. officer:

> Strategically, the enemy has regained the initiative from us.

Under the subheading "Heavy Casualties," the article points out, in the words of one officer:

> The casualty picture is changing for the worst. We're now losing more than one marine killed or wounded for every enemy killed, at least known killed.

The article continues:

> A "war of attrition," say U.S. officers, is just what the Reds want. They are willing, these sources believe, to lose heavily as long as U.S. losses are high also.

For more than 3 years I have, on the floor of the Senate, repeatedly pointed to the folly of our military engagement in Southeast Asia.

Two years ago the Mansfield report, issued jointly by our distinguished majority leader and concurred in by four of our able colleagues, EDMUND MUSKIE, DANIEL INOUYE, GEORGE AIKEN, and CALEB BOGGS, indicated that we were engaged in an open-end war and the more that we escalated the more our adversaries would also escalate. This has happened and will continue to happen. This is the price we are paying for the folly of engaging in a land war on the continent of Asia which our ablest military leaders—Douglas MacArthur, Matthew Ridgway, and others—repeatedly warned us not to do, and which, indeed, President Johnson in the 1964 campaign clearly indicated he did not propose to do. Yet we are doing it.

Every time our military leaders urge the "one more step" which is designed to bring our opponents to their knees and secure victory, we get deeper and deeper into the Asian quagmire.

An entirely new policy is needed. We should make a far greater effort to get out on the best terms possible. Nothing can be gained and much will be lost by prolonging and increasing the slaughter of our own fine boys, whose deaths now have passed 11,000, with over

60,000 wounded—some of them most horribly crippled for life—and the steady and increasing drain on our other resources. There is nothing that we can really win by this course. How long will it take to have these truths appreciated by those who make policy?

I ask unanimous consent that the article entitled "Stalled War: Now What?" from U.S. News & World Report, be printed in the RECORD.

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

[From the U.S. News & World Report, July 17, 1967]

STALLED WAR: NOW WHAT?

SAIGON.—Robert McNamara, the Defense Secretary, will have to report back to President Johnson after his ninth visit to this war area that the military situation is not really encouraging.

Gen. William C. Westmoreland assured Mr. McNamara on July 7 that the war "is not a stalemate"—but the physical evidence argued against him.

The initiative now is more on the Communist side. The U.S. effort has become largely a "holding action."

The U.S. military here is offering the same prescription as before: more combat troops. Already U.S. forces total 466,000. Military commanders say they need 100,000 additional men as soon as possible—another 200,000, up to about 750,000 before real results can be shown.

REDS' NEW POWER

One discouraging report from U.S. commanders on the scene: During the past few months, the North Vietnamese and the Viet Cong have not only been able to absorb the impact of the massive U.S. build-up in 1966, but have increased their manpower and firepower capabilities.

Communist weapons are getting more and more sophisticated. Latest in the arsenal: armor-piercing antitank guns. Expected next: antiaircraft cannon.

Hanoi, judging from intelligence reports, has established an effective replacement system. Thus, the "war of attrition" involving heavy casualties on both sides is having little effect on Communist manpower and initiative.

Says a senior U.S. officer: "The situation is not as bad as in 1964–65 when we were moving from an advisory role to an active military role with troops in Vietnam. But the situation is by no means as favorable today as it was in 1966."

From a ranking officer, this comment: "Strategically, the enemy has regained the initiative from us."

Result, say the experts, is that the U.S., while holding its own in some key areas, is unable to get up the momentum it had last year.

"In simple terms," one source said, "it is a stalemate."

BRIEFING FOR M'NAMARA

This kind of evaluation, it was understood, was what Mr. McNamara was getting in the closed-door briefings in Saigon by General Westmoreland and members of his staff and from officers in the field. Mr. McNamara arrived with a team of Pentagon experts on July 7. He had said prior to arrival that the U.S. manpower situation was not the sole item on his agenda, and that the military situation was not as bad as depicted.

Facts available on the scene here put the picture in new focus.

For example: The U.S. has not been able to mount a major offensive operation since "Junction City" last February. At least one big operation planned for the spring was postponed because there were not enough troops available.

Instead, General Westmoreland has had to redeploy his manpower to be ready to react to Communist attacks. The enemy, officers emphasize, is choosing the time and place of battle.

Stressed is this fact: U.S. troops have badly hurt several large North Vietnamese and Viet Cong units. Yet, to date, no single large enemy formation has been destroyed. Crippled units have been rebuilt, put back into action.

ACTION ALONG DMZ

The hot spot right now again is along the Demilitarized Zone dividing South and North Vietnam. Heavy fighting raged there in late April and May, part of what American commanders believed was a Communist spring offensive.

That offensive was blunted. U.S. marines and South Vietnamese conducted a sweep through the southern part of the DMZ in an effort to clean out enemy fortifications. It had little success.

On July 2, up to 3,000 troops of Hanoi's 324B Division began another push across the Demilitarized Zone supported by one of the heaviest artillery barrages they had ever fired. After 24 hours of bloody fighting the marines pulled back. Then U.S. artillery, tanks, planes and warships loosed a massive barrage and broke the back of the offensive.

HEAVY CASUALTIES

The marines lost about 100 killed, more than 200 wounded. Said one officer: "The casualty picture is changing for the worse. We're now losing more than one marine killed or wounded for every enemy killed, at least known killed."

A "war of attrition," say U.S. officers, is just what the Reds want. They are willing, these sources believe, to lose heavily as long as U.S. losses are high also.

The North Vietnamese, for instance, now are emphasizing the infiltration of replacement troops rather than units. And in the DMZ area, says one source, Hanoi is able to rotate regiments in and out of battle regularly to reorganize, rearm and rest.

U.S. intelligence estimates put the North Vietnamese infantry strength at about 55,000 in the South. Hanoi has been able to maintain this level despite interdiction of infiltration routes.

According to knowledgeable sources, Hanoi has moved about two thirds of its 16 divisions south of the port of Vinh in the southern panhandle.

"They are taking a tremendous gamble," said one experienced military observer. "They apparently think that the threat of Chinese intervention and the American political situation will prevent the U.S. from exploiting the situation."

Actually, says this source, "North Vietnam is ripe for an Inchon-type landing." It was at Inchon in Korea that Gen. Douglas MacArthur landed troops behind enemy lines, changing the pattern of the war.

A U.S. invasion of North Vietnam would be one solution to the problem of infiltration. Since such a major escalation is unlikely, officers here say U.S. troop levels must keep rising to match the enemy's capabilities.

What makes the U.S. posture at the DMZ so shaky is Hanoi's ability to replenish ammunition and supplies there. It is much easier than waging war in the central highlands, for example.

Furthermore, presence of surface-to-air missile (SAM) installations in and just north of the DMZ rules out the use of giant B–52 bombers. And fighter-bombers have been unable to wipe out the anti-aircraft weapons set up in the zone or eliminate the artillery the Communists have placed there.

These were problems posed to Mr. McNamara during his visit to Vietnam.

THIN AGAINST A THREAT

The threat of a Communist offensive in the central highlands also was raised. That area now is drenched by monsoon weather, and bombing is less effective.

U.S. troop strength there is not sufficient for General Westmoreland's needs. If an enemy offensive is launched there, it would become necessary to prune the three-brigade "Task Force Oregon" in troublesome Quang Ngai Province on the coast to beef up forces in the highlands.

Or General Westmoreland would have to strip forces further in Third Corps around Saigon, the capital. These forces already are too thin for comfort.

Dispersal of troops, it is stressed by experts, is just what the Reds want.

"We frequently are in the position," says a senior officer, "of sending one or two companies out to look for an enemy regiment. If you find the enemy you are bound to take losses, no matter how badly you hurt the other side. This suits the Communists just fine. They don't have a problem at home of explaining casualties or calling up their manpower reservoir."

WHAT HOPE OF HELP?

One aim of Mr. McNamara's visit, it was understood, was to obtain a new evaluation of the chances of the South Vietnamese Army's taking a more active part in combat.

U.S. staff officers would like to see the South Vietnamese elite battalions, airborne and marines, for example, put into combat more often. These units usually spend more time guarding Saigon against coups than they do in the field.

The Regular Army is committed to providing security for the pacification program. It is not expected to be of much help in alleviating troop shortages.

Whether General Westmoreland gets part or all of what he wants depends on the impact an on-the-spot assessment has on Mr. McNamara, and on Mr. McNamara's report to President Johnson.

Judging from what experts say here, the situation is not likely to improve without more American troops.

THE INCREASING RATE OF CRIME

Mr. BYRD of West Virginia. Mr. President, I have spoken out many times on the increasing crime rate, both in this city and in the Nation as a whole. There is no question in my mind that this trend is in some measure due to the increasingly liberal attitude taken by the Supreme Court, making it more and more difficult for our police to carry out their already dangerous tasks.

In this regard, I invite the Senate's attention to an editorial entitled "Coddling Criminals Helps Keep Violence Increasing," published on July 8 in the Huntington, W. Va., Advertiser.

The editorial writer states:

The restrictions imposed upon law enforcement officers by the courts and by executives of their agencies are preventing the arrest and conviction of criminals.

Possibly even more important, they are overwhelming police and other officers with frustration and preventing arrest of those who are making a career of violence.

The people will never gain the protection they should have until they demand through insistent protest, and through the ballot, protection of the police in the discharge of their duty and prompt prosecution and punishment of those who live by violence.

I believe this editorial should be read by every Senator and every judge, for it makes the point that cannot be stressed too often: We are not going to have a safer society by releasing known criminals from jails or by making it harder

and harder to put these murderers, rapists, and robbers behind bars in the first place.

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:

CODDLING CRIMINALS HELPS KEEP VIOLENCE INCREASING

Efforts of some members of the American Bar Association to restrict the publication of crime news are similar to the action of the U.S. Supreme Court in granting new protections to criminals.

For some reason that no one has yet explained, both developments have taken place at a time when the spiraling national crime rate has reached the highest level in history.

Neither grew out of any evidence that a great many people were being convicted of crimes of which they were not guilty.

On the other hand, a series of Supreme Court decisions granting new constitutional rights to prisoners has unquestionably resulted in the release of those obviously guilty of rape, murder and other serious crimes.

In spite of this, ultraliberal jurists, attorneys and others have maintained that the unprecedented decisions of the court have not contributed to an increase in crime.

Since scores of prisoners, some of them of the most vicious character, will be set free under the decisions, this is like arguing that crime will not increase in proportion to the number of criminals running at large.

If this were true, then the states and the federal government should release all their prisoners and save themselves the cost of maintaining penal institutions.

But there is no reliable evidence that this is true in the nation as a whole. On the contrary, although major crimes have been reported to have declined 15 per cent here during the 1966–67 fiscal year, the Federal Bureau of Investigation announced last month an increase of 20 per cent during the first quarter of this year in the country.

This was the heaviest increase for any quarter since the FBI began publishing crime statistics in 1958.

Statistics show that rapes, assaults, murders and robberies increased from 224,130 in 1958 to 313,740 in 1964.

There is no record to show how many crimes have been committed by those released through the leniency of courts, but the FBI has repeatedly reported that many violations are traced to criminals who have been granted paroles or probation.

In at least one case of record, Andrew Mallory of Washington, who was freed of a rape conviction by the Supreme Court merely because he had been held for seven and a half hours between his arrest and his arraignment, went to Pennsylvania and committed another similar crime.

In view of the increasing violence, it is impossible to see on what basis the Supreme Court makes the conviction of criminals more difficult.

It is equally difficult to see why at this time some members of the American Bar Association have become so concerned over the publication of crime news.

There has been much discussion of the case of Dr. Sam Sheppard, Cleveland osteopath, who had been convicted of murdering his wife.

His appeal went to the Supreme Court, and Justice Tom Clark wrote the opinion holding that "massive, persuasive and prejudicial publicity" deprived the defendant of a "fair trial consistent with the due process clause of the Fourteenth Amendment."

In another trial Dr. Sheppard was acquitted.

From all the evidence, the newspapers of Cleveland did step far beyond the bounds of propriety in handling the case before and during the first trial.

The natural presumption would be that this might have influenced the jurors against the defendant.

On the other hand, there is no conclusive evidence that the first jury erred and the second one righted the wrong. The first could have been right and the second one, which returned a verdict of not guilty, could have been wrong.

Important factors that might have influenced the second jury to an erroneous judgment have been largely ignored. One of these factors was the amount of publicity given to efforts of the defense to gain a new trial.

This publicity went on for a long time. It could have created sympathy for the prisoner, with the strong feeling that he had been done an injustice.

Another important factor that could have influenced the second jury to a not guilty verdict was the psychological influence of time in softening the public toward anyone charged with crime.

But possibly most important of all was the influence that the Supreme Court's decision granting a new trial could have had on the jury that voted acquittal.

This is in no sense a challenge of the justice of Dr. Sheppard's release. It is a challenge of those who seem to be concerned only with the rights of prisoners at a time when good citizens throughout the land are paying for judicial leniency with their lives and billions of dollars of property every year.

The restrictions imposed upon law enforcement officers by the courts and by executives of their agencies are preventing the arrest and conviction of criminals.

Possibly even more important, they are overwhelming police and other officers with frustration and preventing arrest of those who are making a career of violence.

Even the series of reports by the President's Crime Commission seemed to indicate more concern for protecting prisoners' rights than for protecting the public from rape, robbery, mayhem and murder.

The people will never gain the protection they should have until they demand through insistent protest and through the ballot protection of the police in the discharge of their duty and prompt prosecution and punishment of those who live by violence.

The weeping sentimentalists on the bench and off have for too long kept the cart before the horse while criminals prospered and the public suffered.

THE WORLD'S EXORBITANT MILITARY EXPENDITURE

Mr. HARTKE. Mr. President, the amount of money being expended by the nations of the world for military hardware has reached the astounding astronomical total of $200 billion annually.

Columnist Inez Robb recently pointed to that sum and properly commented on this investment in war potential in contrast to the needs of a world where, as she puts it, "millions live a marginal existence on intimate terms with hunger, debasing poverty, disease, illiteracy, and despair."

We can talk as we will about the comparative ease with which our own economy absorbs the cost of Vietnam and of our own vast military budget. But when these and the comparable expenditures of other nations are put in the context of what the same sums could do if applied constructively to the world's problems, it gives us pause—particularly when, if Miss Robb is correct, our own share is half that of the total.

It is a terrible indictment that a writer of Miss Robb's stature can conclude as she does that:

Materiel is obviously more important than man. So we and other nations go on buying more and more matches in a tinder world. As we ignite those matches in Vietnam, in the Middle East, in the Congo, wherever new conflagrations appear, we seem to become increasingly insensitive to the human values and human suffering involved.

Mr. President, I ask unanimous consent that Miss Robb's column, which appeared in the Washington Daily News of June 20, be printed in the RECORD.

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

PLAYING WITH MATCHES

Once more the world has probably avoided blowing itself to bits. But, no doubt, it will have ample opportunities to succeed in the future, since it is playing with matches to the tune of approximately $200 billion annually.

That incredible sum—two hundred billions of dollars—is what the nations of the world now spend every 12 months on military hardware. The sum is even more massive and maniacal when it is written as $200,000,000,000.

That colossal figure represents the investment in war potential by both the have and the have-not nations in a world where millions live a marginal existence on intimate terms with hunger, debasing poverty, disease, illiteracy and despair.

If in only one calendar year that sum could be invested in aiding the earth's wretched, it might herald the transformation of this planet into a place fit to receive Martians or Venusians, or whoever is in those UFO's.

And if, by some phenomenon, that sum could be plowed annually into the betterment of humanity over a 10-year period, we might achieve a miracle that would lead to salvation for both man and his world.

But that is more than wishful thinking; it is fantasy. No one in power and his right mind is going to subvert a red cent of that sum from armaments, least of all the U.S. We annually ante up a third to a half of that tremendous sum for war and war materiel.

For the coming fiscal year the House has approved a record "peace time" defense appropriations bill of $70.3 billion. Of that sum, $20.3 billion is said to be earmarked for the undeclared war in Vietnam.

However, that is only part of the story. The House Appropriations Committee warns that "the tempo and cost of the war in southeast Asia are on the upward trend" and that "the cost of wars can never be projected precisely."

Thus, $70.3 billion may not pay the whole military bill during the next 12 months. So the committee has warned that the pitcher may have to return to the well.

Nor does that warning put "finis" to the story. The $70.3 billion is in addition to an estimated $43.7 billion now available to the military establishment in funds previously appropriated by Congress.

That makes a tidy total of $114 billion as a possible outlay for military expenditures in the new fiscal year beginning next month.

And the end is not yet. Hidden billions, tucked away in the budget, pay for the annual operations of such hush-hush groups as the CIA. Authorities in these matters estimate that the CIA operations cost a minimum of $10 billion a year.

So, on any abacus, the all-over figure totes up to $124 billion. Or, for the coming year, well over 50 per cent of the $200 billion that

the world will spend this year on preparations for war.

The U.S. is very, very rich—the richest nation in history. But can even the U.S. indefinitely support the constant escalation of war funds? Especially at the expense of man himself?

How can any congressman, voting such huge military expenditures, cry "economy" when—by comparison—piddling sums are asked for public education, for the eradication of poverty, for the elimination of disease, for unpolluted air and water, for better housing and for reconstruction of rotting cities?

Materiel is obviously more important than man. So we and other nations go on buying more and more matches in a tinder world.

THE OUTCOME OF THE RECENT WAR IN THE MIDDLE EAST

Mr. GRUENING. Mr. President, amid the vast reportage and editorial comment on the historic developments in the Middle East, a column written by Kenneth Crawford, a veteran able journalist, in the July 17 issue of Newsweek gives about as good a condensed summary as may be found anywhere. I have only a couple of comments to amplify Crawford's summary.

He states:

> The United States' devotion to Israel is more sentiment than practicality. Its long-range interest is, of course, in peace and stability for the Middle East.

It would be my view that while the attitude of the United States toward Israel has not been consistent or uniformly favorable—since in our foreign aid program we have given vast sums to the sworn enemies of Israel, such as Dictator Nasser's Egypt—a folly which some of us in the Congress finally ended—without attempting to demonstrate that "long-range interest in peace" which Mr. Crawford indicates to be U.S. policy, to wit John Foster Dulles' hostile position both to Israel and toward our then traditional allies, Britain and France, when he took the side of Egypt and Soviet Russia in Nasser's seizure of the Suez Canal in 1956—our Nation's attitude should be unqualifiedly favorable to Israel for the following reasons:

Israel is an oasis of democracy in a Middle East desert of backwardness and dictatorship. Even more than that, of the nearly 70 countries that have been born in the wake of the anticolonial revolt all over the globe since World War II Israel is the outstanding example of liberty and democracy. Its people enjoy government by consent of the governed, freedom of speech and press. In short, Israel is the counterpart in its ideology and actions of what the United States professes to be our own ideal and course of conduct.

Since the United States professes that it is interested in maintaining the basic freedoms throughout the world and is likewise engaged—most unwisely, in this instance, in my view—in what is allegedly an effort to promote democracy in Southeast Asia, where it has never existed and where the representatives of that hope scarcely live up to the billing, it would seem almost inevitable that we should support Israel as a shining example of democracy for the whole world. So our support should not be based, as Mr. Crawford suggests, on mere sentiment.

We might add that in addition to these qualifications Israel is one of the few countries that publicly acknowledges its debt to Uncle Sam, makes no secret—as do practically all other countries—of the benefits of the foreign aid which we have given it, and is also helping backward nations by sending its technicians to aid some of them.

Finally, one cannot but agree with Kenneth Crawford's concluding sentence; namely, that the outcome of the brief war in the Middle East and Israel's brilliant victory—certainly the most brilliant in modern times and perhaps in all history—could have been worse—much worse.

One may shudder to think what would have happened if the Arabs had won and had succeeded in their 19-year-old unremitting threats to exterminate the Israelis. Actually, secret captured orders reveal that they were determined to massacre every man, woman, and child. That would, in the circumstances, have presented the United States with a real problem, which fortunately the Israelis' courage, intelligence, and superiority in all the qualities that count, spared the free world.

A strengthened Israel, secure against the unceasing threat of aggression and sporadic raids by the surrounding Arab nations, with a population 50 times as great and an area a thousand times as large, is essential for the peace of mankind and the perpetuation of the decency and enlightenment which that little nation embodies. All free men have a stake in its maintenance and not least the Nation which represents the largest democracy on this planet, our own.

I ask unanimous consent that Kenneth Crawford's article entitled "Middle East Outcome" be printed at the conclusion of my remarks, and that it be followed by my comments, entitled "Jordan Had Ordered Its Troops To Kill All the Inhabitants of Captured Israel Villages."

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

MIDDLE EAST OUTCOME

(By Kenneth Crawford)

Debate on the Middle East crisis in the United Nations General Assembly was not an edifying spectacle. It must have been disillusioning to hopeful idealists, if there are any left, who still think of the U.N. as the world's last best hope for peace. Facts were twisted; logic was distorted; tortured semantics were confusing. Yet, after much nonsensical talk, the Assembly did the only sensible thing in the circumstances: it did practically nothing. So, in the end, reason somehow prevailed.

The facts were clear enough to defy obfuscation, try as the would-be obfuscators did. The Israelis were quite clearly the aggressors in the sense that they assumed the offensive. But the Arabs were obviously the aggressors in a more fundamental sense. They had insisted that a state of war between Egypt and Israel never ceased to exist after the British-French-Israeli attack on the Suez in 1956. They had closed the Strait of Tiran to embargo shipping by that route to an enemy. They had announced it as their firm purpose to drive Israelis into the sea and to destroy the Jewish state.

FORMIDABLE BLOC

How could the Arabs contend that the Israelis should be punished for a war already started and for striking first in defense of their existence? The Arabs could, and did, by ignoring inconvenient facts and by enlisting the support of nations willing to do the same thing. The Soviet Union, which had invested heavily in arms for the Arabs in the hope of banishing Western influence from the eastern end of the Mediterranean, was more than willing for reasons easily understood. Gaullism, always eager to get even with the U.S. for rescuing France from Hitler and from economic collapse after Hitler, joined up, too. Together they assembled a formidable bloc.

Had the U.S. been actuated by cynical short-range self-interest, it would have joined the Arab bloc itself. It has extensive oil involvements in the Arab countries and it has fostered them with food and other help for the Arabs. It has no comparable stake in Israel. Neither has it any treaty obligation to defend Israel, only statements of policy underwriting the territorial integrity of all the nations of the area and open passage to the Gulf of Aqaba. Its devotion to Israel is more sentiment than practicality. Its long-range interest is, of course, in peace and stability for the Middle East.

In the showdown, neither the Soviet-supported resolution demanding that the Israelis surrender unconditionally the Arab territories they seized during the six-day war nor the U.S.-supported resolution tying withdrawal to recognition by the Arab states of Israel's right to live won the required two-thirds majority.

THE 10TH POINT

This left Israel in possession of the Sinai; the eastern bank of the Suez; the Gaza Strip; Jordanian territory on the Israeli side of the River Jordan, including all of Jerusalem, and Syrian hills overlooking Israel. There is no reason to doubt Israel's capacity to hold these acquisitions. Possession being nine points of the law, time in the normal course will take care of the tenth point if the Israelis want it to.

Meanwhile, the conquered territories can be held hostage to peace negotiations. In their present irrational mood, the Arabs won't talk. But they may come to it eventually even if the Russians go through with their threat to rearm Nasser and his allies. Egypt's economic plight is already desperate and will get worse. Syria and Jordan are in similar straits. The squeeze may produce upheavals of leadership in any or all of these countries. A period of explosive instability is inevitable. Having established themselves as the Arabs' best friend, the Russians will have an advantage in maneuvers to exploit this situation. But the West also has friends—silent now but perhaps not always—in the area. It also has a better reputation for generosity and helpfulness than the Soviets and more advantageous markets for Arab oil.

The U.S.-Soviet confrontation induced by the crisis was inconclusive. Eyeball to eyeball, neither blinked but both averted their gaze. There seems to be tacit agreement that neither will permit itself to be drawn into a Middle East shooting war but otherwise to disagree. Party leader Brezhnev has defended his country's refusal to intervene by force and promised only further "political struggle." Secretary Rusk has denied that the U.S. has any idea of imposing a peace settlement on the nations of the Middle East. And that is where matters now stand. This outcome could have been worse—much worse.

JORDAN HAD ORDERED ITS TROOPS TO KILL ALL THE INHABITANTS OF CAPTURED ISRAEL VILLAGES

Mr. GRUENING. Mr. President, a few weeks ago, King Hussein of Jordan,

spoke before the United Nations, where he warned the General Assembly that if Israel were allowed to keep "even 1 square foot" of the land it had taken, the United Nations would never again be able to make a cease-fire stick anywhere. His speech followed the usual pattern of what has become the Arab party line: injured innocence, claims of Israel aggression, charges of Western imperialism. This was followed up by a visit to President Johnson to ask for additional economic and military assistance which coincided with reports from Amman that the Jordanians were disillusioned with Nasser and were seeking new policies to take into account the realities of the Israel military victory.

On June 27, 1967, I pointed out that this kind of hypocrisy could not be accepted. I stated:

> Before the outbreak of this 4-day war the Israeli Government sent messages to the king urging him not to attack and saying that if he did not there would be no counterattack or action by the Israeli troops across the Jordanian border. King Hussein not only rejected this peace offer but rushed to embrace Nasser, joined him in his attack, started the bombing of Israel and brought upon himself the inevitable reprisal.
>
> He has no case whatever in the record of history or in the court of public opinion. He is and should be thoroughly discredited for his double-dealing, for his aggression, and for the folly deliberately embarked on, which not only cost many lives of Jordanians but quite a few Israelis who did everything in their power to obviate action on the Israel-Jordan front. Hussein has no legitimate claim of the kind that he makes. He alone is responsible for the loss of previously Jordanian territory.

This morning we see another example of his hypocrisy. Under the caption "Three Arab Leaders Meet in Cairo," the New York Times carries a front-page picture of King Hussein at the Cairo airport, being warmly embraced by the architect of Arab aggression, Gamal Abdel Nasser.

When the Israel forces swept through Jordan's west bank, they captured numerous top secret documents in the files of Jordanian military headquarters which proved that Hussein had planned a systematic aggression against Israel. These consisted of special orders issued to military units in the west bank for Operation "RA'AD" which involved orders to raid and destroy Israel settlements and to kill their inhabitants. These orders were found in the headquarters of all the Jordanian brigades positioned on the west bank. The orders were issued by the senior Jordanian headquarters of the west bank and provided that they would be issued to the battalions to carry out at such time as the west front headquarters decided to put into action the operations. As stated in the orders every raid was allocated to a force of infantry battalion strength with supporting artillery and engineers. All the raids were planned on the same system in all the brigades; that is, for one company to break into the Israel settlement, destroy it and kill all the inhabitants, another company to provide support, and a third company to block off any Israel forces coming to the relief of the settlements.

I ask unanimous consent for the inclusion in the CONGRESSIONAL RECORD of a translation I have obtained of the top secret order found in the files of the Imam Aly Ben Abi Taleb Brigade, stationed near Ramallah. The target specified in this order is the Israeli colony of Motza in the Jerusalem Hills. The date of this order is June 7, 1966. A second order was found at the brigade headquarters which is dated April 1967 which is identical to the first except that it provides for an attack on the Sha'alabim Settlement in the Latrun bulge.

The orders state unequivocally that the intent of the planned military operation is to kill civilians and to destroy the civilian settlements. It states that:

> The aim of H.Q. West Front is to raid Motza Colony, to destroy it and to kill all persons in it.
>
> The Brigade Reserve Battalion will raid the Colony Motza, will destroy it and kill all its inhabitants upon receiving the code "HADHAD" from Brigade H.Q.

In light of these documents it is impossible to escape the conclusion that Jordan plotted aggression against Israel and was a willing partner in the Arab policy to destroy Israel. This must be taken into account when the Foreign Assistance Act is considered by the Senate in the near future in relation to the amounts which the President will undoubtedly request for continued economic and military assistance to Jordan.

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

[Top secret]

(Copy No. 4, H.Q. Imam Aly Ben Abi Taleb Brigade (Operations). Registration No.: A'1/1/1. Date: 7th June 1966.)

Special Operational Order "Operation (RA'AD)."

Ref. Maps: Jerusalem, Ramallah, Salfit, Ag'ur, Lud, Yafo—Tel-Aviv, 1:50000.

To: Commander Reserve Battalion 27th Brigade.

1. SITUATION

A. *Enemy:*

(1) The enemy forces in MOTZA Colony (16471342). The inhabitants number about 800 persons, engage in agriculture and have guard details in the colony.

(2) The colony mans five night guard-positions around it.

(3) The colony is surrounded by slit-trenches which are manned when necessary.

(4) The colony has barbed-wire fences.

(5) The houses of the colony are built of concrete, and some have red-tile roofs.

(6) The forces of the colony need 5–7 minutes to man their positions from the moment of surprise.

(7) Enemy camps close to the colony which can take part in the campaign and advance reinforcements:—

(a) *CASTEL Camp* (163133) one Infantry Co. with support detachments. The defence position of this unit is on the hill (16371337).

(b) *SHNELLER Camp* (170132) 6th Brigade Reconnaissance Co.

(c) *ABU GOSH Camp* (16301349) Border Police Co.

(8) Air superiority to enemy.

B. *Own Forces:*

(1) The intention of H.Q. Western Front is to carry out a raid on MOTZA Colony, to destroy it and to kill all its inhabitants.

(2) This task was allocated to the Brigadier of the IMAM ALY BEN ABI TALEB Brigade who will further it to the Brigade Reserve Battalion.

C. *Attached and Detached:* (When giving Reserve Battalion the Order to proceed).

Under Command, the forces in position at *SHEIH' ABD EL AZIZ* Area and the *RADAR* from the Battalion responsible for the Left wing of the Brigade.

Direct support, 2nd Field Battery 1st Field Arty. Regt. 1 platoon Field Engineers. 1 section casualty collecting.

2. THE TASK

The Brigade Reserve Battalion will raid MOTZA Colony, will destroy it and will kill all persons in it upon receiving the code-word *"HADHAD"* from Brigade H.Q.

3. METHOD

A. *General.*

(1) Night raid in one phase by Infantry Co. plus platoon plus Engineer platoon for the breaching and destroying, one Infantry Co. less one platoon plus battalion support weapons as firm base, one infantry Co. plus elements of pioneers and field engineers for blocking off reinforcements.

(2) The whole battalion will march from the place of disembarkment from the vehicles, to the dispersal area.

B. *One Company plus one platoon*—for breaching and destroying.

(1) *The task:* The destruction of the colony and killing all its inhabitants.

(2) *Attached:* A.A.O. (Advanced Artillery Observer) One platoon field engineers.

(3) *Reorganization:*

(a) On finishing the mission it will retire to the assembly point allocated to it and from there will march to point 16441366, South-West of BEIT SORIK Village.

(b) Axis of retreat, East of SHEIH ABD EL AZIZ and from there by track leading to BEIT SORIK and up to the deployment area (16401370).

(c) The Company will travel with the Battalion in vehicles from ELG'IB BIDU cross-roads to BIR A'WAR-BIDU crossroads and from there to its base in the BETUNYA Hills.

C. *One Company less a platoon plus Battalion Support Weapons.*—Firm Base.

(1) *The Task:*

(a) Supporting the breaching force and harassing the target with heavy fire when the raiding party is discovered and after it finishes the destruction.

(b) Supporting the Assault Force in its retreat until it is beyond the range of the enemy's fire.

(c) The Company will move from the dispersal point to the place of the base—see Draught A', at 16441353.

(d) The Company will retire after all the other forces complete their retreat. The C.O. of the Force will make sure that all the forces of the mission have retired.

(2) *Attached:* A.A.O. M.F.S. (Mobile Fire Spatter).

(3) *Reorganization:*

(a) The Company will retire in full at the end of the operation when ordered by the Battalion Commander and will move by the track from Sheih Abd El Aziz to Beit Sorik, from there to the assembly point and from there by vehicles.

(b) The Company will travel in vehicles with the Battalion to the Battalion's base at Bitunya by way of El Gib—Beit Awar Crossroads—Bitunya.

D. *Company plus pioneer platoon*—Blocking-off reinforcements will establish two Road Blocks:

(1) *Right position:* at (16371342) on the main road leading to Abu Gosh Camp.

(2) *Left position:* (16631342) On the slope of the Tel situated on the East side of the Motza Colony and overlooking the Jerusalem-Kolorya Road.

(3) *The task:*

(a) To prevent the arrival of any reinforcements or forwarding succour which the enemy might send by their routes.

(b) To engage the enemy in combat if he comes to the colony's aid.

(c) Cut-off the road leading to the Colony,

if the conditions require it, and that before the passage of the enemy.

(d) Every force will move from the dispersal point to its position as seen on draught "A" which is attached.

(4) *Reorganization:*

(a) *The right position:* When the task is accomplished and when it receives the code word for the order to retire, will move by the route west of Sheih Abd El Aziz up to Beit Sorik Village and will then proceed to the assembly area, embarkation point with the rest of the battalion.

(b) *The Left position:* When the task is accomplished and when it receives the code word for the order to retire, will move by the route leading in the direction of Sheih Abd El Aziz from the East up to Hirbet Loza, Beit Sorik, assembly area and embarkation point.

E. *Mortar Platoon:*

(1) Will take up position at 16471356 North-West of Sheih Abd El Aziz.

(2) *The task:* According to annexed plan of fire (A).

(3) *Reorganization:* When the task is accomplished will retire from its position by way of Sheih Abd El Aziz Village to Beit Sorik—assembly area—and will move with the Battalion to the embarkation point.

F. *Pioneer platoon:* Will detach a reinforced section to the Blocking-off forces.

(1) *The task:* Will lay anti-vehicle and anti-personnel mines on the road leading to Motza Colony when ordered by the C.O. Blocking-off force.

(2) *Reorganization:* The section will retire with the Blocking-off force to the assembly area and to the embarkation point.

G. *Artillery:*

(1) *Task:* According to annexed plan of fire (A).

(2) A.A.O.s will be attached to the firm base and to the Blocking-off force.

H. *Engineer platoon:*

(1) *Task:*

(a) Breaching the wire fences on an average of one breach per platoon.

(b) Will completely destroy the colony with explosives, after the breaching through force finishes mopping-up the Houses.

(c) The platoon will attach elements to the Blocking-off force.

(2) *Reorganization:* The platoon will retire with the breaching force to the embarkation area and from there will travel in vehicles with the Battalion to Bitunya.

I. *Co-ordination:*

(1) "H" hour will be decided upon in due time by the Battalion Commander

(2) Disembarkation and embarkation points.

(3) Deployment area.

(4) Dispersal point.

(5) Route of advance.

(6) Dispersal of forces, breaching, firm base, cutting-off.

(7) Starting line.

(8) The target.

(9) Embarkation area.

(10) Rate of advance 100 yards every three minutes.

(See draught "A")

4. ADMINISTRATION

(A) *Transport:* Combat echelon vehicles will remain in assembly area North of BEIT SORIK (164137).

(B) *Food:* Supper will be served in the assembly area, and no rations will be carried.

(C) *Ammunition:* Ammunition and explosives as will be decided for this Operation.

(D) *Medical:* The casualties will be evacuated to the Battalion Advanced Dressing station by stretcher Bearers which are in the village (BEIT SORIK).

(E) *Clothing:* Full battle dress. Light clothing is recommended.

5. COMMUNICATION AND CONTROL

(A) *Brigade H.Q.:* At its present place.

(B) *Battalion H.Q.:* In all the phases of operation behind the Assault force.

(C) *Communications:*

(1) No change in wireless or telephone nets.

(2) Wireless silence will be observed up to discovery of the attack, when the artillery and mortar shelling will begin.

(D) *Codes: Word, Meaning,* and *Ordered by:*

"Hadhad," Reserve Battalion starts Operation, Brigadier.

"MA'AN", Destruction of target, Battalion C.O.

"SALMAN", Leaving Assembly area, Battalion C.O.

"MOHAMED", Leaving Embarkation area, Battalion C.O.

"ARBED", Battalion back to reserve positions, Battalion C.O.

Zaim—Brigadier Imam Ali Ben Abi Taleb Brig. (Ahmed Shehada El Huarta).

Information:

Distribution List: Annexed.

"A" Annex—Plan of fire.

Annexes:

"A'" draught: disembarking area, assembly, division of forces, dispersal point, starting line, target.

PENSION PROTECTION PLAN IS NEEDED

Mr. HARTKE. Mr. President, on April 26 I introduced a slightly revised version of the Pension Protection Act, on which 1 day of hearings was held last year. The bill, S. 1635 (S. 1575 in the 89th Congress), is designed to deal with the problems which arise when private pension plans are discontinued due to discontinuance of the business through failure, merger, or similar causes. The result of such loss of expected retirement income, through no fault of their own, has often left workers with 20, 30, or more years of employment without the resources on which they had counted.

I have previously documented the need, and I shall from time to time bring before the Senate other instances to illustrate the necessity for action on this bill. The following cases illustrate the circumstances in which the need is clearly demonstrable.

In 1961, the E. W. Bliss Co., of Cleveland, Ohio, ceased operations. Employed at that time by the company were 32 workers. The company was organized under the United Automobile Workers, and there was a pension plan in effect. Yet, of the 32 workers, only two collected any pension at all, and they were already retired. Typical of those who received no future benefits, but who were fortunately young enough to find new jobs, were George Kuzel and Tony Tomatz, with 16 and 12 years of service respectively. In their new employment there is no private pension fund available.

This is one instance. There are many more, some of which I have received specific information as to their cases. I shall call them to attention in the future, and continue to hope that we may have more hearings and serious consideration for S. 1635.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

TRUTH-IN-LENDING ACT

Mr. BYRD of West Virginia. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 378, S. 5, the unfinished business.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 5) to assist in the promotion of economic stabilization by requiring the disclosure of finance charges in connection with extension of credit.

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

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

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

The bill is open to amendment.

Mr. PROXMIRE. Mr. President, after 7 years of consideration, the Committee on Banking and Currency has recommended a truth-in-lending bill to the Senate. If any one person is responsible for the idea of truth in lending, it is our great former colleague, Senator Paul H. Douglas of Illinois. Paul Douglas introduced this issue in 1960 and kept it alive for 6 long years while support for the measure gradually developed.

I believe the committee has recommended a bill which retains the essential objectives for which Senator Douglas fought so long and hard. It requires creditors to disclose to consumers the full cost of credit. This would be expressed in terms of dollars and cents and, for most forms of credit, as an annual percentage rate.

The committee has also recommended a number of changes in the original bill, which I introduced last January 11, which I believe will go a long way toward making it more workable to the credit industry. In developing these changes, I believe the ranking Republican member of the committee, Senator BENNETT, deserves a considerable amount of credit. It is true that from the outset, all members of the committee agreed upon the central objective of truth in lending. No one seriously contested the fact that the consumer is entitled to as much information as possible regarding consumer credit. No one has argued that the facts should not be disclosed to the consumer.

The chief arguments within the committee dealt not with the objective of the legislation but with its workability. I believe we have recommended a bill today which will prove to be both fair to the consumer and workable to the credit industry. Certainly, the committee has learned much from Massachusetts, where truth in lending has been in effect over the last 6 months.

In addition, the Department of Defense has required for the last year that

creditors make full disclosure when extending credit to servicemen.

The credit industry was also helpful in suggesting technical changes which will improve the workability of the bill from the standpoint of the average creditor.

Finally, the leadership of the Senator from Alabama [Mr. SPARKMAN] was most influential in developing a bill which every member of the committee could support. There is no Senator who is more expert in this entire area than the distinguished Senator from Alabama, who is not only extraordinarily competent in the field of banking and currency, credit, and who is recognized as the congressional expert on housing, but a man also who has a wonderful knack for persuading people to iron out their differences and work out constructive compromises and effective legislation.

I believe this bill will represent a significant advance for the American consumer. It will provide the average person with the information he needs to use credit and to shop wisely for credit. It will end the present system of confusing credit practices and credit terminology which requires a trained mathematician to understand. It will disclose the cost of credit in clear and simple terms to the average consumer so that he can understand fully the extent of the credit and how it compares to rates being charged by other lenders. I believe this bill will save the American consumer millions of dollars a year in credit charges and will prevent millions of families from being saddled down with excessive debt.

WHAT THE BILL DOES

Mr. President, this is a most simple piece of legislation. It is a disclosure bill and not a regulation bill. It does not regulate the credit industry. It does not prescribe detailed credit practices. It does not dictate the terms of credit contract. It does not set ceilings on credit. It merely requires the full facts to be disclosed to the consumer.

The bill would permit the consumer to be the judge and let the effective forces of informed competition work their way out in the marketplace.

The facts to be disclosed are basically twofold. First of all creditors would disclose the cost of credit in dollars and cents. For example, it would require a creditor to indicate that a loan of $300 payable in 18 monthly installments of $22 each month involves a credit charge of $96.

Second, the bill would require that in most forms of credit the creditor would disclose the annual percentage rate. This is the universal common denominator by which the cost of money is measured. It permits a consumer to readily compare the cost of credit among different lenders regardless of the length of the contract or the amount of the downpayment. In effect, the annual percentage rate is a price tag for the use of money. Just as the grocer quotes the price of milk by the quart or one-half gallon, or the price of meat by the pound, so the creditor would quote the cost of money in terms of an annual rate.

When all creditors quote the cost of credit in the terms of an annual rate which is computed in the same fashion the consumer can quickly determine which form of credit is the best buy.

In computing the annual rate, creditors would be required to include all costs incident to the credit transaction regardless of whether it was termed to be interest, loan fees, credit investigations, or the like. This will end a present confusing practice of quoting deceivingly low rates while actually charging much higher rates by tacking on additional fees.

Under the legislation recommended by the committee, all lenders would compute their credit charges and rates in the same way. In this way the consumer would be receiving comparable information on which he can make wise and proper decisions. It will be a significant measure for increasing the effectiveness of the consumer's credit dollar.

NEED FOR LEGISLATION

Mr. President, over 6,000 pages of testimony have been taken before the Banking and Currency Committee over the period of time that this bill has been in committee, which is more than 7 years, and they have amply demonstrated the need for this important legislation. Today the average consumer is faced with a bewildering variety of credit rates and terms. Even the Chairman of the Federal Reserve Board, William McChesney Martin—and I think all of us would recognize that he is the national expert on credit—admitted he had trouble understanding rates charged on consumer credit. If the top financial expert in the country has difficulty, it is no wonder the average consumer is completely at a loss when confronted with a typical credit transaction.

What is so confusing about consumer credit? In large measure it is the variety and inconsistency in the way the cost of credit is revealed.

For example, some creditors quote only a monthly rate, tending to minimize the cost of credit. How many customers realize, for example, that a small loan at the rate of 3 percent per month amounts to an annual rate of 36 percent.

Other creditors employ an add-on or discount rate which measures the credit on the original balance rather than the declining balance. Of course, it is only the declining balance that is being loaned throughout the period. This has the effect of understanding the true annual rate by approximately 50 percent. For example, if a consumer borrows $100 and repays it in 12 equal monthly installments, and if the finance charge is $6, some creditors will represent this to be 6 percent. However, the true annual rate is nearly 12 percent since the consumer has gradually been repaying the full debt and has not had the full use of the $100 for a full year. In fact, on the average he has had only $50 or close to it.

Other creditors employ a system of additional fees and charges designed to increase the effective rate. For example, it is possible to increase the rate from 12 percent to 18 percent by adding additional charges for credit investigation, loan processing, or other similar charges. This is somewhat analogous to a grocer advertising the cost of a loaf of bread for 3 cents while in the fine print indicating the wrapper will cost 2 cents, distribution 5 cents, processing 7 cents, and handling charges 4 cents.

Other creditors will merely disclose the amount of the weekly or monthly payments without indicating the total finance charge or any rate whatsoever.

A creditor might indicate, for example, $2 down and $2 a week for a hi-fi set. Unless the consumer gets out pencil and paper and figures it out for himself, he has absolutely no idea of the cost of the credit either in dollars or as an annual rate.

As a result of these confusing practices, some segments of the credit industry have been able to charge truly exorbitant rates with relative impunity. Recent cases from the files of the Cook County Bankruptcy Court indicated, for example, that finance charges ran as high as 283.9 percent for used cars, 235 percent for TV and hi-fi sets, 199.6 for clothing, and 105.2 percent for furniture. Numerous cases filed with the committee indicate that this is by no means a unique or rare occurrence.

I recall a hearing we had a couple of years ago in New York where case after case was documented by witnesses who came in and testified. We computed the amount they were paying and the rates in virtually all cases exceeded 100 percent and often exceeded 200 percent.

Frequently, these high rates are levied upon the low-income groups who can least afford to pay the exorbitant sums. I hasten to add that these high rates are not a respecter of high income or education. College graduates, college students, professors, and others are as frequently the victims of this kind of overcharge and these very high rates as people who are in the low-income brackets. However, in some cases people with higher education can afford it better than those people who are tragically exploited in the very low income area.

But it is not the low-income groups who are victimized by the hidden cost of credit. The well educated and wealthy are also taken in. For example, one of the most popular education loans sponsored by consumer finance companies involve rates of interest as high as 54 percent. This is for higher education. In fact, most people seriously underestimate the true cost of their credit. A recent survey asked a sample of 800 families to estimate the rate they were paying on their debts. The average estimate was 8 percent. The actual rate turned out to be three times higher, or 23 percent. I believe this indicates that most people truly do not know the cost of credit and the need for disclosure legislation is abundantly evident. In many cases it would be 6, 7, 8, or 9 percent because in these cases there is a free ride involved for everyone who purchases on revolving credit under almost any of the plans which we had an opportunity to review.

SIZE OF CONSUMER CREDIT

The growth of consumer credit since 1945 has been at a rate of 4½ times greater than the growth rate of our economy as a whole. At the end of 1945 consumer credit amounted to $5.6 billion,

whereas in March of 1967 the total amount had climbed to $92.5 billion. Thus, the size of total consumer debt is nearly 17 times as great as it was in 1945.

Of this $92.5 billion, $73.6 billion is represented by installment credit. The largest single element consists of over $30 billion in automobile paper, which accounts for over 30 percent of consumer credit.

Another rapidly growing form of credit consists of open-end or revolving credit. Approximately $3.5 billion in revolving credit was outstanding in March of 1967. The great bulk of this is represented by department store revolving credit charge accounts, although recently a number of commercial banks have moved into the revolving credit field.

Currently, American families are paying approximately $12.5 billion a year in interest and service charges for consumer credit. That is about as great as the Federal Government pays itself for interest on the national debt.

From these figures it can be seen that the potential savings which can arise from more effective price competition in the consumer credit industry are truly enormous. If, as a result of full disclosure, price competition in the consumer credit field were to reduce the rate consumers pay by 1 percentage point, the American consumer would save over $1 billion a year. Thus, the potential for increased consumer purchasing power is truly substantial. Consumers would have more to spend on goods and merchandise and, far from having a harmful effect on the economy, the bill should be helpful to business.

PROVISIONS OF THE BILL

Mr. President, I ask unanimous consent to have printed in the RECORD at the end of my remarks a complete section by section analysis of the bill.

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

(See exhibit 1.)

Mr. PROXMIRE. Mr. President, I should now like to outline briefly the most important elements of the bill:

Section 3 of the bill provides for definitions. The definition of credit would apply to all forms of consumer credit including loans, retail installment contracts, retail revolving charge accounts, second mortgages, and other forms of credit. The bill would cover credit extended to consumers but would not cover credit extended to organizations or credit extended primarily for business or commercial purposes. In addition to consumer credit, the bill would also cover agricultural credit when the credit was extended to a person as opposed to a corporation or other organization.

By limiting the bill to the field of consumer credit, the committee believes it is providing disclosure requirements in the area where it is most essential. Most businesses or corporations are in a good position to judge the relative worth of alternative credit plans and by and large do not require the special disclosure protections provided by the bill.

Section 4 contains the principal elements of the bill and sets forth the various disclosure requirements on consumer credit transactions. The disclosure would have to be made before the credit is extended. In most cases it would amount to providing the required information on the installment contract or other evidence of indebtedness which the consumer would sign in order to complete the transaction. A creditor could also furnish the information on a separate document, providing the information was given before the consumer actually agreed to the credit transaction.

All installment creditors would be required to disclose the total cost of the credit in terms of dollars and cents and in terms of an annual percentage rate. In addition, all other charges incident to the transaction would be required to be set forth, such as taxes, official fees, or insurance.

The annual percentage rate would be determined on the declining balance of the obligation. For example, assume a person borrowed $100 with a finance charge of $6, and repaid the total indebtedness of $106 in 12 equal monthly installments. Since the debt would have been gradually repaid over a 12-month period, the consumer would actually have had the use, on the average, of approximately one-half of the original amount of credit. Therefore, the annual percentage rate would be measured not against the original amount of credit but against the amount of credit actually in use over the period. The example given would come to approximately 11 percent per year. The bill provides the rate be computed in accordance with the actuarial method, or such other comparable methods as the administering agency may prescribe.

Under section 5, the administering agency, which is the Federal Reserve Board, would be given the authority to provide for rate tables, charts, or other methods to assist creditors in compliance with this provision. Many creditors already use rate charts in the ordinary course of business in order to compute the amount of the finance charge and the size of the periodic payments for a given credit transaction. In such cases, the additional requirements to disclose the annual percentage rate can be complied with by merely adding one additional column to the rate charts now in use.

Under section 5, the Federal Reserve Board would also be given the authority to prescribe a built-in tolerance for such rate charts. The bill would provide for tolerances of about 1 percentage point if the cost of credit was at the rate of 12 percent a year. Correspondingly greater and lesser tolerances would be provided if the rate were higher or lower. This provision should simplify compliance with the bill and avoid the necessity of using cumbersome and extensive rate charts.

Section 6 of the bill clarifies the relationship between Federal law and State law. The committee has made a considerable effort to indicate its intent is not to preempt the entire field of consumer credit, but rather to encourage as much State legislation in this area as is possible so that the Federal law will no longer be necessary.

Section 6(a) would establish the basic congressional policy that the bill does not preempt State consumer credit legislation unless the State provision was inconsistent with the Federal law, and then only to the extent of the inconsistency. Language has also been included to make it clear that the annual percentage rate required to be disclosed under section 4 is not an interest rate within the meaning of the various State usury laws. The definition of finance charge includes all costs incident to credit including interest and other charges incident to the extension of credit.

In many States the legal definition of interest may be substantially less extensive than the definition of finance charge under section 3 of the bill. The committee, therefore, wishes to make it abundantly clear that the annual percentage rate is not equivalent to the legal definition of an interest rate, but is instead a composite rate which includes all charges incident to credit including interest.

The committee also wishes to make it clear that nothing in the act shall be construed to alter the judicial interpretation of the time-price doctrine upon which most consumer retail credit is based. Once again, the disclosure of the annual percentage rate on retail credit transactions should not be construed to be the disclosure of a rate of interest.

Section 6(b) of the act would give the Federal Reserve Board the authority to exempt creditors from complying with all or parts of the bill if substantially similar disclosure provisions were contained in State law. The committee is hopeful that with the passage of a Federal truth in lending law the States will be prompted to pass substantially similar legislation so that after a period of years the need for any Federal legislation will have been reduced to a minimum. Several States have already enacted somewhat comparable truth in lending laws. In addition, the National Conference of Commissioners on Uniform State Laws has been working quite diligently on a proposed consumer credit code to recommend to the various State legislatures beginning in 1969. The committee applauds and endorses the worthwhile efforts of the National Conference of Commissioners on Uniform State Laws and urges that the States act favorably in adopting a uniform consumer credit code. Although this bill would be limited to the disclosure aspects of consumer credit, the proposed consumer credit code goes considerably beyond disclosure and, in fact, proposes a variety of beneficial changes in the entire consumer credit area. The committee is hopeful that these worthwhile efforts will not be hampered by the passage of the Federal truth in lending law. The committee is also hopeful that the provision under section 6(b), whereby creditors will be exempt from compliance with the Federal law if their State enacts substantially similar legislation, will serve as an incentive to the States to act favorably upon the proposed consumer credit code. In this respect the committee believes the Federal truth in lending law and the proposed consumer credit code are supplementary rather than competing alternatives.

The enforcement of the bill would be

accomplished largely through the institution of civil actions authorized under section 7 of the bill. Any creditor who fails to disclose the required information would be subject to a civil action with a penalty of twice the finance charge. However, the minimum penalty would be $100 and the maximum penalty would be $1,000. The committee has not recommended investigative or enforcement machinery at the Federal level, largely on the assumption that the civil penalty section will secure substantial compliance with the act. If, in the course of the administration of the act, it becomes evident that additional steps need to be taken to bring about enforcement, the committee will consider additional legislation. In the meantime, the Federal Reserve Board would be required to report to the Congress annually as to the extent to which the disclosure provisions are being complied with.

Although the provision for civil penalties under section 7(a) would authorize a penalty of twice the finance charge, a successful civil action against the creditor would not relieve the consumer from complying with the terms of the contract as required by State law. In other words, if a creditor failed to disclose the annual percentage rate on a loan where the finance charge was $400, the creditor would be liable to an $800 penalty. However, the consumer would still be required to repay the indebtedness including the $400 finance charge, in accordance with the original agreement and applicable State law.

The committee provided in the section on civil penalties that a creditor could defend against a civil action by proving that the failure to comply was the result of a bona fide error. However, the burden of proof would be on the creditor to prove that the error was in fact unintentional. Section 7(a) on civil penalties also provides that a creditor would be liable for reasonable attorney fees and court costs in the event the suit were decided in favor of the plaintiff.

Section 8 of the bill deals with several exceptions to the provisions which the committee has recommended:

First, the bill excludes credit transactions for business or commercial purposes or credit to organizations.

Second, stockbroker margin loans to investors would be exempt from the disclosure requirements of the bill. The committee has been informed by the Securities and Exchange Commission that the Commission has adequate regulatory authority under the Securities Exchange Act of 1934 to require adequate disclosure of the cost of such credit. The committee has also been informed in a letter from the SEC that "the Commission is prepared to adopt its own rules to whatever extent may be necessary."

In recommending an exemption for stockbroker margin loans in the bill, the committee intends for the SEC to require substantially similar disclosure by regulation as soon as it is possible to issue such regulations.

Third, the bill would exempt credit transactions when the amount to be financed exceeds $25,000. In such cases the committee felt the transaction would be considerably above the average consumer credit transaction and that the protection afforded by the disclosure requirements would no longer be necessary. The $25,000 cutoff also provides an objective test between consumer credit and business credit which can be used to facilitate compliance with the act.

Fourth, the bill would exempt real estate first mortgage credit. The committee felt that adequate disclosure was already being made in this area of credit, however, second or third mortgages would still be subject to the disclosure provisions of the bill. Most of the abuses encountered by the committee with respect to real estate transactions were in the second mortgage area rather than in first mortgages.

The committee also intends that the disclosure provisions would not apply to life insurance policy loans which are merely component features of an overall contractual arrangement.

REVOLVING CREDIT

The most widely discussed subject under consideration by the committee was revolving credit. I believe it is safe to say that no one on the committee is entirely happy with the compromise upon which we eventually agreed. From my own standpoint, I think that the revolving credit provisions could be strengthened. Nonetheless, I think we have recommended a reasonable compromise, which I am hopeful will prove to be workable.

The original version of S. 5, which I introduced on January 11, would have required all revolving credit plans to disclose, among other things, the annual percentage rate. This disclosure would have been made when the account was opened and on each periodic monthly statement. The annual percentage rate would have been determined by multiplying the monthly rate by 12. For example, if the monthly rate were 1½ percent, a creditor would have cited the annual rate to be 18 percent. This provision of the bill drew the most criticism from retailers. The industry argued that if the actual credit in use is measured from the time of each transaction to the time of each payment, the rate would vary considerably from 18 percent, and in most cases would be substantially less than 18 percent.

To my way of thinking, this argument missed the essential point of disclosure. From the standpoint of the consumer, it is not really relevant to measure the rate from the time of the purchase but rather from the time the credit charge actually begins. The customer does not really have to make up his mind to use revolving credit when he buys the goods from the store. He generally has, as I say, a "free ride" from 30 to 60 days before the credit charge will begin. From the consumers' standpoint, the relevant decision point is just before the credit charge is to begin. At this time he must make up his mind as to whether he wants to incur the service charge, or borrow from another lender to pay off the store. If the credit is measured from this point, it would work out to be exactly 18 percent, or 12 times the monthly rate, and such a rate would be the more meaningful rate to the consumer.

Nevertheless, there were serious and, I should say, very competent and sincere objections in the committee to this line of reasoning. Highly competent Members of the Senate serve on this committee and they felt strongly that it would be a miscarriage of justice if this were imposed on the industry because it would not be accurate and often flagrantly inaccurate. While I disagree with that new point, it is a sincere and competently held viewpoint. Although we could not come to a unanimous conclusion on this point, the committee was convinced that if revolving credit were to be exempt from disclosing an annual rate, safeguards should be included to insure that existing forms of installment credit would not be induced to convert to revolving credit in order to escape an annual rate disclosure. The committee also felt that in cases where revolving credit was commonly used to finance large purchases, this form of credit should not be given a competitive advantage over creditors who finance similar items on an installment contract basis. For example, some department stores have an extended payment revolving credit plan which they commonly use to finance large ticket items such as furniture, TV sets, and larger appliances.

It would be unfair to permit these stores to quote a monthly rate of 1½ percent while the small independent furniture store down the street, who financed his sales through installment contracts, would be required to disclose 18 percent. In such a case, the cost of credit would be identical. However, the credit offered by the furniture dealer would sound much higher.

For these reasons, the committee adopted a compromise which would exempt ordinary revolving credit plans from disclosing the annual rate but which would require installment-type revolving credit plans to disclose the annual rate. The installment-type revolving plan would be defined on the basis of whether the creditor maintained a security interest title or whether the terms of the payment were extended. An extended payment plan would be defined as one in which less than 60 percent of the obligation was payable in 1 year. This would cover credit transactions which could be paid out over a period of 19 months or longer.

I believe that this committee compromise will provide some deterrent to a creditor switching from installment credit to revolving credit in order to escape annual rate disclosure. It does, however, still permit the sale of many large ticket items under ordinary revolving credit plans which would not disclose the annual percentage rate.

Despite these imperfections, I believe that the bill recommended by the committee is the best possible bill we could report. It will provide the American consumer with substantially more information on all forms of consumer credit. Even on revolving credit which would not disclose the annual percentage rate, substantially more information would be included. For example, many department stores do not indicate on their monthly statement that a service charge of 1½ percent will be levied if the bill is not paid

in 30 days. Under the bill, this information would have to be disclosed. Department stores would also have to disclose their system by which the service charge is determined. Some stores give credit for partial payments during the month while others do not. At the present time the consumer has no way of knowing the actual method followed by the store. Under the bill, department stores would be required to disclose their method of billing.

For all other forms of credit, including small loans, bank installment loans, installment contracts, and second mortgages, the consumer would be provided with a complete disclosure of credit in terms of dollars and annual rates.

I believe this bill will help the American consumer, but it will also help business. Although the Massachusetts truth-in-lending law was originally opposed by the business community, testimony before our committee has revealed that it has been not only accepted by the industry but is enthusiastically supported by industry. Massachusetts automobile dealers, for example, believe the disclosure provisions will protect the average businessman from unethical competition based upon deceptive credit practices. I believe that this bill will also restore confidence in the consumer credit industry and take the mystery out of credit. Just as the Securities Act of 1933 led to a strengthened securities industry, so the Truth-in-Lending Act of 1967 will lead to a strengthened consumer credit industry.

Part of our free enterprise system is to disclose the facts to the consumer. When the consumers have the facts they can best make up their minds on whether to buy or not. This is the heart of our free enterprise system. It insures that in the final analysis business is responsive to the needs of the consumer. Thus, disclosure is in the mainstream of our economic system. I recommend this bill to every Senator as a reasonable bill, a sound bill, a bill which protects both business and consumers, and a bill which is in accord with our free enterprise system. I recommend its adoption to the Senate, and I am hopeful that every Member of the Senate can support this measure. Every member of the committee did, and a bill was reported from the full committee without objection. The victory for truth in lending is not only a victory for the consumer, it will also be a tribute to our great former colleague, Paul H. Douglas, who was and is the principal architect of this important measure. I know of no more fitting tribute we can pay to a Member of the Senate whose absence today I am sure will be sorely missed by all.

Mr. President, I yield the floor.

EXHIBIT 1

SECTION-BY-SECTION SUMMARY AND COMPARISON WITH ORIGINAL S. 5 AS INTRODUCED ON JANUARY 11

SECTION 2. DECLARATION OF PURPOSE

Declares that the enhancement of economic stabilization and the strengthening of competition are the primary objectives to be achieved through greater awareness of credit costs. The term "consumer credit" was substituted for "credit" and "consumer" was substituted for "user" of credit to make the intent clear that the bill applies to consumer credit and not all forms of credit.

SECTION 3. DEFINITIONS

Section 3(a)—Definition of "Board".—Refers to the Board of Governors of the Federal Reserve System. No change from original S. 5.

Section 3(b)—Definition of "credit".—Credit is defined as "the right granted by a creditor to defer payment of debt or to incur debt and defer its payment." This definition was taken from the proposed Consumer Credit Code sponsored by the National Conference of Commissioners on Uniform State Laws. The original S. 5 language was deleted because it was somewhat cumbersome and sweeping and referred to various types of lease situations which might not be true extensions of credit. This original S. 5 language was based on the Federal Reserve's old regulation W, which was designed for a different purpose.

The definition also makes clear that consumer credit means debt contracted by persons for personal, family, household, or agricultural purposes. The original S. 5 would have applied only to debt contracted by persons and not by "businesses as such." It thus was not clear whether this definition applied to agricultural credit.

The definition also makes it clear that credit means those bailment lease situations described further in section 3(c).

Section 3(c)—Definition of "consumer credit sale".—This is a new definition made necessary by the revised structure of section 4 which treats lender credit and retail credit separately. The new definition defines credit sales whose disclosure provisions come under section 4(b) as opposed to direct loans which come under section 4(c). The definition makes it clear that the act covers only those creditors who regularly extend credit in accordance with Senator McIntyre's comments during the hearings.

The definition of credit sale is also limited only to those leases which are, in essence, disguised sale arrangements. The definition has been so limited because there is no way to disclose a finance charge or rate in connection with a conventional lease as Governor Robertson pointed out on page 8 of his testimony. The language covering disguised leases is nearly identical to the language used in the Uniform Conditional Sales Act and in many State retail installment sales acts to distinguish between "true" leases and other leases.

Section 3(d)—Definition of "finance charge."—Defines a finance charge as all charges imposed by a creditor and payable by an obligor as an incident to the extension of credit. This definition has been expanded from the original S. 5 to make its meaning clearer.

The original bill was ambiguous on the treatment of official fees, taxes, and property and casualty insurance. The bill reported by the committee makes it clear these charges would not be considered part of the finance charge to be calculated in the annual rate. In addition, the definition lists those typical real estate closing costs which would be excluded. These changes meet a number of criticisms raised during the hearing and should simplify compliance with the bill.

The original bill was silent on whether credit life insurance should be counted in the finance charge or not. The bill reported by the committee would exclude such insurance from the definition of the finance charge and would not require premiums for such insurance to be included in the computation of the annual percentage rate.

Section 3(e)—Definition of "creditor."—Essentially the same language is used, but Senator McIntyre's suggestion is reemphasized by restricting the definition only to those who regularly engage in credit transactions. Thus a small retailer who extended credit and charged for it in an isolated instance to accommodate a particular customer would not be covered.

Section 3(f)(1)—Definition of "annual percentage rate."—This definition has been rewritten to achieve greater clarity. The old definition described what was essentially the actuarial method for determining an annual rate, but it did not use the term actuarial method. Many had difficulty in determining the intent. The new definition rather than describing the actuarial method, merely indicates it is the method to be followed. This is a well recognized term in the mathematics of finance and has also a long judicial history under the U.S. rule (*Story* v. *Livingston* (38 U.S. 359) 1839).

There are at least seven methods for computing the "simple" annual rate on the declining balance and though they all produce nearly similar results, the actuarial method is considered to be the most accurate. This method assumes that a uniform periodic rate is applied to a schedule of installment payments such that the principal is reduced to zero upon completion of the payments. The actuarial rate is such periodic rate multiplied by the number of periods in a year.

The definition also permits a creditor to simplify the computation by ignoring slight irregularities in the payment schedule, such as a deferred first payment, or one odd-sized payment. This will greatly simplify compliance while maintaining reasonable accuracy.

Section 3(f)(2)—"Other methods".—The Board is also given the power to prescribe other methods for determining the annual percentage rate. For example, the constant-ratio method, which is in the Massachusetts law, could be used for highly irregular contracts. It is possible to develop formulas or other shortcut procedures based on the constant-ratio method which would be much simpler than the actuarial method.

Section 3(f)(3)—"Annual rate on open-end credit".—The annual percentage rate on open-end or revolving credit is defined as the periodic rate times the number of periods in a year. This is exactly equivalent to the actuarial rate.

Section 3(f)(4)—"Bracket rates".—The definition makes it clear that creditors who determine their finance charges on the basis of a bracketed amount of credit can compute the annual percentage rate on the basis of the midpoint of the bracket. For example, assume a mail-order house charges a flat $20 for purchases ranging between $140 and $150. Under the new language, a creditor could compute the rate of $145 and disclose it for all transactions within the bracket, whether they were $140.01 or $149.99.

Section 3(g)—Definition of "open-end credit".—This definition of open-end credit is identical to the original S. 5 and is similar to the language used in many State retail installment sales acts. The essential characteristics of open-end credit are that credit transactions are entered into from time to time, payments are made from time to time, and finance charges are computed on the unpaid balances from time to time. The definition is intended to include all plans permitting credit transactions from time to time, such as charge accounts and credit card accounts, even though the creditor does not normally compute a finance charge on the outstanding unpaid balance.

Section 3(h)—Definition of "installment open-end credit".—This is a new definition made necessary by the committee's treatment of disclosing an annual rate on open-end credit plans under section 4(d).

Open-end or revolving credit plans would be exempt from the annual rate requirement except for "installment open-end credit plans." Such plans are ordinarily used to finance large purchases and are distinguished from ordinary revolving credit by the extended length of time permitted for repayment and the maintenance of a security

interest in the merchandise. Such plans would be covered if 60 percent or less of any amount of credit was payable in 1 year, or if the seller maintained a security interest, or if accelerated payments are applied to future payments.

Section 3(i)—Definition of "first mortgage credit".—This is also a new definition made necessary by the committee's recommendation that first mortgage credit be exempted from the bill. Such exemption is included under section 8. The committee felt that consumers were already receiving adequate information. In this area, second or higher mortgages would be covered under the bill.

Section 3(j)—Definition of "organization".—Defines an organization as a corporation, government or governmental subdivision or agency, business or other trust, estate, partnership, or association. Credit to such entities would be excluded from the provisions of the bill.

SECTION 4. DISCLOSURE OF FINANCE CHARGES

Section 4(a)—Requirement to disclose.—This is a prefatory section setting forth the basic requirement to disclose. It is similar to the original S. 5, except that it is made clear that disclosure need only be made to persons "upon whom a finance charge is or may be imposed." Thus, the disclosure requirement would not apply to transactions which are not commonly thought of as credit transactions, including trade credit, open account credit, 30-, 60-, or 90-day credit, etc., for which a charge is not made.

Section 4(b)—Disclosure on retail credit.—The original S. 5 covered retail and lender credit under subsection 4(a). The committee bill splits retail and lender credit into two subsections—4(b) and 4(c). The reason for this change is to emphasize the fact that Congress recognizes the difference between these two forms of credit and does not deny the validity of the time-price doctrine upon which most retail credit is legally justified. This should prevent the act from being used as ammunition in any litigation challenging the time-price doctrine. Many retailers had expressed concern over this possibility.

Section 4(b)(1)-4(b)(3)—Disclosure of cash price and trade-in allowances.—These subsections are similar to the original S. 5 and are also common to most retail installment sales acts.

Section 4(b)(4)—Disclosure of other charges.—The new version clarifies S. 5 by restricting disclosure to those charges "which are included in the amount of the credit extended." The original S. 5 was ambiguous on this point and could have been interpreted as requiring charges not included in the credit to be listed in the total amount to be financed, which is a logical contradiction.

Section 4(b)(5)—Disclosure of amount to be financed.—This is the total amount of credit, after adding in all other charges other than finance charges. The language is similar to the original S. 5.

Section 4(b)(6)—Disclosure of finance charge.—This section sets forth the requirement to disclose the finance charge in dollars and cents. The committee bill adds a new reference to labeling the finance charge as a "time-price differential" to reinforce the distinction between lender credit and retail credit.

Section 4(b)(7)—Disclosure of annual percentage rate.—The committee bill exempts retail creditors from disclosing an annual percentage rate if the finance charge is less than $10. The original S. 5 did not provide for such an exemption. The purpose of this amendment by the committee was to simplify compliance, particularly for small retail businesses. Many retailers impose a fixed minimum charge on installment contracts, regardless of the amount of credit. It will be easier to develop rate tables if these transactions are exempted.

Section 4(b)(8)—Disclosure of repayment schedule.—The original S. 5 required disclosure of the "time and amount of payments." The committee bill requires the "number, amount, and due dates or periods." This makes it clear that a creditor can disclose "36 monthly payments of $20 due on the first of each month beginning in July" without actually listing the date of each individual payment.

Section 4(b)(9)—Disclosure of late payment penalties.—This language is similar to the original S. 5 except that the requirement to indicate the terms applicable in the event of advanced payment has been deleted. Most creditors will rebate an unearned finance charge if the debt is paid early in accordance with the "rule of 78's." This is a complicated formula which would require at least a three-paragraph explanation to be intelligible to the average consumer.

Section 4(b)—Time of disclosure.—The original of S. 5 required disclosure "prior to the consummation of the transaction." The committee bill substitutes "before the credit is extended" with a stipulation that the disclosure can be made on the contract or other document to be signed by the consumer. This obviates the need for a separate piece of paper showing the disclosure items.

Section 4(b)—Disclosure for mail or telephone sales.—This permits mail-order houses to comply with the act by disclosing prior to the first payment providing the general terms of financing are set forth in the catalog. A similar provision is contained in the Massachusetts law. No such provision was in the original S. 5.

Section 4(c)—Disclosure on lender credit.—This is a new subsection written to distinguish between lender and retail credit. It is a residual category encompassing all credit other than retail credit or open-end credit which are defined elsewhere in section 3. Hence, no definition of loan is provided as it would fall within the general definition of credit. Financial institutions such as banks, credit unions, savings banks, savings and loan associations, industrial banks, and consumer finance companies would fall under this subsection. Similar changes, described under section 4(b) for retail credit, have also been incorporated in the lender section.

Section 4(d)(1)—Disclosure of open-end credit.—This section applies to open-end credit plans.

Section 4(d)(2)—Disclosure when the account is opened.—This section outlines the disclosures to be made when the account is opened.

Section 4(d)(2)(A)—Disclosure of conditions of plan.—This section requires the disclosure of the basic conditions of the plan. It clarifies the original S. 5 by requiring the disclosure of the time period, if any, for avoiding finance charges. For most department store revolving accounts, this will be the time from the date of the purchase to the end of the billing period plus an additional 30 days.

Section 4(d)(2)(B)—Disclosure of billing system.—This is a new requirement not in the original S. 5 and is in accordance with Mr. Batten's recommendations when he testified for J. C. Penney's. As Mr. Batten pointed out, there is a substantial difference in dollar cost between the opening-balance method and the adjusted-balance method. This paragraph would require the disclosure of whatever method was followed.

The opening-balance method charges on the opening balance unless paid in full within 30 days. Some stores count returns as payments, while others do not. The adjusted-balance method charges on the basis of the opening balance less any payments and returns during the month. Some stores use the adjusted-balance method but do not count returns. About 60 percent of department stores use the opening balance method and about 40 percent use the adjusted-balance method.

Section 4(d)(2)(C)—Disclosure method of determining the finance charge.—This paragraph requires disclosure of the complete method for determining the finance charge including the imposition of any fixed or minimum fees. Many department stores have minimum fees while bank check credit plans often have a 25-cents-per-check charge. By requiring separate disclosure of these charges, the new version also recognizes such charges cannot be included in the rate.

The section also requires disclosure of the periodic rate. In addition, installment open-end credit plans, as defined by section 3(h), would disclose the annual percentage rate which would be 12 times the monthly rate.

This provision reflects a major recommendation of the committee to exempt open-end credit plans from the annual rate, but to include installment open-end credit plans.

Such plans are ordinarily used to finance large purchases and are distinguished from ordinary revolving credit by the extended length of time permitted for repayment and the maintenance of a security interest in the merchandise. Such plans would be covered if less than 60 percent of any amount of credit was payable in 1 year, or if the seller maintained a security interest, or if accelerated payments are applied to future payments.

The purpose of this distinction is to eliminate any incentive to convert closed-end installment credit to revolving credit merely to escape annual rate disclosure. The amendment also provides greater comparability between installment open-end credit plans and installment closed-end credit plans. Smaller merchants who extend credit through installment contracts can compete on a comparable basis with the larger stores who use extended payment revolving credit.

Section 4(d)(2)(D)—Disclosure of method of determining other charges.—This is also a new provision. It has been included in the event the Board determines the 25-cents-a-check charge on bank check credit plans or similar charges are not finance charges. In any event, they would be required to be disclosed.

Section 4(d)(3)—Disclosure on periodic statements.—This subsection outlines the disclosure which must be made on the periodic statements. It differs from the original S. 5 by explicitly not requiring a statement if there is no balance in the account.

Section 4(d)(3)(A)—Disclosure of opening balance.—Requires disclosure of the opening balance and is similar to the original S. 5.

Section 4(d)(3)(B)—Disclosure of transactions during period.—Requires a statement of credit transactions during the period and is similar to the original S. 5.

Section 4(d)(3)(C)—Disclosure of payments during period.—Requires disclosure of payments or returns during the period and is similar to the original S. 5.

Section 4(d)(3)(D)—Disclosure of the amount of finance charge.—This requires a statement of the finance charge similar to the original S. 5; however, it also requires that this charge be broken down to specify how much is due to a percentage rate and how much is due to a fixed or minimum fee. For example, the monthly charge on a revolving check credit plan would have to show how much was due to the 25-cents-per-check charge and how much due to the 1-percent monthly rate. This will insure direct comparability between the finance charge and the rate.

Section 4(d)(3)(E)—Disclosure of the balance on which the finance charge was computed.—This paragraph is similar to the original S. 5 but it adds the requirement to state the method for determining the balance. For example, stores which use the adjusted balance method might have a statement along the following lines: "You will be charged

1½ percent of your opening balance less any payments and returns during the month." Stores which use the opening balance method might indicate: "You will be charged 1½ percent of your opening balance unless paid in full within the month."

Section 4(d)(3)(F)—Disclosure of the rate of finance charge.—The committee's recommendation to partially exempt open-end credit from the annual rate is also implemented under this section. All open-end credit plans would disclose a periodic (monthly) rate on the periodic statements. In addition, installment open-end credit plans would disclose an annual rate for the reasons outlined under section 4(d)(2)(C). The original S. 5 would have required all open-end credit plans to disclose an annual rate.

Section 4(d)(3)(G)—Disclosure of closing balance.—Requires disclosure of closing balance and is similar to the original S. 5.

Section 4(d)(3)(H)—Disclosure of the time for avoiding a finance charge.—This is a new provision. The creditor would indicate for example: "If you pay your bill within 30 days you will not be charged." It reinforces the idea of a "free ride" period for which there is no charge. This is also in line with Governor Robertson's testimony.

Section 4(e)—Acknowledgement of disclosure.—This is a new provision designed to facilitate the free flow of credit paper. It provides a bank or finance company with assurance that the original dealer has made the required disclosure and that the bank or finance company will not be liable for any failure, on the dealer's part, to make disclosure.

Section 4(f)—Method of disclosure.—This section contains four new provisions designed to facilitate compliance.

In order to reduce needless paperwork, disclosure need only be made to one obligor. For example, if two people (e.g. a husband and wife) are the obligors, only one copy of the contract with the required disclosure information would need to be furnished. A similar provision is contained in the Massachusetts General Laws (ch. 140A, sec. 4).

In order to afford greater flexibility, the required information need not be furnished in the order outlined in the act. This provision is common in retail installment acts.

In order to facilitate compliance, language different from that contained in the act can be used if it conveys substantially the same meaning. This provision will ease the compliance with both State and Federal law in a single disclosure statement.

In order to provide greater clarity, additional explanations of disclosed information is expressly permitted.

Section 4(g)—Compliance with comparable State laws is compliance with Federal law.—This is a new provision. It is intended to avoid duplication of Federal and State requirements, to leave State requirements untouched as much as possible, and to permit a creditor to avoid double paperwork. If he complies with the applicable State disclosure law, he need supply only the additional information required by the Federal act to comply with such Federal act. It also makes it clear the Congress does not intend to preempt consistent State laws but merely to build upon them.

Section 4(h)—Adjustments after the contract do not violate the disclosure made.—This is similar to the original S. 5; however, the original version only applied to adjustments through "mutual consent of the parties." The present version adds: "or as permitted by law, or as the result of any act or occurrence subsequent to the delivery of the required disclosures." A repossession permitted by State law but not mutually agreed to by both parties would affect the rate. The new language makes it clear that such a change would not violate the act.

Section 4(i)—Optional form of rate statement.—The subcommittee amended the bill to permit a rate statement either in percentage terms or as dollars per hundred per year. In all cases, however, the rate would be on the declining balance of credit. For example, if the effective annual rate, as measured by the actuarial method was 12 percent, the creditor could either disclose 12 percent per year or $12 per hundred per year. This option will terminate on January 1, 1972. After that date, all creditors would use the percentage form of expressing the rate.

The purpose of this change was to minimize any possible conflict with State usury laws in those States where the percentage form of rate expression might cause a legal problem for some creditors. However, all creditors will be required to use the percentage form after January 1, 1972, since by that time, any such problems with the usury laws will have had ample time to be corrected.

SECTION 5. REGULATIONS

Section 5(a)(1)—Prescribing methods for determining the annual rate.—This expands upon the original S. 5 by specifically authorizing the use of rules, charts, tables, or other devices. Such express authority was recommended by the Commerce Department.

Section 5(a)(2)—Methods of disclosing.—This section gives the Board authority to prescribe methods to insure the required information is disclosed clearly and conspicuously. Similar provisions were included in the original S. 5.

Section 5(a)(3)—Tolerances.—This section gives the Board authority to prescribe reasonable tolerances. A similar provision was in the original S. 5.

Section 5(b)—Prescribing tolerances.—This is a considerable expansion of the original S. 5 which merely provided the Board authority to establish "reasonable" tolerances. Governor Robertson, in his testimony, requested a quantitative definition of "reasonable."

Section 5(b)(1)—Tolerance on single rate situations.—This paragraph covers simple situations where a creditor uses a single add-on, discount, or periodic rate to determine the finance charge. For example, a bank which uses a 6-percent, add-on rate would know immediately that the actuarial equivalent was 10.90 percent on a 12-month contract. A credit union would instantly know that 1 percent per month was 12 percent a year. In such cases a tolerance to the nearest quarter of 1 percent is prescribed.

Section 5(b)(2)—Tolerance for tables.—This paragraph covers more complex situations where the creditor determines the finance charge in a more complicated manner such as a combination of monthly rates (e.g. 3 percent on the first $300; 2 percent on the next $200; and 1½ percent on the excess); or perhaps he determines the charge by an add-on rate of 10 percent plus a fixed charge of $10. In such cases the answer would be provided by a rate table. The bill authorizes a tolerance of 8 percent to be built into the table. This does not refer to 8 percentage points, but to 8 percent of the rate. For example, if the actual rate were 12 percent, the tolerance would be 0.96 percent (8 percent times 12 percent) or almost 1 percentage point. Thus, the tolerance would vary depending upon the size of the rate. For credit at 6 percent, the tolerance would be roughly one-half of a percentage point. At 12 percent it would be 1 percentage point. At 24 percent it would be 2 percentage points and so on. A provision is added to penalize any creditor who willfully uses these tolerances so as to always understate the rate. The purpose of the tolerance is to simplify the construction of tables so that they do not have to be overly detailed. With such tolerances, the disclosed rate should, on the average, be slightly over the actual rate half the time and slightly under the actual rate half the time.

Section 5(b)(3)—Tolerance for other situations.—This paragraph authorizes the Board to prescribe other reasonable tolerances for creditors who do not wish to use tables in computing the rate.

Section 5(b)(4)—Tolerance for irregular payment situations.—This paragraph would permit the Board to prescribe even greater tolerances for irregular payment situations. It is expected, for example, that the Board will permit creditors to disregard a certain number of skip payments in computing the rate. In such a case, the rate computed as though the contract were a level payment contract might vary 2 or 3 percentage points from the actual rate. These irregular situations would be in excess of the slight irregularities already recognized under section 3(f)(1), for which authority is provided to disregard.

Section 5(c)—Authority to prescribe adjustments and exceptions.—This section gives the Board authority to prescribe adjustments and exceptions for any classes of transactions in order to prevent circumvention and facilitate compliance. This is similar to the original S. 5 except that the phrase "to facilitate compliance by creditors with this Act or any regulations issued hereunder" has been added as an additional authority for prescribing such adjustments or exceptions. Also "the Board may consider, among other things, whether substantial compliance with the disclosure requirements of this Act is being achieved under any Act of Congress or any State law or regulations under either" the words "among other things'" were added at Governor Robertson's suggestion to make it clear these are not the only things the Board will consider. The phase "or any State law or regulations under either" has also been added.

Section 5(d)—Consultation with other agencies.—This section indicates the Board may consult with any agency, which in the Board's judgment exercises regulatory functions with respect to any class of transactions. The original S. 5 required such consultation of all agencies which exercise such regulatory functions. Thus, the present language leaves it up to the Board as to who should be consulted. This is designed to overcome Governor Robertson's concern that the Board's regulations might be challenged because it hadn't consulted a particular agency.

Section 5(e)—Advisory committee.—This section requires the Board to establish an industry advisory committee. This differs from the original S. 5 in that the limitation of nine members has been removed and the per diem allowance is increased from $25 to $100 per day. The latter change is in line with Governor Robertson's observation that few members would be available at the lower figure. However, the section was not deleted as Governor Robertson recommended, again largely to emphasize the high importance Congress attaches to consultation with industry. The limitation of nine has been removed to overcome the objection that this might deny adequate representation to some specialized segment of the industry.

SECTION 6. EFFECT ON STATE LAWS

Section 6(a)—Relationship of Federal law to State law.—This section sets forth the basic policy that the Federal statute does not preempt State legislation.

The original version of S. 5 said the act did not annul State law unless the State law was "directly inconsistent." The committee bill drops the word "directly" and adds the further stipulation that inconsistent State laws are annulled "only to the extent of the inconsistency." The word "directly" was dropped because there is no apparent difference between inconsistent or directly inconsistent. The added phrase makes clear

that S. 5 does not preempt an entire body of State law should an inconsistency arise in one case.

A new sentence was added at the end of the section 6(a) to make the intent of Congress clear that it does not regard the annual percentage rate as an interest rate within the meaning of the usury statutes or the judicial interpretations of the time price doctrine. This language should make it difficult for anyone to cite S. 5 as evidence in any legal proceeding challenging a credit transaction under the usury statutes or challenging the interpretation of the time price doctrine. The language was supplied by the General Counsel of the Department of Commerce who recommended such a provision in the Department's report on the bill.

Section 6(b)—Exemption when State laws are similar.—This section permits the Board to exempt creditors from the Federal law if State law requires similar disclosures.

This section is similar to the original S. 5 except that the Board can exempt creditors covered by a State law which is "substantially similar" to the Federal law. The original version of S. 5 only authorized exemptions if the State law required the "same information." Also the provision was reworded to make it clear the Board is only responsible for reviewing the law and not the effectiveness of the administration of the law. These changes are in line with Governor Robertson's suggestions.

A new provision was also added requiring the Board to make a determination that the State law has adequate provisions for enforcement.

SECTION 7. CIVIL AND CRIMINAL PENALTIES

Section 7(a)—Civil penalties.—This section sets forth civil penalties of double the finance charge with a minimum of $100 and a maximum of $1,000. This section was amended by the committee to permit a creditor to defend against a civil action by proving the failure to disclose was an unintentional error. However, the burden of proof would be on the creditor, and he would have to establish, by a preponderance of evidence, that such error was unintentional. The amendment also permits a creditor to escape liability for an error if the creditor discovers it first and makes whatever adjustments are necessary to insure that the consumer will not pay a finance charge in excess of the amount or percentage rate actually disclosed. The committee also reduced the maximum penalty from $2,000 to $1,000.

Section 7(b)—Criminal penalties.—Criminal penalties of $5,000 or 1 year imprisonment or both are specified. These are identical to the original S. 5. However, the words "willfully and knowingly" were added as a condition for giving false or inaccurate information. Also, the section now makes it clear that the Attorney General will enforce the criminal penalties section. This is in keeping with Governor Robertson's testimony that the Board did not have any trained investigators or law enforcement officials.

Section 7(c)—Exemption for governments.—This section exempts the Federal Government and State and local governments from civil and criminal liabilities. Similar provisions were contained in the original S. 5.

Section 7(d)—Exemption for overstatement.—Creditors would be relieved of any civil or criminal penalty by overstating the annual percentage rate. The original bill provided for such an exemption from civil penalties only if the overstatement was due to an "erroneous computation." There was some doubt about the meaning of this phrase. The original bill also had no such exemption under the criminal penalties section.

SECTION 8. EXCEPTIONS

Section 8(1)—Business credit.—The section contains an exemption from the act of credit for "business or commercial purposes" or to governments. The original S. 5 would have exempted credit to "business firms as such." This left an element of doubt with respect to credit granted to farmers, proprietorships, or self-employed professionals. This doubt is now clarified by the definition of credit under section 3(b) as credit for person other than an organization and "primarily for personal, family, household, or agricultural purposes." Credit for business or commercial purposes is exempted.

Section 8(2)—Stockbroker margin loans.—This section continues the original S. 5 exemption for margin loans made by stockbrokers. SEC already has the power to require such disclosure under the 1933 Securities Act.

Section 8(3)—Credit in excess of $25,000.—This is a new provision included on the recommendation of Governor Robertson. The exemption would not apply to real estate credit transactions. The purpose is to provide an objective test between consumer credit and business credit so as not to require the creditor to inquire continuously as to the purpose of the credit. If a credit transaction is under $25,000 and the creditor is uncertain if it is a business or consumer transaction, he will tend to assume it to be a consumer transaction to avoid violation. If it is over $25,000 he can safely assume it to be a business transaction without worrying about violation.

Section 8(4)—First mortgages.—The committee amended the original S. 5 by exempting first mortgage credit. The committee felt that consumers were already receiving adequate information in this area.

SECTION 9. REPORTS

Section 9—Reports.—This is a new section added by the committee requiring annual reports from the Federal Reserve Board and the Attorney General on the administration of their functions. In addition, the Board would estimate the extent to which compliance was being achieved.

SECTION 10. EFFECTIVE DATE

Section 10—Effective date.—The original S. 5 would have been effective upon 6 months of enactment.

The effective date of the bill was postponed by the committee to July 1, 1969. The purpose of the change is to permit the States to amend their usury statutes in those cases where the disclosure of an annual percentage rate might possibly cause a legal problem. In addition, the later date permits the States to pass similar disclosure legislation, thereby securing an exemption from the Federal law.

Mr. BENNETT. Mr. President, as the ranking Republican member of the Committee on Banking and Currency, I am happy to join the Senator from Wisconsin [Mr. PROXMIRE], who has been managing the bill in the subcommittee and the full committee, in urging its passage by the Senate. No Member of the Senate will find greater satisfaction in the passage of the bill now before us than I will, because for me it could, hopefully, mark the end of more than 6 long years spent in search of a workable pattern of consumer credit cost disclosure.

From the beginning of the consideration of the problem by the Committee on Banking and Currency back in 1960, I have hoped for a solution that would be as fair as possible, both to the borrower or buyer and to the lender or seller. I agree with the Senator from Wisconsin that the bill is not perfect; but, in my opinion, it more nearly meets the needs both of borrowers and lenders than any other proposal that we have been able to devise. For this reason, I hope the Senate will pass the bill.

On July 17, 1961, the very first day of hearings on the first consumer credit disclosure bill, I said—and I quote from the record of those hearings:

> I feel that there should be full disclosure of the dollar costs and under some circumstances, where it is appropriate, a percentage, whether it is stated by the month or by the year, but I do not approve of trying to force all statements of the cost of credit into the straitjacket of a simple annual rate. I think that as the testimony develops before the committee we will discover that there are some types of consumer credit that cannot be forced into that straitjacket.

One of the first problems that came to my attention during those first hearings involved the application of a minimum dollar charge, which while reasonable in terms of dollars, became ridiculous when translated into an annual rate.

To illustrate the problem, let me tell the story of a man who went into a gas station one morning. His car battery was dead. He was the driver in a carpool that week. He could not wait. He had no money in his pocket, so he could not make a downpayment.

The service station operator said, "The battery costs $20. I will make a credit charge of $2. You pay me $5 every payday until you pay off the amount."

Those figures are small enough so that everybody can understand them. When I tried to figure out the annual rate of interest on that simple transaction, I became involved in a process that eventually ended in some of the largest universities in the west. Every man who figured that annual rate reached a different answer. All I could finally determine was that the annual rate was somewhere between 115 and 130 percent.

The rate statement on such purchases may appear unreasonably high yet when one talks about paying $2 for the privilege of having credit, under those circumstances, it does not seem to be too bad.

Fortunately, the bill takes care of such a case, because it exempts all installment transactions in which the charge for credit is no more than $10. In practice, this provision would exempt purchases which could be as high as $110, if paid off in 1 year, even at an annual rate of 18 percent, and the value of the purchase could go higher at lower percentage rates or a more rapid payoff. The committee agreed that this exemption was necessary to protect the poor because rather than to state an extremely high rate like that in the battery case, sellers would simply dry up the credit on small loans or purchases.

I soon discovered the annual rate requirement had a natural relationship to installment contracts, which required payments of equal size spaced into equal time periods, but would not fit situations in which there were variations of either amount or time, and most particularly would not fit the so-called revolving charge accounts, whose balances could vary both up and down between payment periods.

This problem of stating costs in advance on revolving charge or open credit in advance has been the most difficult one we faced. In the first place, it is impossible to calculate the total dollar costs of revolving credit in advance, as could

be done for normal installment accounts, because no one knows in advance how the customer is going to use the revolving charge, because the carrying charge is bound to be different every month; in order to be accurate, it has to be calculated after the month's record has been made; and the charge can be as low as zero. The cost of credit on such accounts is further complicated by the so-called free time which applies to every purchase, and can range between a minimum of 31 and a maximum of 59 days. In contrast, there is no free time allowed in a typical installment contract; and as though this were not enough to make the accurate prestatment with annual rate, there is still a third major factor that would have this same effect. In some revolving charge systems, the monthly charge is applied to the balance at the beginning of the period, while other sellers first subtract all credits from the beginning balance, including payments on account or returns or other allowances. Thus, depending on the system used, different dollar charges inevitably would be developed from accounts that were actually identical.

In the original bill which would have required a statement of revolving account charges as a simple annual return, it was proposed that this would be arrived at simply by multiplying the monthly return by 12. This was a very serious oversimplification, and this process always produced an overstatement of the rate which in some cases could have been as high as 40 percent. The existence and amount of the overstatement could always be demonstrated by calculating the actual finance charge developed by the account after the transactions had occurred, but it could never be calculated in advance. Thus, instead of producing trust, this oversimplification would always have given the buyer a false picture; and since it was always an overstatement, it would have been competitively damaging to the seller.

It was this head-on collision over the method of stating the cost of revolving credit which derailed the three earlier bills, and it was only this year, after the committee sought to make a workable adjustment for practical factors which I have described, that this bill could win the unanimous support of the committee.

In brief, these are the adjustments we have made:

First, the requirement that revolving dollars must be stated in advance has been dropped because, as I have said, the figure could not be calculated.

Second. The complication caused by "free time" and the unpredictable pattern of charges and credits both in time and in amount have been bypassed by eliminating the requirement for stating an annual rate and permitting the statement of the monthly charge while at the same time requiring a showing of the basis on which the charge is calculated.

Third. Because the annual rate on revolving or open-end credit can only be figured after the transactions have occurred, and because the committee feels that customers using this type of credit are entitled to know approximately what the credit costs—and the sellers should be permitted to give this information to the customers—the bill permits, but does not require, a seller using the revolving charge system to print on his statement a figure representing the average annual effective rate based on all the transactions of the previous year. This is the average rate and, of course, does not match the experience of any single customer; but it is a pretty good measure.

Those selling on the typical installment plan are required by this bill to state an annual rate in advance, and those selling on revolving credit are not. The committee realized that there might be an attempt on the part of some to label their installment credit with the name of revolving credit in the hope of avoiding the bill's requirement. So it closed this door by setting up three conditions which are typical of installment credit, but not of revolving, and requiring that an annual rate be stated when any one of these three conditions was present. The Senator from Wisconsin [Mr. PROXMIRE] has explained them in greater detail. I shall just mention them in passing:

First. The retention of a security interest.

Second. The provision which permitted the payment in 1 year of less than 60 percent of the amount due.

Third. Provisions which permitted the buyer to skip the payment of some monthly installments by prepaying them in advance.

The fact the committee has approved this bill with a method of disclosure for open-end or revolving credit which is different from that of installment-type credit, does not, in my opinion, deprive the consumer of true information about the cost of credit or put him at the mercy of unscrupulous sellers or lenders. The often-heard charge that business as a whole in serving consumers, deliberately attempts to mislead, misinform, and give false information to customers is, of course, simply not a fact.

There will always be some who build their hope for business on the false assumption that they can fool their customers. But everyone who has had any experience in business knows that a business can grow only if its customers keep coming back. These customers are not as stupid as some of their would-be, self-appointed guardians would like to have us believe, and if they are not satisfied with either the merchandise, the credit terms or any other service, they can find plenty of other places for their patronage.

Nor do the terms of the present bill prevent a meaningful comparison of credit costs. Credit cost comparisons are necessarily and naturally made between credit sources of the same type, and existing practices which have developed over the years have already established more or less identical disclosure methods for competitors in the same field. A man searching for mortgage credit finds all mortgage lenders quoting costs in the same way, and this is largely true of other groups, retail establishments or small loan offices. Conversely, a man who has to decide between buying an automobile or a home makes that decision for many other reasons of convenience and necessity which are far more important than the different methods of stating credit in the two fields.

No one expects to pay as low a rate on a small short-term purchase as he does on a big long-term purchase. Many retail sales are so small that the granting of credit at a rate which is no higher, for instance, than that offered on a mortgage actually results in a loss to the seller compared with the profit he could have made had he sold for cash. In fact, every impartial study of the cost of retail credit of which I know has shown that large retailers are not meeting their costs of extending credit with the charges they now make.

They absorb this loss because their competitors offer credit, and because they are convinced that by making credit available they can increase their business.

Mr. HOLLAND. Mr. President, will the Senator yield at some convenient time? I have some questions I should like to ask him.

Mr. BENNETT. I am happy to yield to the Senator from Florida.

Mr. HOLLAND. I thank the distinguished Senator for yielding.

Mr. President, of course I presume all Senators received, as I did, many complaints as to the original bill that was pending in the Senate for several sessions prior to this one. I have had very few complaints on the pending bill. I am sure the committee must have made many changes that are helpful, and that have tended to clear up the difficulties in the old bill.

I have received only one recent complaint, and it is that about which I wish to question the distinguished Senator. It has come from small merchants who do business by way of installment sales, and then have to be financed by selling that paper to small finance companies—local finance companies, I think I should say, though they are not large concerns—and from some of the small finance companies.

They say the pending bill would make it increasingly difficult for small merchants who do that type of business, and small finance companies which finance that type of business, to stay in operation, because of the fact that the large concerns which have their own finance companies are able to distribute their profits between the selling operation and the financing operation in a way which will be hurtful to the small merchant and the small finance company.

I confess that I am not fully conversant with the problem. I am sure that the Senator from Utah must have heard similar complaints, and I should like to have any comment that he cares to make on the problem. I address the same question to the distinguished Senator from Wisconsin, because, as I have already stated, the number of complaints I have received, and the nature of those complaints, with reference to this amended, changed, or rewritten bill, whatever it is, have been so small as compared with those I received during earlier sessions that I am satisfied the bill is much nearer approval, in general, than was the case heretofore.

If the Senator from Utah cares to comment on that situation, I shall appreciate it.

Mr. BENNETT. Mr. President, I would like to make this comment: It seems to me that the problem the Senator from Florida has described existed before any truth-in-lending bill was considered. It will exist no matter what bill we pass. It grows out of the fact, which is axiomatic in our free enterprise system, that people with large distributive capacity can offer services at lower prices. The people to whom the Senator refers have been competing with that ability all along.

The pending bill will require them, if they are selling on the installment plan—and I assume they are—to translate their rates to an annual rate. It will also require the big man to translate his rate to an annual rate.

In order to help the little man, there has been written into the bill a system or an opportunity for tolerances, so that the little man—or the big one—can use a rate chart, which can be purchased cheaply and easily, to save him from the cost of having to figure the rate and the dollar cost of every single transaction. To that extent, we have been able to lighten his burden.

But, as I say, the problem of competing with the larger organizations existed before the pending legislation came out, and I do not think this bill affects it.

Several Senators addressed the Chair.

Mr. BENNETT. I yield first to the Senator from Alabama.

Mr. SPARKMAN. Mr. President, I merely wanted to add that there is another provision in the bill which is helpful to the small businessman, and that is the $10 exemption.

Mr. BENNETT. Yes. I covered that before the Senator came in.

Mr. SPARKMAN. I was hoping the Senator would cover it in connection with the question raised by the Senator from Florida.

Mr. BENNETT. I thank the Senator. I shall do so.

The bill provides an exemption for every sale on credit where the total credit charge is less than $10—which translates into a sale as high as $110, to be paid for over a year. So the little man has that protection at the low end of his business.

Mr. HOLLAND. Mr. President, I thank the Senator for his statement. In order that there may be no question as to whether we are talking about the same situation, the complaints I have received—and they have been few—have come from small independent dealers, not small in the sense that they are irresponsible people at all, but they are independent dealers like furniture dealers, hardware dealers, dealers in electrical equipment, or the like, who sell on installments, and then finance themselves by the sale of the installment paper to local finance companies.

When I say local finance companies, I am distinguishing them from the finance companies which, for instance, go along with Sears, Roebuck, or Montgomery-Ward, General Motors, or with any of the other large groups of stores or large merchants which have their own financing organizations.

I want to be very sure that I understand what this situation is, because I think the tendency in the Nation right now is too much in line with making it harder and harder for smaller business people, whether they be the merchants or the finance people, to stay in business, as compared with the very large operators.

I will appreciate anything further that the Senator has to say on this subject.

Mr. BENNETT. Perhaps the Senator from Wisconsin would like to comment on this matter.

Mr. PROXMIRE. Mr. President, I think the Senator from Utah has answered the question very well by saying that this was a problem before the pending bill and that this bill does not really affect the basic problem.

Furthermore, a similar truth-in-lending law has been in effect in Massachusetts for some months. We have had an opportunity to determine whether or not it would adversely affect small business. The testimony did not indicate that small business was inhibited in the sale of paper or in any other way by that law which is a more extensive law than the pending bill.

I think that that practical experience of several months at a time when the law would have run into its initial and main difficulties does suggest that the bill will not visit undue difficulties on small businessmen.

Mr. HOLLAND. Mr. President, if the Senator will yield for a specific question, is it the opinion of the distinguished Senator that there is nothing in the bill that will make it more difficult than it already is for small independent businesses or small financing companies to survive and profit and prosper?

Mr. PROXMIRE. There is nothing in the bill which would make it more difficult for them to survive and profit and prosper.

It is true that all businesses will have to compute the annual rate. As the Senator from Utah has pointed out, they will have tables that will make it easier for them to do it.

This is perhaps more of a burden on a small businessman than on a large established firm in some ways, but the best judgment of the committee and the unanimous judgment of the subcommittee was that this should not be a significant burden in any way.

They can survive and profit and prosper.

Mr. HOLLAND. Is it true that this particular point, the application of the law to small businesses and small financing companies, was of concern to the committee?

Mr. PROXMIRE. Yes. It gave us the deepest concern.

The Senator from Alabama is the Senate's outstanding man in the small business field. For years he has been chairman of the Select Committee on Small Business. I have been chairman of the Subcommittee on Small Business of the Committee on Banking and Currency. We have both been deeply concerned, and other Senators have been very concerned, that we do all we could to protect and safeguard small business.

That is the reason that the $10 provision was written in. We scrutinized every part of the bill, explicitly with reference to the particular point which the Senator from Florida is so right in raising.

If the bill were badly drafted and written, it could make it difficult for small business. But we are convinced that the pending bill will not make it difficult for small business.

Mr. HOLLAND. Was it considered by the committee as to whether a limit of more than $10 might be more helpful to the small business people and small finance companies?

Mr. PROXMIRE. Yes. There was some consideration given to that, although, frankly, the bill originally had no provision for any exemption of this kind. The Massachusetts law has no exemption. The Washington State law has no exemption. The Nova Scotia law has no such exemption.

There was some suggestion by consumer groups that we were going too far and that we should limit it to $5.

We think we went as far as we could without weakening the bill seriously.

Mr. HOLLAND. Mr. President, I thank all three of my distinguished friends, who are all known to be friends of small business and to be anxious about the problems of small business and the continued existence and prosperity of the small businessmen.

Their answers have gone far to clear up the question for me. I thank them all.

Mr. BENNETT. Mr. President, I thank the Senator.

Banks providing loans to individuals often vary in rate charge on the basis of the borrower's credit rating, which in turn measures the degree of risk involved. Small loan companies provide funds at high rates because those with whom they deal generally have very poor credit rating and are under the necessity of making many small payments in order to repay the loan, which in turn forces up the cost of handling the account.

I have gone through this method of presenting the different types of credit to remind the Senate that credit is a variable commodity and that there are many factors involved other than the actual interest charged for the use of the money. I have done this to make the point that an attempt to force the statement of the cost of all forms of credit into a single pattern would, in my opinion, have produced more distortions than it would have eliminated.

In short, Mr. President, I felt that this bill has had to be rescued from the straitjacket of mathematical rigidity and made practical by recognition of the need for mathematical tolerances. The original bill did not provide for any meaningful tolerances in the statement of rate, and this would have meant that each of the many billion daily consumer credit transactions would have had to be computed separately, and such computations are not only unfeasible but an attempt to go through with them in order to comply with the bill would have greatly increased the cost of credit service in my opinion, which, of course, would have had to be passed on to the consumer.

Another important change made in

this bill, then, has been this recognition of the necessity for tolerances. The pending bill will permit a variation of 8 percent from the true mathematical rate, both under and over that figure.

Let me make it clear what this variance means. In referring to a rate of 10 percent, I am not saying that it can vary from 18 percent up, to 2 percent down. However, I am saying that it can vary eight-tenths of 10 percent. So, it can vary down to 9.2 percent.

There is no limit on the variation that can occur above the actual mathematical figure since obviously this rate figured on that basis would be detrimental to the seller, not to the buyer. Because we have written the tolerance into the bill, it is going to be possible for the sellers to use periodical rate tables prepared and published in advance, and the seller can refer to these quickly and get a figure which he can use safely within the tolerances of the bill.

I used to say of the original bill that if it were enacted it could neither be complied with nor enforced.

Such a charge cannot be made against this bill. It is not perfect, but I think it meets the practical criterion of the greatest good for the greatest number of both consumers and creditors. I am sure it can be put into force without creating a major wrench in the economy or requiring any severe readjustment of bookkeeping systems, monthly statement forms, or payment patterns. In fact, one of its greatest virtues is that it can become virtually self-enforcing, and this is backed further by a provision in the bill.

One of my objections to the original bill grew out of the fact that I felt the whole problem belonged at the State level. I am now supporting a bill at the Federal level.

One of the main features of the bill is that it contains the provisions that I am about to read. It begins by saying:

The Board—

And that word refers to the Federal Reserve Board which, under the bill, will have the responsibility of writing the regulations under which this would operate.

The provision in the bill reads:

The Board shall by regulation exempt from the requirements of this act any class of credit transactions which it determines are subject to any state law or regulation which requires disclosures substantially similar to those required by Section 4 and contains adequate provisions for endorcement.

The bill, in other words, provides that if the States enact legislation which accomplishes substantially the same purpose, and which satisfies the Board as to its efficacy, the Board can then withdraw from enforcement of this act in that State and the State authorities can take up the enforcement of their local laws in place of the act.

We have had a group known as the National Commissioners on Uniform State Laws, appointed by State Governors. That group has been working for a number of years on this and other consumer problems.

We expect that shortly they will present us and the United States with proposed uniform State legislation. By acting now, we will be laying down some guidelines for men who are working on the proposed uniform State laws. So they can have hope that when their uniform laws have in fact been adopted, their State enforcement agencies can take over the job of enforcing legislation of this type, and that is where I believe it belongs. So I am delighted that this provision is in the bill.

This provision not only eliminates any need for a new, vast Federal establishment to police the law, but it also preserves in a unique and practical way my original position that this law should be administered at the State level rather than at the Federal level.

Finally, as is to be expected under the circumstances, this bill represents great accommodations between once antagonistic ideas. Its passage will not be a victory for anyone but a gain for everyone. It does provide meaningful and practical patterns for effective consumer credit cost disclosure, which after all should be our ultimate objective.

Therefore, as I said at the beginning of my remarks, Mr. President, I am very happy that after 6½ years of opposition to bills earlier introduced, I can join the Senator from Wisconsin and stand before my colleagues, earnestly urging the support of the committee and the passage of the bill.

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

Mr. BENNETT. I yield.

Mr. JAVITS. First, I should like to say to the Senator from Utah, as a former member of the Committee on Banking and Currency, that I believe it is a great tribute to him that he is able to stand before the Senate and agree to the bill; because to me the most eloquent words in the English language that reflect the greatest character on those who utter them are "I am persuaded." I know that the Senator has had much to do with developing a bill which he could support and, without him, it could never have happened.

Although many of us felt that Paul Douglas could have done it if he had only moved an inch or two, the fact that it has been done must still be remembered as a very important tribute to his service in the Senate. Senator PROXMIRE picked up the torch for Senator Douglas, but we should not forget Senator Douglas' great role in authoring this idea.

I had a similar experience with Senator Lehman, of New York, who was a devotee of developing power at Niagara. But he never would move an inch, either, and hence it never got done until Senator Ives and I did what Senator PROXMIRE and Senator BENNETT have done in this matter.

So we should remember those who were the progenitors, like Senator Douglas, but we should also pay great tribute to the Senator from Utah and the Senator from Wisconsin, who worked this matter out.

If I may have the attention of the chairman of the committee and the ranking minority member, the New York banks have presented two questions to me which I should like to present to both Senators, so that at least the RECORD might indicate that the questions were asked and answered; because I intend to support the bill, and I realize the interdependent character of the compromise which is involved.

The first question is this: Whether or not it would be desirable to ask the Federal Reserve Board to have the right to determine, based upon experience with the bill in the 3 years from 1969 to 1972, whether or not it should thereafter require disclosure on the dollar-per-hundred or on the percentage basis or whether to continue the alternate form even for a 3-year period beyond that, again giving the Federal Reserve Board that discretion. Was that question considered by the committee, and what do the Senator from Utah and the Senator from Wisconsin think about it?

Mr. PROXMIRE. The effective dollar-per-hundred basis would be the same thing. In other words, if it were $18 per hundred, it would be a true 18 percent. It would not be a discount or an add-on or anything of that nature.

This question was considered, because, frankly, there was a strong feeling on the part of competent people in the banking industry that if you did not have a dollar-per-hundred option, you might have a misapplication of the State usury laws. We do everything we can in the bill to provide that the finance charge is not interest, but it could be misjudged in court. Therefore, we provided that there would be a limit on the dollar-per-hundred option until 1972, feeling that between now and then it would be possible for State legislatures to change their usury laws or, as a matter of fact, if it was embedded in their constitution, to change the usury laws by having two successive sessions of the legislatures change them.

If we find that we should continue this option beyond 1972, it seems to me that Congress has ample time to do so. But the feeling of the committee is that we should make a strong attempt to get this on a comparable basis, on a percentage basis, and not on a dollar-per-hundred basis, eventually, and 1972 would be going quite a distance into the future.

Mr. JAVITS. And the committee did not believe that discretion should be given to the Federal Reserve Board to handle it, but, rather, the committee believes that Congress itself should handle it?

Mr. PROXMIRE. That is correct. The Federal Reserve Board, which was very helpful on this bill, and was forceful and unanimous in approving the bill and saying they wanted it, indicated to us in general that they wanted as definitive a bill as possible, and at no time indicated they wanted discretion in this particular area.

Mr. JAVITS. Is it fair to say that, as a part of the legislative history, the banks can say that there is an open mind in Congress, and that the reason the 1972 date is set—and that it might even be extended—is to see whether pragmatically this can be worked out, so that by 1972 legal inhibitions and policy inhibitions are gone, and if they are not, at

least consideration can be given to continuing this practice?

Mr. PROXMIRE. Yes. But there is one delicate and difficult caveat here.

The purpose of the date was to persuade legislatures to modify their usury laws sensibly and appropriately. Obviously, if we have an open end situation or if it is clear that Congress is going to continue to extend this indefinitely, there would not be the same kind of pressure to clarify the usury statutes.

Mr. JAVITS. May I say that with the law on the books and the need for another law to undo it, I do not believe that anybody can have any illusions about the fact that it is an open-end situation. I believe it is important for those who feel strongly about the subject that inherent in passing the statute, Congress was conscious of the fact that 1972 might be an unfair limitation and that it might very well have to be extended.

Mr. PROXMIRE. That is correct.

Mr. BENNETT. I should like to comment on that aspect: 1972 is 5 years away, and this time gives ample opportunity for us to measure the speed with which the States correct the usury problem, and the committee can act again in time.

We have a very real example. We have had an experience in the State of Nebraska which shows what happens when a judge decides that a bill throws all credit transactions outside or within the usury statute, and invalidates them all. So we are very much aware of the problem.

Mr. President, I have a statement on the possible effect of the bill on usury statutes or vice versa. I ask unanimous consent that the statement be printed in the RECORD.

The PRESIDING OFFICER (Mr. HOLLINGS in the chair). Without objection, it is so ordered.

The statement ordered to be printed in the RECORD is as follows:

All but four States have usury statutes limiting the maximum rate of interest that may be charged. The following is a compilation of State usury laws and the maximum usury rates in each State:

Usury rate: 6% per year. Number of States: 10 (Delaware, Maryland, New Jersey, New York, North Carolina, Pennsylvania, Tennessee, Vermont, Virginia, West Virginia).

Usury rate: 7% per year. Number of States: 6 (Illinois, Iowa, Kentucky, Michigan, North Dakota, South Carolina).

Usury rate: 8% per year. Number of States: 12 (Alabama, Alaska, Arizona, Georgia, Idaho, Indiana, Louisiana, Minnesota, Mississippi, Missouri, Ohio, South Dakota).

Usury rate: 9% per year. Number of States: 1 (Nebraska).

Usury rate: 10% per year. Number of States: 10 (Arkansas, California, Florida, Kansas, Montana, Oklahoma, Oregon, Texas, Utah, Wyoming).

Usury rate: 12% per year. Number of States: 6 (Connecticut, Hawaii, Nevada, New Mexico, Washington, Wisconsin).

No usury law: Number of States: 4 (Colorado, Maine, Massachusetts, New Hampshire).

Usury rate: 21% per year. Number of States: 1 (Rhode Island).

In addition, the District of Columbia has a usury rate of 8% per year.

It has been common to differentiate between finance charge and interest rate. Consumer credit for small purchases cannot be granted at rates even approaching the rates provided in usury statutes of most States. Therefore, if the original bill had been accepted, nearly all consumer credit would have been made illegal, and such action would have disrupted the entire economy of the country.

Let me cite the problem that occurred in the State of Nebraska as illustrative of the importance of the differentiation of interest rate and finance charge.

Nebraska statutes regulating installment credit are classified under "Interest" in the codification of the State's laws. The Nebraska Supreme Court had affirmed the time-price doctrine in 1933 and later years. It held that a bona fide time-price sales agreement was not tainted with usury even though the time-price exceeded the cash price by a rate higher than the 9 per cent interest rate of the State usury statute. In decisions in 1956, however, the Court held that contracts to finance purchases were evasions of the usury statute when the buyer was not quoted a cash price and a time price, and given the opportunity to choose between them.

The uncertainties created by the court decisions prompted the Nebraska Legislature to write a new Installment Sales Act in 1959. It required statement of the cash price, the time price, and the differential. The legislation placed ceilings on the amount of finance charge that could be levied on retail credit sales at various rates.

The 1959 Sales Act was held unconstitutional in 1963. The Legislature in its regular session that year modified the Act and the court held that Act unconstitutional. In a special session, the Legislature passed several Acts modifying the Loan Act and the Sales Act. The two rate Acts were held unconstitutional in 1963 and 1964.

The decision that the 1959 Sales Act was unconstitutional found that contracts made under the Act were methods of financing the unpaid balance of the cash purchase price of goods, and therefore were not time-price differentials but were loans.

The Supreme Court of Nebraska concluded that the time-price differential allowed by the Act was for forbearance of money, thus was an interest charge. This made all of the contracts that had been made at rates in excess of the general usury statute of the State illegal, and an illegal contract is unenforceable. The confusion that resulted had a very disrupting effect in Nebraska, and only when a new installment sales law became effective in 1965 did the confusion cease and business continued to operate in a normal fashion.

The original disclosure bill, by declaring all finance costs as interest, would have brought about a similar result in other States throughout the country. I could not see how such a result would add to stabilization of the economy as the bill claimed or how it would be in the interest of consumers to make it impossible for legitimate lenders and merchants to provide them with credit legally. This is one of the bases on which I had to oppose the original legislation.

The bill as now drafted makes as specific as possible the distinction between interest and finance charge. It has been the attempt of the Committee to avoid any possible disruption of credit granting that could occur as the result of considering the rate required to be disclosed as an interest rate. There is an attempt to preserve present relationships with regard to the time-price doctrine.

There is still the possibility that the rate disclosed will be considered an interest rate by consumers, and that as a result, they will feel that the rate is in excess of that permitted by State law and that harassment of businesses will occur. We have tried to minimize this possibility through language in the bill, and hope that the period until July 1, of 1969, before the bill becomes effective, will provide time for States to reconsider their usury statutes.

Mr. JAVITS. I thank my colleagues.

May I ask one other question of the chairman and the ranking minority member of the committee.

There is also a feeling in the New York banking community—not universal, but I believe it deserves a reply on the record—that it would be more fair and less discriminatory, and that greater comparability would be introduced into the revolving credit proposition, if the 60 percent test—that is, 60 percent repayment within 12 months—were to be amended to require annual disclosure only if less than 45 percent of the unpaid balance, on an experience basis, were paid off within a 12 month period.

Mr. PROXMIRE. The committee did consider this aspect explicitly. As a matter of fact, this 45 percent amendment was offered in the full committee, and then it was offered on the 50 percent basis. So the committee went into this feature in some detail.

When one considers what we do with a 60 percent limitation, it means 60 percent should be paid off within 1 year. This means, on the average, as our staff people compute it, that the balance would be paid off within 19 months.

This is an extended period. The purpose of the limitation was to prevent installment credit, such as credit for automobiles and big appliances, from moving into revolving credit.

When we get to 45 percent, and where we have more than a 2-year period, it would open the door so wide that whereas now there are 3 percent or 4 percent excluded from the annual requirement, it is conceivable that there would be a larger element and greater injustice.

Mr. JAVITS. In any case, the committee was decidedly against it and the compromise is based on that.

Mr. PROXMIRE. The Senator is correct.

Mr. JAVITS. I thank the Senator.

Mr. BENNETT. Mr. President, if there are no further questions I would be happy to yield the floor.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

SENATOR PROXMIRE'S LEADERSHIP ON TRUTH IN LENDING

Mr. SPARKMAN. Mr. President, the truth-in-lending bill has been before the Senate Banking and Currency Committee for 7 years. On June 27, the committee met and for the first time recommended by a unanimous vote that the bill be reported to the Senate.

Much of the credit for this action must go to the skillful leadership of the Senator from Wisconsin [Mr. PROXMIRE], who was the principal sponsor of this bill. Senator PROXMIRE indicated a willingness to work with members of the credit industry to be sure that the bill would be workable to the industry while still providing the essential disclosure information to the consumer.

I believe Senator PROXMIRE has performed an outstanding task in piloting this long-delayed measure through the Committee on Banking and Currency. Although there are still elements of the

bill which concern me, I believe the committee has by and large adopted a sound bill which will prove workable to the credit industry.

Mr. President, on June 30, the Wall Street Journal published an article regarding Senator PROXMIRE's activities on behalf of truth in lending and his activities as chairman of the Joint Economic Committee. I ask unanimous consent that this article be printed in the RECORD.

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

SENATE MAVERICK: WISCONSIN'S PROXMIRE IS ADDING SUBSTANCE TO SHOWMANSHIP

(By Norman C. Miller)

WASHINGTON.—For more than nine years William Proxmire has played a maverick's role in the Senate, and the fact that his fiery fights for hopeless causes frequently infuriated other Senators hasn't seemed to bother him.

Indeed, the Wisconsin Democrat has specialized in stinging assaults on Senatorial sacred cows—zestfully attacking other lawmakers' pet public works projects, for example. Colleagues' scorn for such tactics was apparently of small importance, as long as the folks back home got the message that "Battling Bill" was tilting with the Washington establishment in the La Follette tradition Wisconsin voters admire.

Good politics, perhaps, but Sen. Proxmire paid a price for his forays. Many Senators marked him down as a mere showman, too erratic to be trusted with serious business.

But now slight, baldish Bill Proxmire is surprising his Senate critics. The seniority system put the 51-year-old Senator in a leader's role on two important committees this year, and he has already come up with significant achievements.

As the new chairman of a key Senate Banking subcommittee, Mr. Proxmire picked up the long-languishing "truth-in-lending" bill and skillfully fashioned a compromise that was approved decisively this week by the Banking Committee, which for a half-dozen years had killed all such previous measures. Insiders think that breakthrough gives truth-in-lending a momentum that will sooner or later carry it all the way through Congress. Thus, Sen. Proxmire will probably become author of a landmark law requiring lenders and retailers to give customers more accurate information on the cost of credit.

Enactment of a truth-in-lending bill would be especially satisfying to Mr. Proxmire because the fight for that legislation was long led by the man he regards as his political mentor, former Sen. Paul Douglas of Illinois. Mr. Proxmire, whose five-year-old son is named Douglas as a tribute, says Mr. Douglas is the real hero of the truth-in-lending case. Ironically, many Senators feel Mr. Douglas' inflexibility was the bill's major obstacle in previous years; Mr. Proxmire's willingness to negotiate is deemed the major reason it finally got off the ground.

The Joint Economic Committee doesn't afford Sen. Proxmire a chance to initiate legislation, but since becoming chairman he has worked to expand the panel's influence on policymaking. After wangling White House agreement to making public a mid-year budget review, the Proxmire panel this week has followed up its traditonal early-year economic study with hearings aimed at compelling an Administration reassessment of controversial taxing and spending plans.

Sen. Proxmire's activist leadership has won bipartisan plaudits from joint committee members. Republican Rep. Thomas Curtis of Missouri calls his performance "excellent." Sen. Stuart Symington (D., Mo.) terms it "superb."

A GIMMICK?

Another Senator, impressed by the maneuvering that got the truth-in-lending bill moving, believes that a taste of legislative success may quiet Sen. Proxmire's appetite for gadfly causes. "I think the maverick role was a gimmick Bill used to establish his identity in the Senate," he says. "He's done that, and maybe now he's ready to be more constructive."

A safer bet might be simply that Sen. Proxmire will continue to do the unexpected, deciding for himself when it suits his purposes to follow the accommodating course most Senators consider "constructive" and when it does not. For Mr. Proxmire is a loner by nature, driven by ambition to keep making his mark as an individual, and not even his oldest political associates claim to understand all the reasons for his electric behavior.

The son of an Illinois doctor, Mr. Proxmire was educated at an Eastern prep school, Yale and the Harvard Business School. He seemed to be embracing the conventions of his Republican upbringing when he joined J. P. Morgan & Co. on Wall Street and worked as a GOP volunteer in Wendell Willkie's unsuccessful 1940 Presidential campaign.

The war put him into the Army counterintelligence corps, and when he was mustered out in 1946, Wall Street had lost its allure. He went back to Harvard and, while obtaining a master's degree in public administration, decided the Democratic Party was for him because "it got things done." He also became determined to run for high office.

Lacking close ties to any community, Mr. Proxmire decided to pick an entirely new base where a newcomer could establish himself quickly in politics. He decided in 1948 that an ambitious young Democrat could move fast in Wisconsin, where the party was scratching for candidates to take on the long-dominant Republicans.

Having married a Rockefeller heiress, Mr. Proxmire could make his plans without worrying about money. He landed a reporter's job on the Madison Capital Times and quickly entered Wisconsin political circles.

Typically, he didn't wait to be invited to run for office. In 1950 the newcomer challenged a veteran assemblyman in the Democratic primary, and voters in the state capital got their first look at the day-and-night door-to-door handshaking style that was to become a Proxmire campaign trademark. He upset his well-known opponent in the primary and won an assembly seat.

Mr. Proxmire had no intention of remaining a faceless member of the tiny Democratic minority in the state house. He grabbed at the chance to run for governor in 1952 when the party was casting around for someone to take on a task considered hopeless. He lost badly, but the nomination gave him his first statewide exposure, and when the election was over he kept right on running, with his eye on the next gubernatorial race two years later. Touring the state in a battered old car, he shook hands everywhere, and organized rallies to denounce the policies of President Eisenhower's Agriculture Secretary, Ezra Taft Benson.

By 1954 Mr. Proxmire was the best known Democrat in the state, and easily turned back the challenge of an old-line party leader to win the gubernatorial nomination again. This time he came close to defeating his Republican opponent, running much better than expected. By 1956, Mr. Proxmire fully expected to win.

But he lost—badly—and seemed washed up in politics at the age of 41. A three-time loser, Mr. Proxmire had also handicapped himself politically by a divorce and remarriage. As he returned to his printing business in Waterloo, Wis., it looked as if his dream of political fame had become a nightmare.

Then, in 1957, Wisconsin Sen. Joseph McCarthy died. A special election was called and, while regular Democratic leaders feuded over the choice of a candidate, Mr. Proxmire jumped unasked into the race and won the primary. Then, confounding the experts who had written him off, he swept the election.

It was the first major victory by a Wisconsin Democrat in 25 years. Party leaders buried their reservations and hailed Bill Proxmire as a hero. Moreover, a hero's welcome awaited him in Washington, for his victory retained Democratic control of the narrowly divided Senate. Majority Leader Lyndon Johnson, whose job was preserved by the victory, gave the new Senator choice assignments that would help him build a record for the regular 1958 election.

CONVENTIONAL LIBERAL—AT FIRST

Mr. Proxmire came to the Senate as a conventional liberal and immediately supported the social legislation his wing of the party was then battling to enact. Wisconsin Republicans zeroed in, totting the high cost of the measures he proposed and dubbing him "Billion-Dollar Bill." But he handily won election to a full term, leading the state's Democratic ticket to a major breakthrough.

By then Mr. Proxmire had as much security as a Wisconsin Democrat can expect, and his party colleagues anticipated that he would continue to act like an orthodox liberal. So scarcely anyone was prepared in 1959 for Sen. Proxmire's sudden denunciation of what he called Lyndon Johnson's "one-man rule" in the Senate. His slashing anti-Johnson speeches seemed foolhardy even to Democrats who shared his views.

Yet, Sen. Proxmire was not committing political suicide. He sensed that his headline-grabbing fight was well received by Wisconsin's maverick-minded voters. He had made a deliberate decision to build a record as an independent fighter, disdaining the unwritten strictures of the Senate club, and not incidentally making some spectacular publicity splashes. When John Kennedy moved into the White House, Sen. Proxmire frequently quarreled with the Administration over matters big and small despite his early record as a Kennedy supporter.

The Johnson feud has cooled, though some bitterness remains on both sides. Mr. Proxmire supports the President on such controversial topics as the Vietnam War; he recently helped engineer an endorsement of the President's war policies by a Wisconsin Democratic convention. And Mr. Johnson made truth-in-lending one of his major domestic proposals this year after Sen. Proxmire served notice he would push the legislation.

"I also thought Johnson would be fine in the Executive Branch," says Mr. Proxmire. "I just didn't like the way he ran the Senate, bossing people around like it was an Executive agency."

Mr. Proxmire's continuing campaign against wasteful Government spending began soon after his 1958 election. Such talk by a politician isn't unusual, of course, but Sen. Proxmire follows up with ballyhooed attacks on specific projects in sacred pork barrel appropriations bills, and this has made him a pariah to some influential lawmakers. More than once, some dismayed Wisconsin politicians relate, money sought for Federal facilities in the Badger State has been dropped from appropriations bills in retaliation for the losing battles Mr. Proxmire has staged against projects in other states.

Such tactics, however, have allowed Mr. Proxmire to continue supporting liberal social legislation while shoring up his position with economy-minded voters at home. "He has carved out an almost unique constituency," marvels another Wisconsin politician.

A THOUSAND HANDSHAKES AN HOUR

Probably Mr. Proxmire's greatest political strength lies in his never-ending campaigning. Even in non-election years he is back in the state about every other weekend. He says he can shake hands with a thousand voters an

hour during his forays into Milwaukee shopping districts. Nor does he neglect the small towns; one politician recalls the Senator's sleeping in a barbershop when stranded overnight in a remote hamlet.

An almost fanatical physical fitness regimen helps keep Sen. Proxmire in shape for his grinding. A nonsmoker and near-teetotaler, he does 300 pushups and other exercises first thing in the morning. Then he jogs the five miles to Capitol Hill. In the evening he jogs back and roughhouses with young Douglas before sitting down to his first full meal of the day.

Admirers cite all this supercharged political and physical activity as evidence of the Senator's determination to be his own man. Detractors say he overdoes everything, failing to recognize that it's possible to accomplish things without punishing yourself. (At a party at Sen. Gaylord Nelson's home in Madison the host was being ribbed by a guest because he didn't make a fetish of fitness as his Wisconsin colleague did; thereupon, Mr. Nelson flopped to the floor and performed a series of one-arm pushups, and a chagrined Mr. Proxmire had to admit he couldn't duplicate the feat.)

More seriously, Sen. Proxmire's style of politics came close to backfiring during the 1964 election. A national magazine dubbed him one of the "five least effective Senators," and his Republican opponent aggressively exploited this charge. Mr. Proxmire ran behind Lyndon Johnson in Wisconsin, and some think he would have lost the election had it not been for the President's pulling power.

Writing a truth-in-lending law and acquiring prestige for knowledgeable direction of the Joint Economic Committee would be perfect antidotes to charges that Sen. Proxmire is ineffective, of course. Whatever turn the unpredictable Senator may take next, one thing is certain: He will be heard from.

Mr. SPARKMAN. Mr. President, I said that much of the credit was due to the Senator from Wisconsin [Mr. PROXMIRE] and it is. Equal credit must go to the Senator from Utah [Mr. BENNETT], the ranking minority member who worked so faithfully and so consistently in order to work out a good bill. The Senator from Utah was skillful in his advocacy and in his presentation.

Both the Senator from Utah [Mr. BENNETT] and the Senator from Wisconsin [Mr. PROXMIRE] realized in the beginning that if we were to get a bill which we could hope would pass the Senate and the House of Representatives it had to be based on compromise. I think all of us realize that legislation, at its best, is always a compromise, and so it is with this bill.

I believe that no other bill has been better presented than this bill from the standpoint of hearings. We heard much testimony. I know that the subcommittee took into account all of the testimony, the various views that we presented, and we worked out the best compromise that we could.

Mr. President, this bill does not suit me 100 percent. I doubt that it suits a single member of the committee 100 percent. However, I believe that everyone will join me in saying that it represents just about the best balance that we could develop. As I have said to others, it is a finely balanced bill, satisfying the overwhelming majority of all of those involved, but probably not completly satisfying anyone.

I opposed the so-called truth-in-lending bill during the 88th Congress when it came to a vote in the full committee of the Committee on Banking and Currency because I did not believe it was workable in the way in which it was presented. I voted for this bill this year, and in fact, not one member of the full committee opposed the bill because we felt we had developed a workable bill.

I believe that one of the best statements on the bill is contained in the individual views of the Senator from Utah [Mr. BENNETT]. If I may have the permission of the Senator from Utah, I ask unanimous consent to have the individual views as presented by him and contained in the report of the committee printed in the RECORD.

Mr. BENNETT. I am very honored to have them included in the RECORD.

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

INDIVIDUAL VIEWS BY MR. BENNETT

I have given my support to this measure providing standards of disclosure for consumer credit because it is the best solution that we have been able to work out over the past 7 years.

This bill bears little resemblance to that introduced at the beginning of this session and even less resemblance to the original bill of several years ago. We have come a long way in making the bill more workable while preserving the major goal of comparability as much as possible.

I feel that the consumer credit industry, bankers, retailers, and other lenders deserve a great deal of the credit for making a workable bill possible. I believe that I am safe in saying that none of them are completely satisfied with this bill, but they have given of their time; and their suggestions based on actual practical operating experience have been invaluable to the committee.

From the very beginning, I have subscribed to the principle of full and meaningful disclosure of credit costs. I don't believe that any responsible person could favor misrepresentation or willful withholding of information which could be reasonably disclosed and which would make it possible for consumers to compare alternative sources of goods and services. This is the basis on which our market system is built and has become so successful. On the other hand, one must avoid setting up rigid requirements which cannot be complied with easily by credit grantors or the result is an increase in costs which ultimately are passed on to the consumer.

Because there are many sources of credit both from lenders and sellers and credit is granted for a variety of purposes and under varied circumstances, it is completely natural that programs for granting credit developed along different lines and that credit costs were expressed in different ways. The objective of the original "truth-in-lending" proposal was to replace the many different methods of credit cost disclosure with a uniform statement as a simple annual rate.

A careful consideration of credit plans available led to the conclusion that all cannot be forced into one pattern of a simple annual rate statement in advance of the transaction without serious inaccuracies and inequities. Attempts to bring about such a statement resulted in the 7-year stalemate during which this proposal has been pending.

The bill reported by the committee has broken the stalemate with a compromise on this basic conflict. The compromise is not completely satisfactory or equitable. It requires some changes in every present credit pattern with more serious problems for some creditors than for others. Any compromise is somewhat arbitrary and this one is no exception. It has been built, however, on all of the information that was available to the committee, and while I would have preferred a solution that would have been less restrictive, less arbitrary, and less disruptive to credit practices, this is an approach to a most difficult problem.

The bill also provides that in addition to the required disclosure information, other information may be disclosed to the consumer as long as it is accurate. To me, this is a major provision. It is important, because credit plans differ in so many respects that one set of required items cannot completely show the differences which may be very important if a consumer is truly interested in making a rational decision.

I have been very concerned over the past 7 years that Federal legislation would, by moving into a field heretofore reserved to the States, preempt State laws and thus cause State legislative and administrative bodies to give up one more of their responsibilities to a central government. I do not feel that this is desirable and therefore would have preferred a uniform solution on the State level. The drafting work that has been and is being done by the National Conference of Commissioners on Uniform State Laws continues to represent the best overall solution to proper handling of consumer credit transactions. We have attempted in this proposed Federal bill to provide guidelines which the States may follow and continue to maintain jurisdiction over consumer credit transactions. I am not completely convinced that we have solved the jurisdictional problem, but it is my firm hope that the States will continue in their efforts to improve their consumer credit legislation and thus make this Federal bill both unnecessary and inoperative.

Mr. SPARKMAN. Mr. President, the matters pertaining to the bill, I believe, have been fully covered. There are several matters I wish to mention. First of all, the bill would not go into effect until July 1, 1969. As has been pointed out in previous discussion, the National Conference of Commissioners on Uniform State Laws, which is made up of representatives of the different States of the Union, has been working long and hard attempting to get a uniform consumer credit code to be placed before the State legislatures. I feel and I believe that many members of the committee feel that they are getting very near to an agreement on such a uniform code, and that it may be presented to the various State legislatures before this bill actually becomes effective, and that it may become a uniform law by action of all of the States of the Union. Personally, I hope that will be done.

Mr. President, I wish to mention another matter. I do not know that it disturbs anyone but it was brought out in the report. We have some provisions in the bill to try to make this law fit in with existing State laws and even fit in with State laws pertaining to usury. One important part is that we provide if there is any inconsistency between this law and the State law, it does not invalidate the entire State law. We do not impose this law on the State in its entirety, but only in that instance where there is an inconsistency, and we provide for a certain amount of tolerance between the Federal and State law.

As explained in the colloquy on the floor of the Senate, initiated by the senior Senator from Florida [Mr. HOLLAND], we

have tried to take care of small business and the different viewpoints as between disclosing dollars and cents and annual percentage rates; and we tried to take care of differing views of revolving credit. I believe we have worked out the best bill that can be worked out and, as I have said, a finely balanced bill.

Mr. President, I hope the bill will be accepted without amendment because I believe it is just that finely balanced.

Mr. President, again I want to pay my respects and tribute to the able leadership given in connection with this legislation by the distinguished Senator from Wisconsin [Mr. PROXMIRE] and the distinguished Senator from Utah [Mr. BENNETT].

A year ago I believe that no one would have been willing to predict there would ever come before the Senate a truth-in-lending bill by unanimous vote. However, that is the situation today, and I hope that the Senate will confirm the action of the full Committee on Banking and Currency.

Mr. McINTYRE. Mr. President, it is with a mixed feeling of relief and unhappiness that I wish to make a few comments on the bill now before the Senate, the truth-in-lending bill.

I say relief because this particular piece of legislation has taken up a great deal of my time and attention since I first arrived in the Senate. In practically every year since I was first elected to the Senate, the Banking and Currency Committee has agonized over the basic decisions which had to be made before this bill could be reported to the floor. Those of us who have tried to make this a workable piece of legislation have been subjected to criticism from all sides.

It is a real relief to be done with truth in lending for the time being.

I would like to point out that the full credit for making it possible for the Banking and Currency Committee to report this bill out after 7 long years goes to the bill's principal sponsor and manager, the distinguished Senator from Wisconsin. His complete grasp of all of the details of our consumer credit economy, his parliamentary skill, and his ability to negotiate, have uniquely made it possible for the Senate to be considering truth in lending today. Building upon the ideas of our former colleague, Senator Paul Douglas, Senator PROXMIRE has done what many of us had considered almost impossible. He deserves the full gratitude, not only of the consumer public, but also of the various segments of the lending industries. The Banking and Currency Committee is in his debt.

At the same time, I must admit to a feeling of unhappiness with the pending legislation. It is not all that I had hoped it could be. It is still subject to many of the objections which I have had to this type of legislation for several years.

Before the Senate votes on truth in lending, I would like to take a few minutes to set out, for the record, precisely those points of the present bill which I find myself in disagreement with. I would then like to cover a few of the improvements in the present bill which made it possible for me to vote to report it out of committee. Even as I say these words, I still have not decided whether I shall vote for passage of this bill.

The major objection which I have to truth in lending, and this objection goes right to the heart of any form of truth-in-lending legislation, is the probable adverse effect which it will have on very small, poorly capitalized, businesses in competition with larger businesses.

Truth in lending was designed to improve competition among all classes of lenders. Everybody is in favor of improving competition, of course. But it seems to me that any improvement in competition, and I refer specifically to competition in vendor credit, will place the national chain stores, the great mail order houses, and the large metropolitan retailers, in a substantially advantageous position over the small neighborhood or country store, with its limited access to credit facilities and its inabilty to use automated data processing techniques for its accounts receivable.

Perhaps, from the viewpoint of the consumer, such competition will continue to be desirable. But, Mr. President, we are legislating for an entire Nation, not just a nation of consumers, but a nation of shopkeepers, of small businessmen, of corner groceries and small automobile dealers. And I believe that the present bill may tend to injure these men and women.

Another objection which I have to this bill, as well as to its predecessors, goes to the appropriateness of congressional action in what has traditionally been an area subject to State regulation. Practically every State in the Union already has consumer credit legislation on the books, but in one fell swoop the Congress is preparing to enter, and practically preempt the field.

I must point out that my colleagues on the Banking and Currency Committee are aware that the primary responsibility for the administration of consumer credit legislation should lie with the States. Section 6 of the bill before us provides for those circumstances under which State law and State administration will preempt the operation of the Federal law.

I might point out that my preference for State, as opposed to Federal legislation in this area is not based upon any reliance on the old cliche of "States rights." Rather, it is based upon two practical results of the historic regulation of consumer credit by the States themselves. First, the States have already created and funded the administrative machinery needed to enforce and administer consumer credit laws. The Federal Government has no such administrative machinery, and its creation would add to the taxpayers expenses only to duplicate existing State machinery.

In addition, consumer credit legislation is intertwined with a whole network of related State legislation. The pending bill deals only with disclosure, and, although we have tried our best to foresee any conflicts with other State laws, we do not know how well we have succeeded. What, for example, will be the effect of this bill on existing State usury laws? We hope that disclosure under this bill will have no relevance to State usury laws, but only a State legislature, and not the Congress, is competent to dovetail the two different kinds of regulation.

Yet another objection with the present bill goes to the basic compromise which made it possible for the bill to be reported out of committee, the language in section 3(h) designed to separate the sheep from the goats, or rather, to separate those creditors who must disclose in annual terms from those disclosing in monthly terms. This is a crucial difference, for almost every witness before the committee indicated that creditors disclosing in monthly terms will be given a competitive advantage over the others.

If the Congress is to permit any creditors to disclose in monthly terms, and I believe certain creditors should be so authorized, then obviously some line, some distinction between creditors will have to be drawn. In the process of drawing such a line, some people are going to be hurt. This result is inescapable. Since the definitions in section 3(h) are, in the last analysis, somewhat arbitrary, we could expect to see that, say, two similar department stores on the same block operating in essentially the same way may receive very different treatment under that section. If we have to generalize about the distinctions under 3(h), however, I think that it is unfortunate that those merchants generally able to qualify for monthly disclosure will be the large, well financed, enterprises who will be directly competing, in some product lines, with the small, poorly financed, local small business such as furniture stores, auto accessory dealers, and others who will be required to disclose in annual terms. I think that this is a truly unfortunate consequence of the present bill.

Finally, I am not entirely happy with the penalty section of the bill, section 7. Unfortunately, it will still be possible for a merchant who makes a wholly unintentional, bona fide error, to be subject to a penalty. But I must say that this section has been vastly improved over its original language.

It is only fair, after mentioning all of the reasons for my unhappiness with this bill, to point out a few of the reasons why I did vote to report it out of subcommittee and out of the full committee.

As I mentioned before, the Senator from Wisconsin has displayed great understanding of the problems which this bill will cause the credit industry. He has been willing to negotiate on the details of the bill's administration, while of course, maintaining the basic principle of full and comparable disclosure of the cost of borrowing money. Under his leadership, the Subcommittee on Financial Institutions was able to reach agreement on a bill which, while still deficient in some respects, represents the very best possible compromise which I believe the Senate can accept.

The major attraction of the present version of this bill is its recognition of the difficulty of requiring annual rate disclosure across the board for all classes of creditors. The revolving credit provisions of this bill represent a major victory for the honest, responsible retailers

of our Nation, and for those of us who believe that periodic disclosure of revolving credit is the most meaningful type of disclosure and the most useful to consumers. In more personal terms, the committee's decision on revolving credit is a tribute to the clear logic of the Senator from Maine [Mr. MUSKIE] who was able to convince all of us of the difficulties and the pitfalls of attempting to impose an annual rate disclosure requirement on revolving credit.

The change from a "simple annual rate" to an "annual percentage rate," while not very significant in terms of the numbers involved, is a vast improvement in terms of simplicity of administration.

The provisions for complete exemption of certain types of transaction remove a wholly unnecessary burden on large segments of the lending industry.

The complete bill, as it now stands, does, in my opinion, give the consumers of this Nation a meaningful way of comparing the entire cost of credit. It deserves the full support of consumers.

Mr. President, I have indicated that I am still uncertain about the way that I will vote on final passage of this bill. I am not at all uncertain about the way that I will vote on any substantive amendments which may be presented. I believe that this bill, as it now stands, represents the best possible compromise of which the Senate is capable. I intend to oppose any and all substantive amendments to this bill, because of my own experience that amendments to this type of legislation should be considered only in situations where we are able to check out all of the effects of proposed changes to this highly technical legislation. This subject of truth in lending is much more complex than it appears at first glance, and I hope that my colleagues will accept or reject the entire bill which has been reported out, without trying to change it here on the floor.

Mr. MONDALE. Mr. President, I wonder if I could address a few questions to the distinguished senior Senator from Wisconsin and chief author of the truth-in-lending bill.

Mr. PROXMIRE. I am happy to yield.

Mr. MONDALE. I would like to ask a few questions to straighten out my understanding of the proposal that is before us.

As I understand it, most department stores with revolving credit plans charge 1.5 percent a month.

Mr. PROXMIRE. Most do. This is not universal. As the Senator knows, in the hearings the representative of one department store testified that, instead of charging 1.5 percent a month, it was 1.5 percent for a 35-day period. But 1.5 percent a month is the usual charge.

Mr. MONDALE. At any rate, under this bill the stores would not have to translate the monthly rate of 1.5 percent into an annual rate of 18 percent unless the plan met certain conditions?

Mr. PROXMIRE. Unless the plan met certain conditions; that is correct. The conditions, we feel, would prevent the kind of situation which might have developed without these conditions.

I might point out that 4 or 5 years ago the subcommittee reported a bill to the full committee which simply exempted all revolving credit from disclosing an annual rate. That bill was killed in full committee. So this bill is much more careful than the one reported out of subcommittee before.

Mr. MONDALE. The original measure which the Senator from Wisconsin introduced included all revolving accounts in disclosing an annual interest rate.

Mr. PROXMIRE. Yes.

Mr. MONDALE. Why should not a housewife know that her revolving credit is costing her 18 percent a year?

Mr. PROXMIRE. That is a good question. It is a question we asked again and again in the committee. I share the view of the Senator from Minnesota that a housewife should know. There were others in the committee who had a different point of view. Say that the housewife buys something on the 10th of the month and buys it on credit. In effect, at that time the store owner is giving her a loan, but she does not pay a service charge between the 10th of that month and the time the bill is sent, and, indeed from the time of the bill for another 30 days. So, in effect, she gets a free ride for that period of time. At the end of that time, if she has not paid it yet, she pays 1½ percent, for each subsequent month. Calculating the interest from the 10th of the month, when she made the purchase, it would be between 6 and 9 percent. It would be far below 18 percent.

I share the view of the Senator from Minnesota, but a majority of the committee disagreed with that view. Their view was that under the circumstances the 18 percent would be a distortion and would be inaccurate. Our view was that it could be made perfectly clear to the housewife that the 18 percent only ran when the credit charge was assessed. Only at the point did the 1½ percent become effective. Only at that point did the 18 percent become effective.

Mr. MONDALE. So, under your original bill, the consumer would be advised of the interest-free period under the revolving credit, but would be given the annual interest rate that would be applied by the store in developing its own credit charge against that revolving account?

Mr. PROXMIRE. Yes. A good case could be made that this would be unfair to the store, and some of the committee members made that case with persuasiveness—indeed, they had a majority of the committee with them, and if they made it on the floor they might convince a majority of the Senate—that it was not requiring truth in lending to say it was 18 percent when the free period during which the loan was outstanding was ignored, a free period that, with the average department store sometimes results in a charge of 8 or 9 percent—and not 18 percent.

So I think working out this compromise does not do a great deal of violence in this particular area, although I agree with the Senator from Minnesota. It would be far better to tell the housewife she is getting a free ride and at the end of the free ride she could take money out of a savings account, if she had one, or sell bonds, and use that money, instead of paying 1½ percent a month, up to 18 percent a year, to assess against a charge account.

Mr. MONDALE. What is the size of revolving credit today in terms of billions of dollars?

Mr. PROXMIRE. The sum of revolving credit, based on the best estimates we have been able to get, is $3.5 billion. This is only 3 percent of consumer credit, plus second mortgages, which we have included. This would include only $3 out of every $100 of consumer credit. So it does not represent a figure like 40 or 50 percent, but only 3 percent of consumer credit.

Mr. MONDALE. Of that $3.5 billion, how much of that credit would be exempt from disclosure of an annual rate?

Mr. PROXMIRE. That is a good question. In answering the previous question, I might have indicated that a larger amount would be exempted than actually would be. When I say 3 percent, I am referring to revolving credit amounting to about 3 percent, but of the revolving credit most, not all, probably about 80 or 90 percent, would be excluded because of our definition.

Mr. MONDALE. So that of that credit extended, the revolving credit extension makes up about 3 percent of the credit extended, and of that amount between 80 and 90 percent would be exempted?

Mr. PROXMIRE. We did exclude first mortgages, but they are excluded because they always specify the annual rate. Therefore, if we take only consumer credit, I think it would be less than 3 percent, but in the 3-percent area.

Mr. MONDALE. How significant is this exemption in terms of future trends in the industry?

Mr. PROXMIRE. I would hope this exemption would not become very significant. Some say as much as 50 percent of consumer credit will go into revolving credit, but I think that overlooks the provisions that have gone into the act. I hope it would not be much bigger than present, but I think we should recognize that it might get larger.

Mr. MONDALE. Would it not be wiser to change the law now and eliminate this exemption, or does the Senator think it would be wiser to wait?

Mr. PROXMIRE. I should like to change the law. We tried to do that in committee, but we did not have the votes either in the subcommittee or in the full committee. We worked out what I think is a reasonable compromise.

First, only 3 percent is being excluded from annual rate disclosure, but 97 percent is covered. Second, we have written into the law safeguards to guard against the possibility that we have opened up a large loophole. Third, if this practice does widen greatly, we can take a look at it in the future, and consider additional legislation.

So I think this was a reasonable compromise when we did not have the votes.

Mr. MONDALE. The last point, I think, is particularly impressive.

Would it not be possible to make large sales on revolving credit without disclosing the annual rate; and if so, would not that destroy true comparability?

Mr. PROXMIRE. There are two reasons why we should not have to worry about that. First, the bill requires that the creditor must not require a security interest. This means that title to the automobile or title to the refrigerator or other product must be in the hands of the buyer to get the exclusion. The creditor cannot hold on to it until he is paid off. This, all by itself, is a real protection, because, after all, few people will sell an automobile, a refrigerator, or anything else that is very large, to any consumer who walks into his store, give him title, and then hope he will pay. So this is some protection.

There is another important provision—there are three, but I shall discuss only two, because only two are of significance. The first is the security interest, that I have just discussed. The second is that if 60 percent of the amount or more is paid in less than 1 year, then there can be exclusion from annual rate disclosure. But if less than 60 percent is paid over a period of a year, then the exclusion is lost, and it is necessary to specify the annual rate. In effect, this means that if an item is to be paid for over a period of more than 19 months—and if an automobile is paid for the way Americans buy them now, 19 months is a pretty short period; and even for the purchase of appliances it is a relatively short period—the seller would not fail to disclose his annual rate.

I might also add that our discussion so far implies that revolving credit is exempt over the whole period. If I have given that impression, it is wrong. It is still necessary with respect to revolving credit, to specify the monthly rate. As I said in my initial statement, some department stores will not do this now, but they are all going to have to do it if the bill becomes law, and they will also have to state the dollars-and-cents service charge. So the consumer will be given this information, but not the annual percentage rate, for most revolving credit.

Mr. MONDALE. The Senator mentioned cars, but what about the case of large appliences? Would it not be possible to sell furniture or color TV sets on revolving credit, over 18 months, without a security interest, and thus escape disclosing an annual rate? Should not the consumer know the annual rate of credit when he makes a $500 purchase?

Mr. PROXMIRE. I think the provision for the security interest takes care of that pretty well. I would hope so. The seller definitely should have to specify the annual rate.

Mr. MONDALE. I commend the distinguished Senator from Wisconsin for what I regard to be a remarkable legislative accomplishment. I know that everyone here respects the magnificent leadership which Senator Douglas provided on this truth-in-lending issue over the years. I must say that the Senator from Wisconsin learned well, and has become not only a great spokesman for truth in lending, but one of the leading spokesmen for the consumer protection movement in this country.

Without his understanding and his sophisticated grasp of the practical business problems which must be dealt with in working toward this objective; without his sensitive and thoughtful handling of the measure in the committee and here on the Senate floor, we would not have come to this day, where it now appears that truth in lending, which has long been sought as a key objective of the consumer protection movement, is at last within grasp. I think the citizens of Wisconsin are rightfully proud of the Senator, and the entire Nation is in his debt.

Mr. PROXMIRE. Mr. President, I thank the Senator from Minnesota. I say to him that there is no one whom I would rather have commend me in those terms, because the Senator from Minnesota has long been identified—when he was attorney general of the State of Minnesota and when he was on the President's Committee on Consumer Interests, and certainly ever since then—as a great champion of the consumer, and one who early recognized the great importance of protecting the consumer in our laws, and the administration of law.

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

Mr. PROXMIRE. I yield.

Mr. MUSKIE. I should like to take just a moment to add my statement of gratitude to the Senator from Wisconsin. He and I have been members of the committee from the moment that Senator Douglas first introduced a truth-in-lending bill several years ago. Together, we have struggled with this problem, with somewhat different points of view from time to time.

I share the view the distinguished chairman of the full committee [Mr. SPARKMAN] expressed a few minutes ago when he said that a year ago it seemed very doubtful that this bill could have progressed to the point where it appears to be at this moment. I think it is a remarkable thing that it is on the verge of passage with scarcely a dissenting voice. I believe that the change in its prospects is largely attributable to the efforts of the distinguished Senator from Wisconsin. He and I have had differences of opinion about some aspects of the bill. I am glad to see a truth-in-lending bill finally reaching the enactment stage in the Senate. I am glad to see that it has been modified in ways which, to me, are more realistic than some forms of the bill in past years may have been. But I simply cannot resist taking the opportunity to say for the RECORD, that in my judgment, the distinguished Senator from Wisconsin, building upon the great contribution of Senator Douglas, is largely responsible for bringing this bill to this point in the legislative process. I think he has reason to be proud of his work, as I am proud to have worked under him, differing as we have from time to time.

Mr. PROXMIRE. Mr. President, I say to the Senator from Maine that I have referred several times to the ability and vigor of members of the committee who disagreed with us on some of the elements of the compromise we worked out. As I think all members of the committee know, I was referring particularly to the Senator from Maine. I think he did a most workmanlike and constructive job in developing a compromise that he was able to accept and we were able to accept, and which won the unanimous support of the committee. Believe me, this was not the idea, the brainchild, or the work of the Senator from Wisconsin. It was the idea and the work of the Senator from Utah [Mr. BENNETT] and the Senator from Maine, who hammered away, not only in working out a compromise, but in establishing a record in the questioning of witnesses during the hearings—a record that stood up very well, and was so persuasive that, although we had a lot of force on our side—everybody is for the consumer, of course—I think the Senator from Maine deserves much credit for working out a practicable and workable bill.

Mr. MUSKIE. Mr President, the bill in its present form is a compromise. I am sure there are aspects of it, as revealed in the colloquy between the Senator from Wisconsin and the Senator from Minnesota, which they would like to see changed. There are things in it that I would like to see changed. But after 6 or 7 years of labor on this bill, I think, in all its aspects, it represents a compromise which the Senate should consider in its totality. Although I would like to see some changes made in it, which I think would improve it, I support it in its present form, because I believe it reaches the best consensus which could be developed after long, hard, and careful work by Senators over a period of several years.

Again I congratulate the Senator from Wisconsin.

Mr. WILLIAMS of Delaware. Mr. President, will the Senator yield?

Mr. PROXMIRE. I yield to the Senator from Delaware.

Mr. WILLIAMS of Delaware. I join in complimenting the Senator from Wisconsin and the Senator from Utah for having worked out a compromise which appears to be acceptable to most Senators.

However, on examining the bill one or two questions came to my mind.

The basic purpose of the bill, as we all understand it, is to insure to the borrower that he will be told the truth by the lender as to the rate of interest he will have to pay over the term of the borrowing. That is the basic objective of the bill, as we all admit.

However, I am somewhat puzzled or at a loss to understand why the Johnson administration, which claims to be so strong for this bill and its principle, exempted itself from the provisions of the bill.

I refer particularly to the FHA, which finances mortgages for home buyers. I have raised this point many times heretofore. They tell the home buyer that under the existing setup he will pay 6 percent interest on his mortgage when in reality, he is paying much more when the loading charges and discounts are considered.

We all know that if the home buyer is buying a home for $10,000 he must give an $11,000 mortgage in order to get the $10,000 home paid for. Under the point system he actually gets only about 90 percent of the face value of the home. In other words, he has to discount his mortgage.

The net effect mathematically is that, instead of paying 6 percent for his mortgage over the 20- or 30-year period, or whatever the term of the mortgage might be, he is in reality paying 7 percent to 7.5 percent and in some instances even a higher percentage.

Would it not be wise to include that type of mortgage in the provisions of the pending bill so that in any case where the mortgage is guaranteed by the Federal Government it would have to tell the borrower the exact rate of interest as it would be amortized over the life of the mortgage? If the Government really favors truth in lending why does it not set the example?

Mr. PROXMIRE. The Senator from Delaware makes a very good point. The bill as originally drafted included all mortgages. There were no exclusions. It included first, second, and third mortgages, or any other mortgages. However, the feeling on the part of the mortgage bankers and institutions was that they state an annual rate and that the annual rate is well known and well accepted. There is no variation from this practice in mortgages. When somebody goes to buy a house and takes a mortgage, he has the annual rate stated to him.

Because of this fact and because of the dollar financing charge—in many cases will exceed the cost of the home—and because of the fact that the average person only continues to pay for a home for 9 or 10 years and then moves into another home, the finance charge would tend to be deceptive and give him a false picture of how much he would pay. In doing this, it would tend to discourage him from buying.

It was felt that it was unnecessary to include first mortgages under the provision of the pending bill.

We do, however, include second mortgages.

I know what the Senator from Delaware is getting at, because he was most courteous. He did talk to me and to other members of the committee about what he has in mind.

We recognize that there is a real abuse of people, as the Senator implies, when they get a FHA or VA mortgage, or even a conventional mortgage. They are permitted to borrow on a point system which distorts the actual rate they pay.

The point system is most confusing and deceptive. People get a false notion of the rate. Many of them undoubtedly feel that they are paying less.

The committee recognized this. The Senator from Alabama [Mr. SPARKMAN] has been particularly active in trying to develop some way of coping with this matter and eliminating the point system because it is subject to abuse. However, our feeling is that if we did provide for ending the exemption for first mortgages on VA and FHA mortgages, we would be discriminating against those mortgages and forcing the people into the conventional mortgage area and we would thus open up a most serious problem that we are now exploring in the committee. We have not completed our hearings. We have not had any opportunity to discuss the matter in executive session.

We would be legislating on the floor in a way that might create very serious problems, and then we would be in a most unfortunate difficulty.

We would hope, therefore, that the Senator from Delaware—who has the sympathy, I am sure, of virtually every member of the committee on both sides of the aisle—would not press an amendment to include any first mortgages, because if we were to agree to such an amendment, as I say, this whole carefully worked out and, as the Senator from Alabama has put it, finely balanced bill, would encounter most serious difficulty that we think would be unfortunate.

Mr. WILLIAMS of Delaware. I appreciate the position of the committee, and as the Senator mentioned, I have discussed this with them before. However, over the months I have been very much disturbed over this situation, and particularly over the complete lack of cooperation we get from the executive branch downtown in our effort to correct this inequity to the home buyer.

It could be corrected by an Executive order if they wished to do so. They may have to take the fictitious ceilings off interest that can be paid on the mortgages. The present so-called ceiling on interest is a farce. It seems to me that an administration which has been speaking so eloquently about the necessity of truth in lending—and I support that provision and I am going to support the bill—would be willing to set an example by telling these home buyers the truth as to what interest rates they are paying. The administration is not telling them the truth today, as the Senator from Wisconsin knows.

They are telling the home buyers: "Under the FHA we are guaranteeing that it will charge only 6 percent interest." In reality, every home buyer in America today is paying 7 percent to 8 percent interest on every FHA-guaranteed mortgage.

Let us have some truth in Government for a change.

The home buyer with a mortgage term of 30 or 40 years cannot refinance the mortgage at a later date should a lower rate of interest prevail. He is locked in under the point system at these 7 or 8 percent interest rates for 30 years.

What is the committee doing at the present time to deal with this problem? Is the committee trying to work out a solution with the administration? Will the administration face up to a problem, as they should have been doing years ago? Is the Congress or the committee working on a more complete answer that will correct the problem? If not, I am inclined to press for a vote here today—even though this may not be the most appropriate bill to amend.

Mr. PROXMIRE. I think there is every chance that the committee will do so. We are having intensive hearings in that area.

We have called in responsible people from both the administration and the industry to testify. There is the deepest concern.

There is not a single member of the committee, Republican or Democrat, who does not agree wholeheartedly that the point system has been abused, and that it is a deceptive practice and that we should end the practice as soon as we can.

We are working very hard on the problem.

The Senator from Delaware is making a most useful contribution to alerting the Senate and the country to the issue by making this a part of the legislative history of the pending bill.

Mr. WILLIAMS of Delaware. As I pointed out, one of the most vicious effects of the point system is that if the credit risk defaults within 1 or 2 years the lender makes more money than he would on a good credit risk.

Mr. PROXMIRE. The Senator is exactly correct. They have an interest in defaulting.

Mr. WILLIAMS of Delaware. They do have an interest in defaulting in that the more defaults, the more money the lender makes. I have called the attention of the Senate to the situation of certain home buyers who, through unfortunate circumstances—perhaps sickness, have defaulted for 3 months, and under the provisions of the law the lender can then turn that loan over to the Government and demand full payment. Therefore he was glad to see the mortgage in default. The lender cashed in on the points discounted at once.

I have cited cases to the administration in which the lenders have refused to allow the home buyer, after he had defaulted a couple of months, any chance to make his back payments and even an advance payment. The opportunity to pay was denied because the lender wanted the mortgage to be defaulted. If the mortgage were defaulted he could cash in the face value of the mortgage.

Many of the institutions will admit that they make more money on the bad credit risks than they do on the good credit risks. They can go to bed at night and almost pray that the borrowers will default on their mortgages so that they can demand payment and make a lot of money on the Government.

This is an absurd practice which the Johnson administration set up and fostered. Yes, the administration encourages the practice whereby a lender can make more money on a bad credit risk than on a good credit risk.

It is pure hypocrisy for an administration which has made such stirring political stump speeches for truth in lending. However, the administration has exempted itself from the provisions of this bill. It gives lipservice to truth in lending, but it will not tell the American people the truth about its own operations.

Mr. PROXMIRE. Mr. President, I say to the Senator from Delaware, in fairness to the administration, that the administration approved the bill as originally drafted which required all mortgages to specify the annual rate and full finance cost. We sent a copy to the appropriate administrative agencies. They were for it enthusiastically. As far as they were concerned, they would have been happy to have first mortgages included. They have made no objection to that.

It was the decision of the committee to include this exemption provision, Democrats and Republicans alike, because this particular disclosure bill was primarily in the consumer area and not in other areas. We felt that this particular disclosure bill should exempt first mortgages on the ground that the annual rate is stated.

Mr. WILLIAMS of Delaware. Do I correctly understand that the administration would like to have this amendment included in the bill? If so, we can soon settle this question.

Mr. PROXMIRE. The administration has no knowledge of this particular amendment, but the administration did take the position that the bill in its original form was fine with them. They made no effort, to my knowledge, to have first mortgages excluded.

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

Mr. PROXMIRE. I yield.

Mr. BENNETT. If my memory is correct, the Federal Reserve Board recommended that first mortgages be eliminated.

Mr. PROXMIRE. I believe that is correct. The Federal Reserve Board is independent, is a creature of Congress and not of the executive branch.

Mr. BENNETT. That is correct. And it has to administer the bill.

Mr. PROXMIRE. The Senator is correct.

Mr. BENNETT. Mr. President, will the Senator yield to me?

Mr. WILLIAMS of Delaware. I yield.

Mr. BENNETT. Part of the problem in which the point system is involved grows out of the States' usury laws, because in some States with usury laws the limit is so low that nobody could borrow mortgage money during tight-money periods if it were not for the point system.

So this is another problem we must work out before we can hope to completely eliminate the need for some kind of device. To me, this indicates the inherent weakness of putting a lid or a ceiling on anything when the actual operation of the normal economic forces can go through that lid. I believe it is smarter to remove the lid than to try to use things like the point system to seem to be living under the limitation, when, as a matter of fact, you cannot live under the limitation.

Mr. WILLIAMS of Delaware. The Senator is correct.

No doubt, some State laws need to be corrected. But primarily the problem which I am discussing is a Federal problem, and it is brought about because the Federal Government insists on maintaining an artificial ceiling on the interest that will be allowed on home mortgages. As I pointed out the other day, it is still operating under the illusion that it can finance the national debt for about 4¼ percent on long-term bonds. It does not sell any long-term bonds; and if it does sell a 4¼-percent long-term Government bond today it could be bought at around 90 percent of par. In other words, with the discount they yield a little more than 5 percent interest over the life of the bond.

I realize the situation in which the committee finds itself, and I will not press this matter at this time. I withhold the amendment at this time, however, only with the assurance given that the committee is planning to act soon to correct the abuse.

I most strongly urge that the committee take some steps to correct the vicious practice of the point system on home mortgages. This practice of discounts or points is undermining the building industry and the home buyers of America. The first step to correct this situation would be for the Federal Government to recognize that it cannot finance a first mortgage on a home today on 5¾ or 6 percent. As the Senator from Utah said, take the ceiling off and put the mortgage at par; or as the administration would say, just start telling the truth. If a home buyer must pay 6½ or 7 percent to get a mortgage today, let us recognize that fact and get the full value of the mortgage. Then if 5 years from now interest rates have dropped 2 or 3 percent, as they do in normal cycles, they can refinance their mortgages at a lower rate of interest and cash in on the lower rate in the last 20 years of the mortgage period, just as business does.

Under the present system of forcing them to take eight or 10 points off the mortgage, the home buyer is automatically locked in for the full 30 to 40 years of his mortgage at the higher interest rates.

Mr. PROXMIRE. The Senator from Utah and the Senator from Delaware have put their fingers on the crux of this matter—I did not discuss it at all—the question of the ceilings. The ceilings are a mistake, are wrong, and should be repealed. This is a disclosure bill. However, I have great sympathy for the argument that the Senator has made this afternoon; and I favor—and I believe many members of the committee would favor—eliminating these ceilings.

Mr. WILLIAMS of Delaware. Mr. President, with the assurance of the manager of the bill and of the Senator from Utah and other members of the committee that they will take action to correct this abuse I will not press this matter at this time, because I realize that this is not the most appropriate bill in which to deal with this problem. However, I believe they are related questions, and, I hope that Congress, working with the administration, can correct this problem at an early date. I believe the time is long overdue when we should begin to act.

Surely this administration, which has said so much about truth in lending, would want to be put in a position where it is telling the American people the truth when they borrow money to finance their homes through the Federal Government. Right now it is not telling them the truth.

Mr. PERCY. Mr. President, I believe that the Senate today will give overwhelming support to a dream come true of the former distinguished senior Senator from Illinois, Paul Douglas, who is the father of the truth-in-lending bill.

I have been a member of the Committee on Banking and Currency for the past 6 months, and I have witnessed the committee make this bill a reality under the able chairmanship of the Senator from Alabama [Mr. SPARKMAN], and the able leadership of the Senator from Wisconsin [Mr. PROXMIRE], along with the able leadership of my distinguished colleague, the Senator from Utah [Mr. BENNETT], who has provided a great deal of assistance in finding a practical and reasonable basis for proceeding.

The bill before the Senate today is not a perfect bill but on balance, it provides the proper emphasis that should be placed on a piece of legislation of this type, on supporting and protecting the consumer, because ours is a consumer economy. The committee has worked diligently to shape a truth-in-lending bill which would help consumers become more informed in their choice of credit plans.

I supported the bill in committee, and I intend to support passage of the bill in the Senate today.

However, this bill is a compromise in many respects, and it will not fulfill every expectation of former Senator Douglas. It also provides a basis for some criticism by those who still believe that the compromise has not fully taken into account their position and the problems that they face as distributors of merchandise in the marketplace.

Although the committee attempted to make the bill equitable to all sellers who are covered, some retailers find themselves at a competitive disadvantage under the committee's compromise bill.

Basically, the bill defines two separate types of credit: revolving credit, commonly used by department stores; and installment credit, typically used for the so-called big ticket purchases. Under the committee bill, sellers who use revolving credit are required to state their finance charge as a monthly percentage rate, while sellers who use installment credit are required to state their finance charge as an annual percentage rate.

The discrimination in the bill that is most apparent, however, is not that between revolving credit and installment credit. The most apparent discrimination is the discrimination within revolving credit, and I call attention to it here in the hope that some solution will ultimately be worked out, as the bill proceeds through the legislative process.

It was pointed out at the hearings that the bill defines two different types of revolving credit—revolving credit plans in which the title to the merchandise passes to the buyer at the time of the purchase, and revolving credit plans in which the seller retains title to the merchandise until the customer has made the final payment for it. The seller using a revolving plan without title retention will be permitted to disclose a monthly percentage rate, while in an identical transaction under the same repayment terms, the seller using a revolving plan with title retention will have to disclose an annual percentage rate.

This is an area in which the customer will have great difficulty trying to compare credit charges. On one side of the street, for example, a department store could state that the finance charge on a

$300 sofa would be 1½ percent per month, while across the street a furniture store selling the same $300 sofa on the same repayment terms with the identical finance charge would have to tell the customer the finance charge would be 18 percent a year.

The two disclosure requirements result from the fact that in one case the seller retains title to the merchandise until it is paid for and in the other case he does not. This kind of discrimination is to be regretted, despite the fact that the committee worked diligently to find a way to work out the most equitable answer to a truth-in-lending bill that is aimed at giving consumers the kind of protection that experience has found is required in our present economy. However, as I have said, despite the difficulties that I see in the bill, I certainly do recognize that in the spirit of compromise we have seen the best of leadership exercised in putting together this bill, and I do support the work of the committee and I shall support the bill today.

Mr. DODD. Mr. President, finally, after at least 7 years of frustration and disappointment, we in the Senate will have the opportunity to vote on truth-in-lending legislation.

The bill we are debating today falls far short of perfection.

Indeed, it is a compromise which does not completely satisfy those of us who have wanted lending disclosure standards for these many years.

And it does not really satisfy the opponents of truth in lending. They have fought fiercely against this legislation through many sessions of Congress and even today only support, and not too enthusiastically at that, a modest step toward the full disclosure that is needed to provide full protection to the average consumer.

American families pay about $12.5 billion a year in interest and service charges on their consumer credit arrangements.

Surely they have a right to know in reasonably clear and simple language and figures, exactly how much in the way of interest and service charges they pay on any loan or charge agreement.

Exactly how interest is computed, what it is as an actual percentage or as a statement in terms of dollars and cents, what the service charges are—all this information vital to the consumer, should be easily available to him so that he may make a rational decision.

At the present time, there is a baffling array of financing plans, a variety which varies from State to State, from lending institution to lending institution, and from store to store.

Without making a truly herculean effort, the average person cannot shop around and compare financing arrangements to see which is best suited to his pocketbook and his particular needs.

People in general are not familiar with the details of credit charges.

The survey discussed in the committee report on S. 5 illustrates this point. The individuals contacted thought they were paying about 8 percent on their consumer debts but were actually paying 24 percent.

And it is small wonder they are confused and uninformed and in some cases misinformed, what with "monthly rates," "add on rates," additional fees, service charges, and situations where no disclosure of rates is made at all.

It is easy enough to say, and this has been a basic argument of truth-in-lending opponents, that a person who is interested enough, someone who really wants to know, can always obtain the true and actual charges on a loan or a charge arrangement.

This is true only in a very limited sense in that someone with the time, the inclination and enough technical knowledge about consumer financing techniques can inform himself properly.

But in general, it is not true. Most people are not able to manage all of these requirements. As a result, they are at the mercy of the unscrupulous lenders and even of the honest and reputable people who work in the area of consumer finance.

To help people inform themselves, and to enable people to make a more intelligent and realistic choice among lenders, we ask only in this bill that some uniformity and coherence be put into credit information to consumers.

There is no provision in this bill which could in any way be construed as an effort to regulate interest rates or to intrude in the State's jurisdiction over this area.

We seek only to assure the performance of an elementary service, that of the accurate disclosure of charges by those who deal in the lending of money for consumer purchases.

Surely this is a reasonable step for the Senate to undertake, and I am confident that S. 5 will be approved by an overwhelming majority later this afternoon.

Regrettably, some urgent business, requiring that I leave shortly, has come up and I will have to miss the final vote. One vote, one way or another, will not matter on this issue, at this time, but I did want to say a few words because of the great interest I have had in this legislation, as a cosponsor and supporter, ever since I entered the Senate.

Were there any chance that the vote would be close, I certainly would make a point of waiting. But happily, after all these years, there does not seem to be any problem.

Mr. BREWSTER. Mr. President, I should like to associate myself with the remarks of my friend and colleague, the distinguished senior Senator from Wisconsin [Mr. PROXMIRE].

Last December, he wrote me that many people think this is the year for enactment of a truth-in-credit bill. I certainly hope this prediction proves accurate in the Senate today, for the legislation that our great former colleague, Senator Douglas, and Senator PROXMIRE, and others have worked on since the beginning of this decade is long overdue.

Along with 21 other Senators, I am a cosponsor of S. 5. I believe firmly that the passage of the bill will substantially aid the American consumer without doing the least harm to any reputable credit institution.

S. 5 is not a very complicated measure. It would not set maximum rates for credit. It would not govern terms as to downpayments and maturities. Indeed, the only aspect of consumer credit it would regulate is disclosures made before the transaction is consummated. It simply requires credit disclosures which are practicable to make.

A buyer is entitled to information on credit costs before he makes a decision on where to purchase credit. Fully disclosed cost data and the truthfully given price of credit will give American consumers the information they need to make intelligent buying decisions. Consumers need a basis for comparing credit arrangements, and such comparisons can be made when charges are stated in terms of annual percentage rate, a figure which includes all credit costs—examination fees, insurance charges, and any other fees.

Each of us knows that installment credit has helped to raise the standard of living of the majority of Americans to a level once enjoyed only by the few. Consumer credit is essential to the growth of our economy. In the true public interest, this bill will not stifle growth, but will continue and expand it in the best traditions of our democracy—a sharing of understanding between the consumer and business community.

As the Christian Science Monitor stated some months ago:

> We firmly believe that business and industry will benefit in the end from such measures. There has never been a time when an increase in public confidence in the honesty of business did not pay, and pay handsomely. In a country such as America, where there is a vast buying public, straightforward measures of dealing between buyer and seller reap a rich reward.

The bill we are considering covers all types of consumer credit, including home mortgages, consumer loans, installment purchases, and "revolving" credit. It is a thorough, comprehensive piece of legislation that does enormous credit to its principal sponsor. If it passes, we will have taken a giant step in the protection of the American consumer. Senator PROXMIRE deserves the thanks of all of us interested in consumer protection for his initiative and leadership.

Mr. President, there is a related matter I should like to mention briefly. I have just learned that the distinguished senior Senator from Washington [Mr. MAGNUSON], who is chairman of the Commerce Committee and of its Consumer Subcommittee, intends to introduce a bill that will complement the truth-in-lending bill and round out the credit disclosure picture.

This proposal is a Fair Credit Advertising Act that will require a full disclosure of credit information in all credit advertising in or affecting interstate commerce. In the words of Senator MAGNUSON:

> It will enable the consumer to begin his credit shopping when he picks up his paper rather than when he arrives at the store and prepares to sign a contract.

I feel honored to have been asked to cosponsor this measure, and will certainly do so when it is introduced. I believe it goes hand in hand with truth-in-lending

legislation, and deserves the support of all those interested in consumer protection.

Mr. YARBOROUGH. Mr. President, the truth-in-lending bill now before us represents a long overdue recognition by the Federal Government that it must act to insure fairness and openness in the fast-growing credit industry so vital to our economy. The complexity of the numerous credit rate schedules and financing plans forms an almost prohibitive obstacle to consumers who wish to buy on credit or borrow money intelligently. With credit buying occupying an increasingly important position in the life of American citizens and an increasingly large portion of the gross national product, we need fair standards to guide both consumers and creditors in their transactions.

S. 5, by requiring in all credit transactions the disclosure of interest rates as annual percentages of the capital, would bring clarity to the present confusion.

At the present time a credit customer might be paying a specified amount of interest per month, varying with the length of repayment period, in addition to numerous other credit charges, without realizing how high a percentage of the principal he was paying for interest. An add-on rate further confuses the unknowing customer by understating by one-half the simple interest rate. A variation in the method of stating the amount of interest can easily enhance or detract from the attractiveness of a credit plan to an average consumer unschooled in higher economics. Under the provisions of the truth-in-lending bill, instead of being faced with a combination of monthly interest rates on the total principal graduated rates of various parts of the loan, add-on rates, and unexpected service charges, the consumers in most credit dealings would be given a percent-per-year figure computed in the approved actuarial method. Using these simple figures, the consumer could then compare the interest rates of various companies and rationally chose the one with which he would do business. Credit companies would also benefit from the clarification and openness of rate disclosures by having ready access to the rates of competitors in a common form and could then adjust their rates in the resulting competitive credit market.

The lack of uniformity in State lending laws and the resulting confusion and inconvenience to potential customers must and will be adequately remedied by this bill. It is only the few unscrupulous credit companies, whose rates are intentionally ambiguous, not the majority of the credit industry, who gain from the present bewilderment of their consumers as to the amount of interest they must pay.

This bill has finally been reported from the Committee on Banking and Currency after 7 long years. It is a tribute to Senator Paul Douglas that the Senate is taking this historic action today. Senator Douglas was the father of this legislation and fought a courageous battle on its behalf. Although the bill differs in some respects from the original Douglas bill, credit is due the distinguished Senator from Wisconsin [Mr. PROXMIRE] for his successful efforts on behalf of S. 5 in this first session of the 90th Congress.

Senators Douglas and PROXMIRE, two great progressive Senators from the Midwest join the ranks of Norris and La Follette and the other Midwestern Senators in this great tradition, with their successful fight to gain for the consumers of America full and fair disclosure of the interest charges they pay for consumer credit. Although there are areas where the bill might have been stronger, this is an important day for the American consumer.

Mr. YOUNG of Ohio. Mr. President, today is a milestone for the consumers of America. After 8 years, the truth-in-lending bill is finally before the Senate for debate and vote. This legislative proposal represents a significant advance in furthering the interests of all Americans.

The enactment of this legislative proposal will be a great victory in the battle to protect millions of Americans from unscrupulous lenders and creditors. No longer will housewives and family breadwinners be at the mercy of financial wizards who have spent long years in devising means of confusing them. With the enactment of this bill the cost of credit will be disclosed fully, simply, and clearly. Borrowers and purchasers will be informed in terms of both actual annual interest rates and in dollars and cents of how much they are paying for a loan or for credit.

This bill will strengthen the efficiency of our credit markets without restraining them. It will permit the cost of credit to be freely determined by informed borrowers and responsible lenders. It will in no way affect businessmen or lenders who are presently being entirely fair and candid with the public.

The distinguished senior Senator from Wisconsin [Mr. PROXMIRE] has performed outstanding leadership in steering this bill through the Senate Committee on Banking and Currency to the Senate floor. He deserves the appreciation of all Americans for his hard work and perseverance.

Mr. President, the enactment of the truth-in-lending bill will also be a tribute to another great American and one of the great Senators of all time, former Senator Paul Douglas, of Illinois. Eight years ago the first truth-in-lending bill was introduced in the Senate by Senator Douglas, who introduced it in every succeeding Congress up to the 90th Congress. It is largely through his efforts that the Senate is considering this bill today. It is another of his many contributions for the welfare of all Americans.

Mr. President, I am hopeful that this beneficent proposal will be passed by the Senate without delay. It is high time for it to be enacted into law and American families given the break they deserve.

Mr. COOPER. Mr. President, the Senate is considering today S. 5, which was reported unanimously by the Banking and Currency Committee on June 29. It is important to note that proposals dealing with the disclosure of the cost of credit have been considered by the committee since 1960 and in the course of that 7-year history S. 5 is the first bill to be reported favorably by the committee.

The bill would require lenders and retail creditors to disclose the full cost of credit extended to consumers. The bill also includes agricultural credit when extended to individuals. I note from the committee's report:

> The basic purpose of the truth in lending bill is to provide a full disclosure of credit charges to the American consumer. The bill does not in any way regulate the credit industry nor does it prescribe ceilings on credit charges. Instead, it requires that full disclosure of credit charges be made so that the consumer can decide for himself whether the charge is reasonable.
>
> By providing full and comparable disclosure of information, the bill will permit consumers to compare the cost of credit among different creditors and to shop effectively for the best credit buy. The committee also believes the bill will promote the wiser use of consumer credit by consumers when they know the full cost of credit.

In the past I have been opposed to bills introduced in the 87th, 88th, and 89th Congresses which have dealt with this problem because I felt that they unduly prescribed Federal controls on business and lending institutions and would have resulted in an increase in the cost of credit to the borrower. The committee considered these proposals in extensive hearings during this period and refused to recommend these bills as presented.

I am happy to note that the bill before us today, S. 5, was unanimously reported by the committee and includes a series of committee amendments which make the bill practicable and workable from the point of view of the credit industry and very helpful to consumers by providing them with knowledge of the full cost of the credit arrangements available to them and thus making it possible for them to shop efficiently and to select the credit arrangements best suited to their needs.

I support the bill.

In conclusion, Mr. President, I believe it both appropriate and fitting at this time to take the opportunity to commend the members of the commitee for their tireless efforts, hard work, and careful consideration over the years of this important and difficult subject and which have produced the bill before us today.

Mr. MOSS. Mr. President, S. 5 is one of the most important consumer credit bills ever to come before the U.S. Senate. I am proud of the fact that I was one of its sponsors in 1960 when it was first introduced by the distinguished Senator from Illinois, Paul H. Douglas, and that I have been a consistent supporter ever since. I point out that I am no "deathbed convert" to this bill, now that it appears to be on the verge of passage.

Upholding the principles of truth in lending has not always been easy. When the provisions of the first measure became known, I was almost deafened by the hue and cry which came from finance companies, from retailers who sold any kind of a product on time, and from banks. My mail was filled with anguished appeals from owners of clothing stores and from automobile dealers and others saying that the bill was not needed in Utah, that it was not workable or practical, and that if it was passed it

would most certainly put them out of business.

These letters were analyzed with great care. It was clear that the measure was not needed in Utah as much as in many other States, because our State credit laws are among the best in the country. Under State laws, consumers must be fully informed on the extra cost of credit in dollars, but they are not given this figure in terms of the annual percentage rate of the finance charge. It was obvious that it would be more revealing and more fair if the costs were made clear in both ways. So I stood my ground.

I do not know how we can properly pay tribute here today to Senator Douglas for standing his ground. The pressure on him was many times greater than that felt by any individual Member of the Senate, but he insisted that ways must be found to prevent unscrupulous lenders from hiding the price of credit and the total costs of credit, and he continued hearings to study, refine, and perfect his bill. The measure before us today is quiet testimony of his courage and strong will, and of the continuing efforts of the present sponsor, the able senior Senator from Wisconsin [Mr. PROXMIRE], who picked up where Senator Douglas left off and brought the bill to the Senate floor, for the first time since it was introduced. The consumers of America owe both Senator Douglas and Senator PROXMIRE a debt of gratitude.

The need for the truth-in-lending bill is far more irresistible now than it was 7 years ago when the bill was first proposed. Living on credit has become even more deeply an American way of life. Since 1960 total consumer credit—exclusive of mortgage debt—has risen by 69 percent. At the end of 1966, it had reached an alltime high of $94.7 billion, or almost $500 for every man, woman, and child in the country.

According to the survey research center of the University of Michigan, 49 percent—almost half of all American families—are making installment payments. Half of these families owe $780 or more.

It is only right and fair that these millions of American families who buy on credit should have fully disclosed to them the cost of their credit charges, not only so that they will know how much they are paying, but so they can compare the cost of credit among different creditors and can shop effectively for the best credit buy.

It should be made very clear, however, that the truth-in-lending bill before us here today is aimed only at the unscrupulous lender. Its passage would protect not only the consumer who is uneducated in credit, but the ethical businessman who faces unfair competition on the part of those who engage in deceiving or fooling or cheating the public. It is a bill which would greatly strengthen the free competitive system.

The best analogy I can make as to what the truth-in-lending bill would do is to discuss it in terms of buying a package of meat at the meat counter in a chainstore. The meat package bears a label telling the shopper what kind of meat it is, how much it costs per pound, how many pounds and ounces there are, and the total price. Some of the packages go even further and advise on how to cook the meat.

But the Truth-in-Lending Act will not require the lender to tell the consumer how to use the credit from any particular source. It would require only that the consumer be told the price, the annual rate for the use of the creditor's money, how long the credit will be available, and what the total charge will be.

That sort of statement can be made by a bank or a finance company without any difficulties in computation. But there may be other difficulties. It may be a little hard for a creditor to give this statement to his customer, if he has been telling the customer that the rate is 1½ percent and it turns out to be 18 percent per annum on the outstanding credit balance. It may be difficult if he has to tell the customer that the $44 per month payments, which have been the sole information in his advertising, are going to run on for 3 years, that they will result in charges for credit of several hundred dollars and that the annual rate of charge—which is interest to the debtor—is 21 percent.

The truth may be hard to tell for lenders who have always dodged the problem of disclosing full details about prices and cost of credit. It will be hard, not because of any mathematical problem, but because past deceptions have left consumers unprepared for the truth.

Some of the people who have come to Congress to testify against truth in lending have shown no interest in discussing the bill on its merits, but have attempted to sidetrack it by persuading Congress that there are insurmountable mathematical problems in finding the annual rate of charge for credit. This is not true. The only mathematical problems are for the consumer.

The consumer faces about the same problems he would be up against if he went to the meat counter and found a package of meat labeled only with the cost—only with what he had to pay for it to get it out of the door—wrapped in paper so he could not see it, and there were no scales in the store to weigh it. The buyer would have a hard time under these circumstances figuring out whether the meat was a good buy or not.

Yet some credit retailers and lenders often give the consumer a deal like this, and assure him this is standard practice of the trade, and the buyer must just accept the deal. The buyer has neither the facts nor the yardstick for comparing one deal with another. Oftentimes his borrowing adds 10 or 15 or 20 or even 30 percent or more to the cost of major purchases. In fact, over a consumer's lifetime, use of high-cost credit cuts down by a substantial amount the things he can buy and pay for.

The Truth-in-Lending Act is, however, really a minimal sort of act. It does not tell any borrower when he can or cannot borrow, it does not tell finance companies, banks, or retailers, what rates they can or must charge. It leaves the people free to find the most efficient and accommodating lenders. It leaves lenders free to advertise their rates, and to comment on rates offered by other lenders.

The act would give the household which is considering borrowing or buying on credit the same advantage it had in going to the meat counter; the prices and total charges are there to see, and the family can buy or go somewhere else or save its money.

Mr. President, as a matter of fair play to the consumer, the cost of credit should be disclosed fully, simply, and clearly. I ask that the bill before the Senate, S. 5. be passed.

Mr. GRUENING. Mr. President, the proposed Truth-in-Lending Act, S. 5, which we are considering today presents a challenge to the States. Hopefully they will be vigilant and make certain that truth in lending is real—not fiction.

The bill reported by the Committee on Banking and Currency is not as definitive as I had hoped it would be considering the size of national consumer credit, whose total amount had climbed to $92.5 billion in March 1967 as against $5.6 billion at the end of 1945. As the committee report states:

> Currently, American families are paying approximately $12.5 billion a year in interest and service charges for consumer credit.

The amount, notes the report, is about as great as the Federal Government pays itself for interest on the national debt. Obviously we are not legislating pennies.

As reported, S. 5 will give us a starting point from which to work. It would make possible the exemption from compliance with the Federal law creditors in States which enact "substantially similar legislation." The committee hopes this will provide the incentive necessary to the States to "act favorably upon the proposed consumer credit code" because "in this respect the committee believes the Federal truth-in-lending law and the proposed consumer credit code are supplementary rather than competing alternatives."

Obviously it is desirable to have the individual States protect the interest of their consumers. The committee report says the committee is "hopeful that with the passage of a Federal truth-in-lending law the States will be prompted to pass substantially similar legislation so that after a period of years the need for any Federal legislation will have been reduced to a minimum." But such responsibility is enormous, and the incentive may have to be enlarged if the State governments are to know what consumers seek.

The bill, as reported, contains potential loopholes which will have to be watched. For example, should a consumer have to pay a finance charge which was not properly disclosed as required by law? I predict that this section of the bill will cause future headaches. I hope the people will let their elected representatives know when these headaches occur.

Section 8 of S. 5 lists exceptions to the provisions which the committee recommended. One such exemption applies to credit transactions exceeding $25,000. The committee felt that the amount is "considerably above" the average consumer credit transaction and "that the

protection afforded by the disclosure requirements would no longer be necessary." The unanswered question here, of course, is "What is the extent of increasing consumer income and purchasing power?"

The bill exempts real estate first mortgage credit because the committee felt that adequate disclosure was already being made in this area of credit. Second or third mortgages will still be subject to the disclosure provisions of S. 5. One may be concerned with what appears to be a blanket observation. While the committee may assume complete consumer knowledge so far as first mortgage credit is concerned, it is by no means certain that all persons have a complete knowledge of the intricacies of finance. This section may have to be strengthened.

Revolving credit charges have caused many headaches, and yet the committee did not require all revolving credit plans to disclose the annual percentage rate at the time the account was opened and on the periodic monthly statements.

We pass no perfect legislation. That we today are considering truth-in-lending legislation is a tribute to our former colleague Paul Douglas and to the Senator from Wisconsin [Mr. PROXMIRE], who also saw the desirability in enacting truth-in-lending legislation. Experience should demonstrate to what extent S. 5 protects the consumer.

As a cosponsor of S. 5 as originally introduced, I am pleased that after 7 years of hearings and consideration the Senate has had the opportunity to vote on this legislation.

Buy now, pay later is a phrase fraught with joy and all too often subsequent unhappiness. Young married couples, their parents and grandparents, all citizens, deserve to know the truth. It may, in the classic phrase, "make them free" from unbearable debt. Let us trust we have started down that road.

Mr. President, I ask unanimous consent that the full text of my April 21, 1967, statement before the Banking and Currency Committee appear at the conclusion of my remarks.

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

STATEMENT OF ERNEST GRUENING, U.S. SENATOR FROM THE STATE OF ALASKA, AT THE SENATE BANKING AND CURRENCY TRUTH IN LENDING HEARING, APRIL 21, 1967

Mr. Chairman: "Buy now and pay later" has become a part of our way of life. I believe it will continue to be. So, as we seek to stabilize our economy, let us recognize the facts and make certain that any evils in installment buying are corrected.

"Buy now and pay later" living particularly involves younger Americans. Young couples, aglow in their new-found wedded bliss, happy, hopeful, optimistic, no longer wait to buy homes, washing machines, dishwashers, and television sets. Nor need they. These are desirable accoutrements in the 20th century.

However, in a "Buy now and pay later" world all is not paradise. A young couple inundated by credit payments may suddenly be overwhelmed and their marriage may flounder or, worse, be washed away on a tidal wave of unpaid balances.

I venture to suggest that the continued failure of the Congress to enact the truth in lending act proposed in S. 5 could break up many young marriages. Certainly, gentlemen, we do not wish to be branded as homewreckers.

We do need to correct unnecessary consumer abuses which exist in the field of consumer credit.

Installment buying has become the merchandising of indebtedness. Yet, it need not be so.

President Kennedy supported truth in lending; President Johnson supports truth in lending.

The pioneering work in this field by former Senator Paul Douglas taught many of us the importance and value of persistence in just causes.

Members of this committee know better than most that the general purpose of S. 5, "To let consumers know both in dollars and in terms of annual interest rate the cost of credit and comparable interest rates," is practical and possible.

The 90th Congress can brighten its image immeasurably in the eyes of the American consumer by enacting the truth-in-lending bill.

S. 5 proposes long overdue needed reform. I have letters in my files dating back to 1960 from residents of Alaska in support of truth in lending. In one, the Reverend Richard T. Stussi, of Juneau wrote:

"It seems to me that a law is needed to enable borrowers to compare costs between competing sellers and lenders. Installment buying has become a regular part of consumer purchases and there is a need for honest labeling in this area. There is too much room for excessive charges and outright gouging under the general term 'carrying charges.' "

The Reverend Stussi wrote that letter in 1960.

Not much has happened in this field since he expressed his opinion, and it is difficult to understand why truth in lending is not a public law.

I have always supported the proposed legislation. Its purpose is modest. It merely requires a statement of facts so the installment buyer can know what he is up against.

Mr. Chairman, in closing I would like to place in the hearing record on S. 5 some case studies in credit prepared at my request by the Legislative Reference Service of the Library of Congress. One demonstrates conclusively that the purchase of a $21,000 home with a minimum down payment and without allowance for closing costs will cost the buyer a total of $23,993 in interest.

The other examples show what can be purchased with larger down payments or with refinancing with a second mortgage.

I also asked Mr. John C. Jackson, the Library specialist in fiscal and financial economics, to explore credit rates in furnishing a house, buying an automobile, paying for medical care, and in refinancing, and he has supplied several illuminating examples.

I should also like to place in the hearing record an article entitled "Financial Ten Commandments for Young Married Couples," by Dr. Milton Huber, associate professor at the University of Wisconsin's Center for Consumer Affairs in Milwaukee, Wis. You may know Dr. Huber. Mr. Chairman I might point out that the commandments apply equally to older citizens as well as to the young.

THE LIBRARY OF CONGRESS,
LEGISLATIVE REFERENCE SERVICE,
Washington, D.C., April 18, 1967.

To: The Honorable Ernest Gruening.
From: Economic Division.
Subject: The lure of "easy" credit as a road to financial disaster: an illustrative case.

A couple with $14,000 gross income—$8,000 received by husband; $6,000 by wife.

1. (*a*) Buy a house with minimum downpayment and without preparation for closing costs:

$21,000 house, 10 percent down, 30 years at 6¼ percent, $1000 closing costs:

Monthly principal and interest	$116.37
Total payments on mortgage	41,893.00
Interest cost	23,993.00

House cost:

Down	2,100.00
Closing	1,000.00
Payments	41,893.00
Total	44,993.00

(*b*) Alternative:

Buy house 2 years later with no closing costs, 50 percent down, 20 years @ 6 percent:

Monthly principal and interest	$75.22
Total payments on mortgage	18,052.80
Interest cost	7,553.00

House cost:

Down	10,500.00
Payments	18,053.00
Total	28,553.00

2. (*a*) Borrow half of the down payment in the family, borrowing closing costs same way, refinance with second mortgage at 18 percent on first $1,000, 12 percent on second $1,000:

5 years:

Payment per month (about)	$48
Total cost	2,858
Interest (over 5 years)	858

(*b*) Alternative: No second mortgage.

3. (*a*) Furnish house immediately:

After downpayment, if any	$1,800
Furniture and TV bought at several stores, carrying charges $10 per $100 of original balance, 3 years monthly payments	65
Interest cost	540
Total cost	2,340

(Simple annual rate 18 percent.)

(*b*) Alternative:

	$1,800

Buy at least half for cash, few pieces at a time. Finance remainder at a credit union, 12 percent per annum, 2 year term:

Monthly cost over 3 years:	
$25 cash plus $28 on borrowed money	53
Interest cost	112
Total cost	1,912

4. (*a*) Buy an automobile on minimum terms:

Auto $2,200, $200 down, 30 months, $12 per $100 original balance per year:

Financed	$2,000.00
Monthly payments	86.67
Total payments	2,600.00
Interest cost, 30 months	600.00

Cost of auto:

Down	200.00
Interest	600.00
Principal	2,000.00
Total	2,800.00

(Simple annual rate 21 percent.)

(*b*) Alternative:

Postpone purchase 1 year or more to accumulate 40 percent down, and purchase smaller new car—$1,800 less, $720 down. Finance $1,080 at bank, $5 per $100 per year, 2 years:

Monthly payments	$49
Total payments	1,188
Interest cost, 24 months	108

Cost of auto:

Down	720
Interest	108
Principal	1,080
Total	1,908

(Simple annual rate 9.3 percent.)

(5). (a) Charge current purchases and pay out on revolving credit, maintaining $500 balance:

Monthly payments	$50.00
Charge for credit	7.50
Total	57.50
Payments in year	600.00
Charge for credit, 1 year	90.00
Total	690.00

Interest cost on revolving account $90 (simple annual rate 18 percent).

(b) Alternative: Reduce amount of purchases and pay cash and obtain cash discount prices.

6. (a) Neglect to carry health insurance:

Cost of child—doctor and hospital ---- $650

(b) Hospitalization insurance (2 years)	480
And physician's fee	240
Total	720

7. (a) Borrow from several finance companies to meet medical expenses, and to consolidate debts, $1,500 in 5 loans at 3½ percent per month.

36 months with refinancing:

Monthly payments of principal	$41.66
Interest diminishes monthly, averages	27.00
Average payment	68.96
First month's payment	91.16
If paid to maturity, interest cost at 3½ percent per month (3 years)	971.00

(Simple annual rate 42 percent.)

(b) Alternatives:

Borrow from bank at 7 percent discount per year for 2 years:

Note	$1,744
Interest (2 years)	244
Monthly payment, level payment each month	72.67

(Simple annual rate 14.9 percent.)

8. Consolidate debts at debt pooler or Budget Adviser. Add at least 12½ percent to amount of debt; increase payments on debts accordingly.

Add costs 1–7 are for various periods of time, and total would not be appropriate.

JOHN C. JACKSON,
Specialist in Fiscal and Financial Economics.

[An article from Everybody's Money, 1967 spring issue]

FINANCIAL 10 COMMANDMENTS FOR YOUNG MARRIED COUPLES

(By Dr. Milton Huber)

Early marriages are on the increase again as young couples grasp for a moment of bliss now in the midst of a world of uncertainty.

More young people and more early marriages spell more broken marriages. Among teenage couples, for example, half of the marriages end in divorce or separation. High on the list of explanations for the failure of these young marriages is the immature use of money.

Young married couples, and those soon to be, might avoid the financial pitfalls of marriage by profiting from the experience of one hundred married couples whose homes were so threatened by the misuse of money early in their marriages that they had to seek professional counsel. In the words of a historian, the fool learns from personal experience; the wise man learns from the experience of others. The troubled couples with severe money problems were interviewed in Detroit. Among the questions directed to them were some inquiring into how they had gotten into trouble.

More impressive than any statistical summation of their answers is this sampling of their comments:

"You have a job and you buy. Then no job for a while and creditors get on you 'cause you want to keep the things you bought."

"It's so easy to borrow money, which is a great inducement to debt. Stay away from small loan companies. The way they appeal to families—just keep sending you letters encouraging you to borrow."

"We would have done all right if he hadn't lost his job for a spell."

"I should have confided in my wife more."

"Don't have kids right away."

"Plan on the unexpected. We didn't plan on sickness or a short week."

"I always thought we would pay but something happened."

"We didn't have emergency money and had to borrow. Set savings aside for emergencies."

Out of the hundreds of hours spent in interviewing these over-indebted couples, this Financial "Ten Commandments" for Young Married Couples evolved. The ten points summarize their advice to others on how to avoid the money problems that almost wrecked their marriages. Post them on the kitchen bulletin board next to the weekly shopping list for periodic consultation:

I

You shall have no more children than your income will permit to maintain the standard of living you desire for them. Do not forget that the older children become, the more expensive they are to raise. Financial planning and family planning must complement one another.

II

You shall not make the mistake of starting your marriage by purchasing all the modern conveniences and comforts that your parents have taken a lifetime to afford and accumulate. Ignore this commandment and you shall be bowed down with debts when the first child comes and the income from the wife's job is no more. Build your budget basically around the income of the husband.

III

You shall not take for granted that your mate has the same ideas about spending money that you have. Many good family names are taken in vain by creditors because couples have not worked out a spending plan together and assigned the responsibilities for shopping, purchasing, and meeting one's obligations to one or the other.

IV

Remember to save for the day the unexpected happens. Plan for the medical emergency, the short week, or the breakdown of the car. Set aside in savings, from the top of the paycheck, the equivalent of income from six months of your labor to care for emergencies.

V

Honor your credit rating. Pay your debts on time so that instalment credit at reasonable rates will always be available when you need it. Beware of merchants who advertise "easy credit" but specialize in harsh and expensive repayment contracts.

VI

You shall not kill your chances of enjoying the good life by buying impulsively. Especially beware of door-to-door salesmen and the lure of "something for nothing," however disguised. Do your shopping in showrooms, not your living room. Compare merchandise and prices as carefully for large appliances and furniture as you do for food and clothing. Not to do so is to be penny wise and dollar foolish.

VII

You shall not commit yourself to any installment contract without reading it completely. Be sure that all blanks have been filled in and that all verbal agreements have been put in writing.

VIII

You should not cheat yourself by securing new loans at high interest to pay off old due bills, charging little or no interest. This is an expensive way of buying time, not a way of paying bills. The continued consolidation of your debts can lead to the gradual disintegration of your marriage.

VIX

You shall not bear the responsibility of purchasing a car or major appliance on the instalment plan without inquiring into the true annual rate of interest, dollar charges, and other special fees. Interest rates vary considerably. Shop for your credit as well as your merchandise.

X

You shall not covet a house of your own if you move frequently. Financing, selling, and closing costs increase the cost of home ownership prohibitively for families which move every few years. Neither shall you compare the costs of renting versus buying without including all of the costs of home ownership besides monthly mortgage payments: depreciation, taxes, hazard insurance, mortgage life insurance, closing costs, upkeep and repair, and income from interest lost on savings used as a down payment on a house.

Honor these commandments and your marriage can be harmonious, even prosperous, whatever your income.

The author is an associate professor at the University of Wisconsin's Center for Consumer Affairs in Milwaukee, Wisconsin. His Financial "Ten Commandments" emerged from a study in depth of over-indebted families. Dr. Huber was formerly director of public relations for the Michigan Credit Union League. He received his Ph.D. degree in social ethics from Boston University.

Mr. SPONG. Mr. President, today the Senate is considering the Truth-in-Lending Act of 1967. The history of this legislation is long and fraught with controversy. For over 7 years various versions of this bill have been before the Banking and Currency Committee. It is a tribute to the hard work, persistence, and sagacity of the distinguished senior Senator from Wisconsin [Mr. PROXMIRE] that truth in lending is now before the Senate. As chairman of the Financial Institutions Subcommittee of the Banking and Currency Committee, Senator PROXMIRE this year offered a new approach to the major area of contention, revolving credit and guided the bill through various changes to a unanimous endorsement by the subcommittee.

The distinguished chairman of the committee [Mr. SPARKMAN] also has played an important part in the development of the final version of this legislation and in its being reported by the full committee. As a junior member of the Senate Committee on Banking and Currency I have been deeply impressed by the wise and firm leadership of the chairman, and his part in the development and passage of this legislation has been vital.

The Truth-in-Lending Act of 1967 provides for the full disclosure of the costs

of consumer credit. It is only a disclosure bill and in no way regulates or limits charges for credit. The bill provides that the cost of consumer credit, except for certain classes of revolving credit, be expressed in dollars and cents and as an annual percentage rate.

The Truth-in-Lending Act of 1967 is a compromise. It is not a perfect bill, but I believe that it is a workable bill. By providing for disclosure of the cost of credit it will provide consumers a yardstick by which they can compare the full cost of the various types of consumer credit. With this knowledge the consumer can shop for the best buy in credit and protect himself from paying excessive charges for credit. It will also benefit the honest and fair lender in his competition with those who use deceptive practices to charge excessively for credit.

The bill is drafted to encourage State action in enacting legislation in this field, and I am hopeful that the States will take advantage of these provisions.

Consumer debt has grown dramatically in the last two and a half decades and it promises to grow even larger in the future. I believe that requiring the disclosure of the cost of consumer credit will benefit the borrower, the honest lender, and the economy as a whole.

For these reasons I supported the Truth-in-Lending Act of 1967 in the Banking and Currency Committee and I intend to continue that support when we vote on this legislation today.

TRUTH IN LENDING—A TRIUMPH FOR THE AMERICAN PEOPLE

Mr. MORSE. Mr. President, the day the truth-in-lending bill becomes the law of the land will be a banner date for consumers across this country and in my State of Oregon.

Many people have contributed to this legislation since it was first introduced in the Senate on January 7, 1960. It was the great Senator from Illinois—Mr. Douglas—who brought this matter to the attention of the public and pioneered its consideration here in the Senate. I am proud to say that I was one of the original cosponsors of S. 2755 of the 86th Congress, and have worked consistently for the passage of that bill and its successors.

In my judgment the Banking and Currency Committee should be commended for its exacting consideration of this measure, and for its fairness to all of the interests which are involved.

This legislation, S. 5 of this 90th Congress, is a victory for the consumer. It provides for all lending institutions—the banks, small loan companies, credit unions, retail stores, savings and loan associations, and all other creditors—to disclose their interest rates on most credit sales fully and in a uniform way. The rates of interest must be stated as a percentage of simple interest, on a yearly basis, on the declining balance of the loan. Charges, fees, and insurance must be included in the interest rate calculation. A buyer will thus be able to compare the cost of credit among different lenders the way he or she shops for other items which he or she buys, and can know the full cost of the merchandise. In this way families can manage their credit intelligently, in the best way for their individual households.

As the citizens of Oregon know, personal bankruptcies are at an alltime high. This has been a special problem in our part of the country. It seems to me that the additional information resulting from truth in lending should thus have beneficial effects to both buyers and to the businesses which must be their creditors.

It has been my feeling that making such legislation is among the highest functions of the Congress. The credit industry is a technical field. Practices have grown up in various segments, the vast majority of which are entirely legitimate and adapted to the particular commercial conditions. However, the variety of ways in which they are presented to a buyer gave a picture of confusion to the average person searching for credit.

And, it is the average consumer who is most in need of credit. Between 1945 and 1967, consumer credit grew from $5½ billion to $92½ billion, or 17 fold. American families are paying $12.5 billion a year in interest and service charges for this credit, which is almost as much as the Federal Government itself pays on the national debt. However, a recent survey of 800 families found that the average estimate of finance charges on debts by the public was 8.3 percent, while the actual interest rate paid was 24 percent, or nearly three times higher.

The development of our credit system has thus enabled American industry and business to increase their sales at a rate 4½ times greater than the growth of our economy as a whole. It has also enabled young families to furnish their homes, acquire cars for transportation to their jobs, and purchase the thousands and one necessities and conveniences of life. These purchases generally come during the time of life when they are most needed and can be enjoyed for a longer number of years. Our credit system is one of the foundations of not only the overall economy, but each one of our home economies.

At the same time, a truth-in-lending bill was required to protect, and did in large measure protect, the credit industry and the 5 million small and large American businesses which live by extending credit. In revolving credit, which is now at the level of $3.5 billion, and growing rapidly, there is an exemption for all accounts which make more than 60 percent of the balance payable in 1 year. Therefore, the ordinary short term retail credit accounts are largely outside the scope of the act. Other exemptions are the whole first mortgage area, business and commercial credit, and securities loans.

Only the Congress is in a position to resolve the many complex interests in this field, and this has been done by the Senate Committee on Banking and Currency in this workmanlike and balanced legislation. I shall be pleased to vote in favor of its enactment.

Mr. PROXMIRE. Mr. President, I send to the desk a technical amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 26, line 4, strike out the word "may" and insert "shall."

On page 26, line 5, insert after the second occurrence of the word "any" the words "Federal or."

Mr. PROXMIRE. Mr. President, this is a technical amendment to correct a typographical mistake in the bill, and it has been cleared by both sides.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Wisconsin [Mr. PROXMIRE].

The amendment was agreed to.

The PRESIDING OFFICER. The committee amendment is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

Mr. PROXMIRE. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized and directed in the engrossment of the bill to make all necessary technical and clerical changes.

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

Mr. PROXMIRE. Mr. President, I request the yeas and nays on the passage of the bill.

The yeas and nays were ordered.

Mr. BYRD of West Virginia. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

The bill having been read the third time, the question is, Shall it pass?

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 New Mexico [Mr. ANDERSON], the Senator from Connecticut [Mr. DODD], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. METCALF], and the Senator from Georgia [Mr. RUSSELL] are necessarily absent.

I also announce that the Senator from Ohio [Mr. LAUSCHE] is absent because of the death of his brother William.

I further announce that the Senator from North Dakota [Mr. BURDICK] and the Senator from Tennessee [Mr. GORE] are absent on official business.

I further announce that, if present and

voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. LAUSCHE], the Senator from Louisiana [Mr. LONG], the Senator from Montana [Mr. METCALF], and the Senator from Georgia [Mr. RUSSELL] would each vote "yea."

The result was announced—yeas 92, nays 0, as follows:

[No. 180 Leg.]

YEAS—92

Aiken	Harris	Morton
Allott	Hart	Moss
Baker	Hartke	Mundt
Bartlett	Hatfield	Murphy
Bayh	Hayden	Muskie
Bennett	Hickenlooper	Nelson
Bible	Hill	Pastore
Boggs	Holland	Pearson
Brewster	Hollings	Pell
Brooke	Hruska	Percy
Byrd, Va.	Inouye	Prouty
Byrd, W. Va.	Jackson	Proxmire
Cannon	Javits	Randolph
Carlson	Jordan, N.C.	Ribicoff
Case	Jordan, Idaho	Scott
Church	Kennedy, Mass.	Smathers
Clark	Kennedy, N.Y.	Smith
Cooper	Kuchel	Sparkman
Cotton	Long, Mo.	Spong
Curtis	Magnuson	Stennis
Dirksen	Mansfield	Symington
Dominick	McCarthy	Talmadge
Eastland	McClellan	Thurmond
Ellender	McGee	Tower
Ervin	McGovern	Tydings
Fannin	McIntyre	Williams, N.J.
Fong	Miller	Williams, Del.
Fulbright	Mondale	Yarborough
Griffin	Monroney	Young, N. Dak.
Gruening	Montoya	Young, Ohio
Hansen	Morse	

NAYS—0

NOT VOTING—8

Anderson	Gore	Metcalf
Burdick	Lausche	Russell
Dodd	Long, La.	

So the bill (S. 5) was passed.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ALLOTT. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. PROXMIRE. Mr. President, I have one further brief statement.

The passage of this bill by unanimous vote of the Senate was, I believe, in very large part due to the work of two remarkably able staff members—one, Ken McLean, as able, conscientious, and effective a staff member as the Senate has; he did a consistently brilliant, and I mean brilliant job. The other, John Evans, who did a splendid job working for the minority.

Mr. MANSFIELD. Mr. President, efforts to enact a credit disclosure measure have persisted now for nearly 7 years. Long pursued by Senator Paul Douglas, the passage of the Truth in Lending Act of 1967 today is certainly marked with the indelible stamp of his tireless devotion, his abiding interest.

Taking up the quest for Senator Douglas in this Congress was the distinguished senior Senator from Wisconsin [Mr. PROXMIRE]. I join the distinguished chairman of the Committee on Banking and Currency [Mr. SPARKMAN] in his praise of Senator PROXMIRE earlier today. Without a doubt, the outstanding talent and dedicated service of Senator PROXMIRE assured the passage of the measure. Both in committee, and on the floor today, he displayed the keen advocacy and sound judgment that made unanimous Senate approval a certainty. The Senate and the people of the Nation are forever in his debt.

The senior Senator from Utah [Mr. BENNETT], the able ranking minority member of the committee, similarly is to be commended for urging his strong support for this measure. As on all legislative proposals that have gained his endorsement, he displayed his astute and highly effective talents. The Senate is grateful for his wisdom, his articulate advocacy, and his deep appreciation of the issues involved.

The distinguished chairman of the committee, the Senator from Alabama [Mr. SPARKMAN] played a vital role in the passage of this measure. Noteworthy was his clear and able direction of the committee's action and his forthright support given so ably during the discussion today.

The junior Senator from Illinois [Mr. PERCY], the senior Senator from New York [Mr. JAVITS] and the Senator from Minnesota [Mr. MONDALE] are to be thanked for offering their strong and sincere views and likewise for contributing so ably to the discussion. Their wise and profound judgment was most appreciated, as was the clear and thoughtful assessment of the proposal offered by the Senators from Maine [Mr. MUSKIE], New Hampshire [Mr. MCINTYRE], and Florida [Mr. HOLLAND].

Many other Senators joined to assure unanimous approval and the Senate may indeed be proud of the lively and provocative views expressed. Each of us may look with pride upon this achievement. It marks a large step in the direction of what I believe will be of vital importance to the consumers of the Nation, while preserving every interest of those institutions affected by this credit disclosure proposal.

Again, our thanks to Senator Douglas and to Senator PROXMIRE. This success will be a lasting monument to their efforts.

RETIREMENT OF BERNARD BOUTIN FROM SMALL BUSINESS ADMINISTRATION

Mr. MONDALE. Mr. President, I ask unanimous consent that there be printed in the RECORD an article which appeared in this morning's Washington Post by Drew Pearson concerning the magnificent public service career of Mr. Bernard Boutin, who has resigned as Administrator of the Small Business Administration.

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

[From the Washington Post, July 11, 1967]

HERO WITHOUT HEADLINES

(By Drew Pearson and Jack Anderson)

This column, which has fingered the inefficient and spotlighted the unethical, today pays tribute to an unheralded bureaucrat now retiring from Government. He is Bernard Boutin, head of the Small Business Administration, who has operated without headlines, without scandal, and with a healthy record of promoting cooperation between business and Government.

There was a time when business and the Government considered themselves enemies. But under President Johnson big corporations are cooperating in job training programs while small-town banks are helping the Small Business Administration with loans.

What happens is that when local banks cannot make a loan they cooperate with the Small Business Administration either in taking part of the loan or getting the SBA to take it all. Administrator Boutin has also retained retired bankers on a per diem allowance to handle this cooperation. When a retired banker approaches a local bank not as a bureaucrat but as a businessman he gets better cooperation.

In addition, Boutin has drafted more than 2000 retired businessmen to work with the recipients of small loans to advise on their accounting systems, their production methods and their general techniques. These retired businessmen have a lot of know-how and Boutin has been using it.

Boutin finds that President Johnson takes a great personal interest in small business. Despite the press of the Vietnam war and other major problems, the President confers with Boutin every two weeks on small business progress.

Boutin is now leaving the government for private business. The reason: He has 10 children to support.

Note: Boutin first trained as mayor of Laconia, N.H., a city which has sent such other former mayors to Washington as former Rep. Oliva Huot and Sen. Tom McIntyre.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Hackney, one of its reading clerks, announced that the House had passed, without amendment, the following bills of the Senate:

S. 60. An act for the relief of Dr. Oton Socarraz;

S. 67. An act for the relief of Dr. Juan Ramon Diaz Zayas Bazan;

S. 118. An act for the relief of Dr. Amparo Castro;

S. 132. An act for the relief of Dr. Alberto Fernandez-Bravo y Amat;

S. 164. An act for the relief of Dr. Cesar A. Mena;

S. 168. An act for the relief of Maria Jordan Ferrando;

S. 327. An act for the relief of Dr. Carlos Victor De La Concepcion Garcia;

S. 371. An act for the relief of Mrs. Mary T. Brooks;

S. 462. An act for the relief of Dr. Jesus L. Lastra;

S. 464. An act for the relief of Dr. Guillermo N. Hernandez, Jr.;

S. 465. An act for the relief of Dr. Mario Guillermo Martinez;

S. 499. An act for the relief of Dr. Manuel A. Zuniga;

S. 652. An act for the relief of certain employees of the Puget Sound Naval Shipyard;

S. 819. An act for the relief of Charles H. Thurston;

S. 853. An act to extend the life of the Commission on Political Activity of Government Personnel;

S. 904. An act for the relief of Doreen Delmege Willis;

S. 996. An act for the relief of Dr. Esther Yolanda Lauzardo;

S. 1045. An act for the relief of Alton R. Conner; and

S. 1278. An act for the relief of Dr. Floriberto S. Puente.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H.R. 2762) for the relief of CWO Bernhard Vollmer, U.S. Navy (retired).

FEDERAL EMPLOYEES' LIFE INSURANCE

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 351, S. 271.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (S. 271) to amend title 5, United States Code, to provide additional group life insurance and accidental death and dismemberment insurance for Federal employees, and for other purposes.

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

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Post Office and Civil Service, with an amendment, to strike out all after the enacting clause and insert:

That section 8704(a) of title 5, United States Code, is amended to read as follows:

"(a) An employee eligible for insurance is entitled to be insured for an amount of group life insurance plus an equal amount of group accidental death and dismemberment insurance in accordance with the following schedule:

"If annual pay is—		The amount of group life insurance is—	The amount of group accidental death and dismemberment insurance is—
Greater than—	But not greater than—		
0	$8,000	$10,000	$10,000
$8,000	9,000	11,000	11,000
9,000	10,000	12,000	12,000
10,000	11,000	13,000	13,000
11,000	12,000	14,000	14,000
12,000	13,000	15,000	15,000
13,000	14,000	16,000	16,000
14,000	15,000	17,000	17,000
15,000	16,000	18,000	18,000
16,000	17,000	19,000	19,000
17,000	18,000	20,000	20,000
18,000	19,000	21,000	21,000
19,000	20,000	22,000	22,000
20,000	21,000	23,000	23,000
21,000	22,000	24,000	24,000
22,000	23,000	25,000	25,000
23,000	24,000	26,000	26,000
24,000	25,000	27,000	27,000
25,000	26,000	28,000	28,000
26,000	27,000	29,000	29,000
27,000		30,000	30,000"

SEC. 2. Section 8707 of title 5, United States Code, is amended to read as follows:

"§ 8707. Employee deductions; withholding

"During each period in which an employee is insured under a policy of insurance purchased by the Civil Service Commission under section 8709 of this title, there shall be withheld from the pay of the employee an amount equal to 60 percent of the level cost, as determined by the Commission, of the insurance."

SEC. 3. Section 8708(a) of title 5, United States Code, is amended to read as follows:

"(a) For each period in which an employee is insured under a policy of insurance purchased by the Civil Service Commission under section 8709 of this title, an amount equal to 40 percent of the level cost, as determined by the Commission, of the insurance shall be contributed from the appropriation or fund which is used to pay him."

SEC. 4. The amendments made by this Act shall take effect on the first day of the first pay period which begins on or after the sixtieth day following the date of enactment and shall have no effect in the case of an officer or employee who died, was finally separated, or retired prior to the date of enactment. In the case of an officer or employee who dies or retires during the period beginning on the date of enactment of this Act and prior to the effective date of the amendments made by this Act, the amount of insurance shall be determined as if such amendments were in effect during such period.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment in the nature of a substitute.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

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

Mr. CARLSON. Mr. President, I believe that the distinguished chairman of the committee, the Senator from Oklahoma [Mr. MONRONEY] may wish to make a statement before the Senate votes on passage of the bill. If not, I should like to make a brief statement in behalf of the minority.

Mr. MONRONEY. Mr. President, I thank the Senator from Kansas.

This is a bill carefully considered and recommended by the Committee on Post Office and Civil Service, to improve what seemed to us to be the lack of adequate life and accident insurance coverage for Federal employees. We felt that the life insurance available to the rank and file of Government employees not only costs them a larger percentage than is normally the case in the employer and employee relationship, but also that, while it offered a fairly reasonable amount of coverage during the working years, the coverage decreased, after retirement, to a very low point. We believe that the pending bill is necessary to improve that situation.

The Subcommittee on Health Benefits and Life Insurance, headed by the distinguished Senator from Maryland [Mr. BREWSTER], heard testimony from some 28 witnesses who testified in behalf of the legislation. The committee itself held several sessions in an effort to bring out a bill that we felt would be satisfactory.

As was brought out in these sessions, the present law, which provides the Federal employee insurance only in the amount of his salary, graduated up to the next highest $1,000, is inadequate. In other words, an employee who makes $7,500 a year is entitled to only $8,000 worth of insurance.

The pending bill, as recommended by the committee, provides that every Federal employee may have a minimum of $10,000 insurance. In addition, because this bill provides for a minimum of $10,000, that amount, reduced at the rate of 2 percent per month after retirement, will be reduced to no less than $2,500.

Employees who earn more than $8,000 a year will have an additional $2,000 insurance. So, the employee earning $10,000 will have $12,000 insurance. This is a major, and at the same time, a reasonable and prudent modification to help recruit and retain good people for management positions.

This bill provides permanent machinery for paying the actuarial cost of insurance purchased under the program so that no deficit will develop similar to the retirement fund, or requiring a sudden increase in the annual premium.

Another very important part of the bill is that the old ratio, at which the employee pays 66⅔ percent of the cost of the bill and the Federal Government pays 33⅓ percent, should be modified and modernized. Therefore the bill as reported provides that the employee pay only 60 percent of the cost of policy, and the Federal Government 40 percent.

This, I think, will be of great help to the employee. The top limit, graduated by the amount of the salary that is earned by the Government employee, has been increased to a maximum of $30,000 a year, commensurate with Level II of the Executive Salary Schedule.

The pending measure, I believe, will be a great deal less in cost than the bill proposed by the Post Office and Civil Service Committee last year. The cost of the bill of last year—which, as Senators know, was vetoed—would have been $196.3 million annually, of which the Government would have paid $91 million.

The present bill, S. 271, has been changed to reduce the annual cost by more than $90 million below the cost of H.R. 6926, and thus save the Federal Government and the employees alike a considerable amount of money.

We feel that the measure as now proposed meets the objections which previously resulted in the presidential veto, and also will help particularly those employees of the Federal Government who, at a young age, while drawing a small salary will be provided with a $10,000 insurance policy, which will protect them as long as they are employed by the Federal Government, at a cost that is very little above that which they are now paying for a considerable lesser amount of insurance. Because of their relative youth, and because of the generally large families that they have, we feel that this $10,000 minimum for all Federal employees is entirely just, and should be adopted as the minimum amount.

I believe that under this bill, the total cost is properly shared. The Government, of the total cost of the bill, will be paying $54.9 million, and the employees will be paying $51.2 million; so they break almost even, on the cost sharing, as to the actual dollars involved.

Mr. President, the committee report on this measure was unanimous; I am sure that the distinguished ranking minority member [Mr. CARLSON], whose help and leadership has contributed in such an important way to the enactment of the bill, will be glad to have the minimum protection raised, and to get the bill speeded along toward final enactment, so that employees will have good insurance protection, and an adequate reserve for old age, in addition to the retirement fund.

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

Mr. MONRONEY. I yield.

Mr. CARLSON. Mr. President, I wish to address myself to the group life insurance bill, S. 271, reported by the Senate Post Office and Civil Service Committee. This bill would amend Public Law 83–598, the group life insurance law.

I commend our chairman, the distinguished Senator from Oklahoma [Mr. MONRONEY] and the members of the committee not only for holding the hearings but also for presenting the pending bill to the Senate for action and consideration today.

The bill does not go as far as I would like to see it go. It does not go as far as the bill which was passed last year by the Senate and the House and was vetoed by the President.

It was my privilege, in the 83d Congress to sponsor the group life insurance bill which became Public Law 83–598. This was a history-making law, authorizing the Civil Service Commission to make available group life insurance for civilian employees of Federal Government. There was apprehension on the part of many relative to this legislation, but through cooperative study by industry, Government, and employee groups, a conclusion was reached and a law was passed that has been a boon to the employees and of value to all segments of our economy.

Now, this was a good law, but it was not perfect. Perfect laws are not written. We must continue to look forward to improvements in statute laws.

Personally, I believe the life insurance law should be amended to provide the employee the opportunity to carry more insurance if that is his wish, and that the face of the policy should reduce to no lower than 50 percent of the policy upon retirement. This should include retired Federal employees.

Some policies under current law would pay the survivor of the employee no more than $1,200. This is entirely unjustified.

Mr. President, under the current law the employee pays approximately two-thirds of the cost of the insurance and the Government pays approximately one-third of the cost. Therefore, some of the retired employees whose insurance is still in force are not getting enough for their money. I firmly believe the ratio of cost should be on no less than a 50–50 basis. This would be more nearly in line with this type of insurance carried by private industry.

Mr. President, also under the current law the face of the policy upon retirement or age 65 whichever occurs later, reduces at the rate of 2 percent per month until the policy is one-fourth of the policy at the time of retirement, or age 65.

Mr. President, this reduction is too drastic. For many years I have recommended that the reduction should be 1 percent per month and that the policy would reduce to no lower than 50 percent of its value at the time of retirement, or age 65.

It is true, the bill as reported by the committee permits the employee to purchase an additional $2,000 of insurance, but the $2,000 additional insurance, like the original policy also reduces at the rate of 2 percent per month until it has reduced to one-fourth of the policy at retirement, or age 65, whichever comes later.

Mr. President, I shall not object to, or oppose S. 271 because I believe it has merit. I only wish the Senate bill had included, at a little more cost, features which would have made Public Law 83–598 a much better law.

Mr. MONRONEY. Mr. President, I ask unanimous consent that excerpts from the committee report accompanying the bill (No. 364) may be printed at this point in the RECORD to explain more fully the details of the bill.

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

PURPOSE AND JUSTIFICATION

S. 271 incorporates changes in the Federal employees' group life insurance program. It provides a new insurance program for all employees under the law to give insurance in an amount equal to the employees' basic annual salary (rounded off to the next higher $1,000), plus $2,000, but not less than a $10,000 policy. A maximum of $30,000 is established. The cost-sharing ratio is changed from 66.6 percent for the employees and 33.3 percent for the agency to 60 percent and 40 percent, respectively.

During the 89th Congress, the Senate Subcommittee on Health Benefits and Life Insurance developed legislation to provide substantial improvement in the life insurance program. Evidence presented to the committee indicated that private enterprise insurance programs had progressed far beyond the Federal program, which has been largely unchanged since its enactment in 1954.

H.R. 6926, the bill which passed Congress in 1966, was vetoed by President Johnson. That legislation provided each employee with a policy of 1½ times his annual salary, plus an additional $2,000 of insurance not affected by the reduction after retirement.

In his message of disapproval, the President cited the inflationary dangers present in the economy at that time and the high cost to both the employees and the Government of H.R. 6926. The total cost of that bill would have been $196.3 million annually, of which the Government paid $91 million.

To meet these objections, S. 271 has been amended to reduce the annual cost by more than $90 million below the cost of H.R. 6926 and at the same time offer Federal employees an attractive and progressive insurance plan.

INSURANCE PROTECTION

The present program provides insurance approximately equal to annual basic salary (rounded off to the next higher $1,000) up to a maximum of $20,000 plus an equal amount of accidental death and dismemberment insurance. The employee pays 25 cents biweekly for each $1,000 life insurance ($6.50 per $1,000 per year), or two-thirds of the cost.

At retirement or attaining age 65, whichever occurs later, the employee ceases to pay a premium but continues to be insured. Beginning at the end of the first full month after he ceases to pay, the value of the insurance (not including accidental death insurance, which expires) begins to decline at the rate of 2 percent each month until 25 percent of the face value remains. This point is reached 38 months after he ceases to pay. An employee retiring at age 65 with $10,000 insurance will have a death benefit of $2,500 payable at age 68 and thereafter.

S. 271 changes the program to provide more insurance during an employee's service, more payable as a death benefit after retirement, and increases the Government's contribution from one-third to 40 percent of the cost of the program.

An employee earning $9,500 today has an insurance policy of $10,000. Under S. 271, he will have a policy of $12,000. After retirement, the policy would decline at the present 2 percent rate each month until 25 percent of the $12,000 remains ($3,000), 20 percent more insurance than under present law.

LEVEL COST OF THE INSURANCE PROGRAM

Under existing law, the Civil Service Commission is authorized to establish the contribution of the employees and the agencies at a rate not to exceed 25 cents biweekly for $1,000 insurance for the employees and one-half that amount for agencies.

When the program was established in 1954, that amount was believed adequate to pay the level cost of the insurance provided. Several minor liberalizations have increased the cost and the gradual escalation of Federal salaries has increased the amounts of insurance carried into retirement even though employees have paid for lesser amounts of insurance during most of their working years. The result is that the actual present cost is 45.5 cents per $1,000 and the premium paid is only 37.5 cents. Existing reserves are adequate to pay the premium for the immediate future, but as time passes, the cost will increase to the point that a very substantial increase will be necessary to pay the annual premium.

To avoid this problem, the committee has included provisions to require that the rate of contribution be established by the Commission and revised from time to time to meet the actual level cost of the insurance program. The 25 cents biweekly limitation is repealed and the Commission will make adjustments in the rate whenever necessary.

The establishment of a $10,000 minimum policy will reduce the unit cost of insurance to 41.2 cents per $1,000. The reason for the decline is the large amount of insurance applicable to employees in lower salary rates, most of whom are young and in good health. This reduction, combined with an increase in the Government's share of the cost, means that employees will for the present continue to pay only 25 cents per $1,000 insurance.

COST SHARING

The committee recommends that the ratio of cost be changed from its present 2 to 1 to 3 to 2, the employees continuing to pay a major portion of the cost. Similar insurance programs in private industry are often paid for in full by the employer or at least on a 50–50 basis.

PUBLIC HEARINGS

Public hearings were held on S. 271 before the Subcommittee on Health Benefits and Life Insurance on February 7 and 8, 1967. Testimony was presented by 28 witnesses and organizations.

Testimony from several organizations recommended including previously retired employees in the bill, particularly by extending to them the opportunity to purchase $2,000 unreducing insurance.

The committee has given this proposal very thoughtful consideration. It is mindful of the needs of our many faithful retired employees and their families and has done much to insure their economic comfort. Enactment of a $2,000 policy for this very deserving group would affect more than 400,000 people and would cost the Government about $800 million.

The economic realities of the present time prevented the committee from including such a proposal in the bill.

COST

The Civil Service Commission estimates the annual cost of this bill to be $106.1 million. The employees will pay $51.2 million and the Government will pay $54.9 million.

1. Changing the cost-sharing ratio for the

present program from 2 to 1 to 3 to 2 will cost the Government $12.5 million and reduce the employee's share by $12.5 million.

2. Providing permanent level cost financing will cost the Government $16 million and the employees $24.1 million.

3. Increasing the amount of insurance and establishing a minimum of $10,000 will cost the Government $26.4 million and the employees $39.6 million.

SECTIONAL ANALYSIS

Section 1 establishes a new life insurance table which will provide insurance equal to annual salary, rounded to the next higher $1,000, plus $2,000; a minimum of $10,000 and a maximum amount of $30,000.

Section 2 provides for the establishment of a premium contribution rate at an amount equal to the level cost of the insurance program. This authority is mandatory, not discretionary. Section 2 also lowers the employees' share of the premium cost from 66.6 percent to 60 percent.

Section 3 increases the Government's share from 33.3 to 40 percent.

Section 4 provides effective dates for the bill. The provisions are not retroactive, and will not affect any employee who resigned, retired, or died prior to the date of enactment of the legislation.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 271) was passed.

ORDER FOR ADJOURNMENT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 11 o'clock tomorrow morning.

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

ORDER FOR RECOGNITION OF SENATOR KENNEDY OF NEW YORK TOMORROW MORNING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished Senator from New York [Mr. KENNEDY] be recognized on tomorrow morning for a period of not to exceed 1 hour immediately after the prayer and the reading of the Journal, and that immediately following the end of the speech of the Senator from New York, there be a period for the transaction of routine morning business.

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

COMMITTEE MEETINGS DURING SENATE SESSION TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate tomorrow through the morning hour.

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

ORDER FOR ADJOURNMENT FROM TOMORROW TO THURSDAY AT 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow, it stand in adjournment until 11 o'clock Thursday morning.

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

ORDER FOR RECOGNITION OF SENATOR MUNDT ON THURSDAY MORNING

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the distinguished senior Senator from South Dakota [Mr. MUNDT] be recognized for a period not to exceed 1 hour immediately after the prayer and the reading of the Journal on Thursday morning, and that immediately following the speech of the Senator from South Dakota, there be a period for the transaction of routine morning business.

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

COMMITTEE MEETINGS DURING SENATE SESSION ON THURSDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate on Thursday through the morning hour.

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

AUTHORIZATION OF APPROPRIATIONS TO THE ATOMIC ENERGY COMMISSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 379, H.R. 10918. I do this so that the bill will become the pending business.

The PRESIDING OFFICER. The bill will be stated by title.

The ASSISTANT LEGISLATIVE CLERK. A bill (H.R. 10918) to authorize appropriations to the Atomic Energy Commission in accordance with section 261 of the Atomic Energy Act of 1954, as amended, and for other purposes.

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

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

THE DEVELOPMENT OF A NATIONAL OIL SHALE POLICY

Mr. HART. Mr. President, turmoil in the Middle East again dramatizes the importance of oil to the industrialized nations of the world. And it should make more compelling the desirability of swift development of the oil—and aluminum and sodium—locked in the shale reserves of Colorado, Wyoming, and Utah.

The shale land in these three States is estimated to contain almost 70 times the Nation's proved reserves of crude petroleum. During 8 days of hearings held by the Senate Antitrust and Monopoly Subcommittee, estimates of the number of barrels which could be extracted from the shale ran from 360 billion to 2 trillion. That is a wide spread, but when you consider that this country uses only about 3½ billion barrels yearly, no matter what estimate you accept, it adds up to a lot of oil in those shale deposits. In addition, substantial amounts of sodium and aluminum are present.

Approximately 11 million acres of this land—or 80 percent—are owned by the Government and 350,000 acres by private owners. Of the 350,000 acres, about 205,000 acres are owned by major oil companies. The Government land has been encumbered by the filing of almost 2,500 claims by private parties covering close to 4,000,000 acres. These claims are being contested by the Interior Department.

To put these sums in perspective consider that a 500-acre plot of land—with 25-barrel-per-ton shale—would contain approximately 1,800,000,000 barrels of oil.

The question is: How best can we develop the resource?

I am convinced that the way to obtain early development is to insure maximum competition—not monopolization.

The danger of stagnation which monopoly would bring was recognized back in 1920 by the framers of the Mineral Leasing Act. They wrote into the law the requirement that in any leasing arrangement provision should be made for the prevention of monopoly.

On May 7 the Secretary of the Interior issued regulations establishing a Government oil shale leasing policy. As I see it, this program would have some very unhappy results—monopolization by the major integrated American oil companies of the resources locked in these shale deposits, higher consumer prices in the long run for petroleum products, lackadaisical development of the resource.

There are three prerequisites for private development of the resource: land, technology, and economic incentive.

With 350,000 acres of this land now held by private owners, the Government proposes to make an additional 30,000 acres available under the new regulations. One can ask why any Government land is necessary in view of the vast acreage in private hands. The Government acreage to be made available is so small one wonders if it would have significant impact on development of the resource.

It is indeed doubtful if Government land is necessary to development of this resource. But assuming a case can be made for leasing, it can be made only if the additional land goes into hands not now holding acreage, and not then if those new hands have economic interests which obviously work against development of the resource.

Any discussion of acres is meaningless unless related to the barrels of oil contained in the acres. Combinations of figures can be put together and result in wide differences in the total oil said to be in the deposit. Adopt a median figure—assuming that 30,000 acres contain 25-barrel-per-ton shale, which would be neither the smallest nor largest amount in the area—then the oil involved would be 1,800,000,000 barrels per year for the next 50 years—almost two-thirds of our yearly consumption for half a century. Small wonder that those companies with substantial investment in other oil re-

serves would serve their own economic interests by keeping shale oil development to a minimum, or by keeping the production under their own control. Additionally, some of these oil companies have what appears to be a greater interest and investment in developing other sources of energy such as coal and uranium.

During our hearings witnesses advised us that technology is presently available through mining methods to market this resource at prices competitive with conventional crude.

Much of the initial mining and "retort" technology was developed by the Government at the Rifle Plant in Colorado following World War II. At the point that a major breakthrough seemed imminent, its funds were cut off, and after 10 years of extensive work and $15 million of tax expenditures, the plant was forced to close down. Subsequently, the plant was reopened under the auspices of the Colorado School of Mines Foundation and by agreement is being operated by six of the major integrated oil companies.

Since the oil companies have taken over Rifle, it is difficult to discover what, if any, progress is being made.

In any case, Government research conducted during the period the plant was open did contribute to the basic retort technology.

Beginning in 1957, Tosco, an independent corporation, began acquiring land and experimenting with a pilot plant operation for retorting oil shale. In 1964 Tosco joined with Cleveland Cliff Iron Co. and Standard Oil of Ohio to establish the operability and economics of the system developed by Tosco. As a result of this work Tosco has commissioned a contractor to build a commercial plant and expects to have production of 58,000 barrels daily by 1970.

Its vice president testified that Tosco technology is available to anyone upon payment of a reasonable royalty.

This indicates there is sufficient technology now available to begin construction of production facilities, if the present owners of the 350,000 acres now in private hands want production.

In fact, Orlo Childs, director of the University of Colorado School of Mines Foundation program, has pointed out that, insofar as the retort mining process is concerned, the kind of research needed now grows out of the actual production of the material. He described it as an "ongoing situation."

Future technology will center on the "in situ" process that depends on underground explosions which shatter the shale formations under high heat conditions, causing the oil to collect in pools which are then pumped out. This technology is in its infancy and is being developed by an AEC-private industry consortium which is only now getting underway. At the present rate of activity, it may well be years before this technology is perfected.

Economic incentive would seem to favor development by other than the big oil companies. Most of the majors—oil crisis notwithstanding—have huge investments in traditional crude sources. It would appear not to be in their best economic interests to see shale reserves developed rapidly.

Consider the experience of Union Oil Company. Union Oil does not have vast crude reserves, but it does own substantial shale oil lands—50,000 acres. It had spent $15 million for research and development looking toward oil from shale, in order to improve its crude position. But when it appeared that Union was on the threshold of development of shale oil, the Gulf Oil Co. purchased $120 million of Union's convertible debentures and placed the vice chairman of the Mellon Bank on Union's board of directors. Mellon interests control Gulf. Thereafter Gulf began supplying Union with one-fourth of its requirements for purchased crude with Gulf's Kuwait oil. Union's research and development ceased after this arrangement—to the apparent benefit of both Gulf and Union. This example explains why it seems to me that international oil companies with huge reserves of cheap foreign crude do not want rapid development of shale oil.

Yet the Secretary's program would have the practical effect of freezing out potential competitors and guaranteeing that only the major oil companies could participate.

Why would the program have this effect? Because it ties leasing of the land to long-term research programs. The Secretary would lease land to private industry in return for research and development work by the lessees. Apparently, the Secretary initially would determine which research programs were acceptable. After the research period—not to exceed 10 years—the Secretary would determine how much additional land to allow the successful researcher for commercial development—not to exceed 5,120 acres.

Those not successful in their research or who did not participate would get no land. Royalties would be determined on the basis of net income obtained from sale of the mineral extracted.

To one concerned with speedy development, the flaws seem apparent.

First, the use of land subsidies to encourage research would discourage all but the largest integrated oil companies from competition for the leases. The economic strength of these companies makes it possible for them to pay for land leases which may produce nothing for a number of years and to engage in research programs without any hope for short-range returns—but which could lead to great profits in the long run.

Second, it would keep enterprising companies willing to proceed with present technology from actually beginning production of the resources. Companies which need to begin early production to support financially their activity simply cannot afford a lengthy research and development program. Only a company with substantial profits from other activities could do so.

Third, it would keep some of the best sources of research and development—the smaller research oriented corporations which specialize in research, not production—from becoming involved. Research specialists—from whom some of our most dramatic technological advances come—for all practical purposes would be frozen out of the program.

Fourth, the program—favoring as it does the large integrated oil company—would discourage total development of all the resources involved, particularly aluminum and sodium. Given the present state of technology, limited as it is to oil recovery processes, there would be no incentive for other than oil companies to participate in the program and their expertise is in drilling—not mining.

Fifth, it requires the most pervasive kind of continuous Government regulation with subjective decisions to be made on a regular basis. This could be a stifling barrier to rapid development, and an open invitation to charges of "giveaway" no matter how proper the decisions.

Sixth, the system of royalties, based on net income, means that no royalties need be paid until net income reaches a certain point. Economic incentive to intensive development, therefore, would not be present for an integrated company with other sources of net income. An integrated oil company whose best interest might be served by sitting on the land, rather than developing it, and by keeping others from getting leases, would find this provision tailor made to its interests.

In addition, a word of caution is necessary with respect to the "blocking up" part of the Secretary's plan which would trade Government oil shale land for private oil shale land. I am told that such a trade is without precedent with respect to minerals because value cannot be determined adequately. Even in timber land exchanges, where the resource exchanged can be seen and tabulated, there is continual disagreement between the Government and industry as to the value of the respective pieces of land. How much more tenuous would be the determination with respect to the value of oil shale.

One aspect of the program should be applauded vigorously. It provides that the Government will acquire title to all inventions made in the course of the research under the lease, and the further requirement for licensing of other patents necessary to development of the resource. Protection is accorded the research-developer in event of exceptional circumstances and a reasonable royalty is provided for patents owned by the research-developer.

Making all technology available to the public at the earliest moment is vital to rapid and competitive development of the resource.

Having raised these criticisms, let me suggest alternatives for the early development of the resources—not just the oil, but the aluminum and sodium:

First, public land—perhaps 30,000 acres is a good start—should be thrown open to leasing on a bid basis. It should not be tied in to research and development. It is conceivable that smaller companies and consortiums could raise sufficient capital to erect production facilities which promise an early return on investment, but could not raise the money for extensive research for a period

of 10 years, following which additional capital would be required to begin production. It may be that some are willing to begin production now, it may be that others would prefer to wait until better technology is available, but this is a decision that should be made by the marketplace, not the Government.

Second, the leasing agreement should provide for deferred high rentals which would be offset by royalty payments. The fee could be deferred for the time necessary to build a facility and begin production. After such period, the high rental would act as an economic deterrent to any delay in beginning production. This plan would favor the most rapid development and would discourage those who desire only to alienate the land. Thus, there could be reliance on market mechanisms rather than extensive Government regulation to protect the public interest.

Under such a plan the land is most likely to be leased by nonpetroleum companies which do not presently have land but which do have experience in mining technique. This should inject greater competition into the petroleum industry.

Third, the land should be leased on the basis of the minerals in the ground—not acreage alone. Thus, in the case of oil, the acreage should be sufficient to support a 50,000-barrel-a-day refinery for a period of 25 years. In some cases 250 acres would be enough to do this job.

Fourth, wherever possible, the land to be made available should be kept intact and contiguous. This responds to the concern of conservationists who fear despoiling this beautiful country. Also, this would allow coordinated development of water and transportation availability which is necessary before the minerals can be marketed.

The Government also should embark on an intensive research program to develop both the in situ process and technology to extract the sodium and aluminum from the ground. This should be done both by the Government itself and through research and development contracts with the best technical groups in the country. Such a program also would benefit those already holding acreage by making available to them freely the best techniques and methods available.

It seems to me that such a program would encourage competitive development of the resources at the earliest possible time, a result highly desirable for both the national and private interests.

Such a program also would remove the uncertainty which many private landholders claim has inhibited private development.

Other alternatives were suggested at the hearings, including a TVA or Comsat type corporation to proceed with total development of the resource. A public corporation, of course, could work in cooperation with the private corporations already holding land, could assist in meeting some of the practical problems of transportation, water rights, and regional development, as well as serving as a yardstick against which private companies could gage their activity and be gaged.

There is general agreement that prompt development of these resources is desirable. I hope some of the suggestions I am making may assist in this effort.

It is my intention to formally advise the Secretary of the Interior of my reaction to the record made at the antitrust hearings and to forward to him those specific suggestions.

Mr. ALLOTT. Mr. President, the distinguished senior Senator from Michigan has just made a statement relative to oil shale, which of course involves basically three States, at the moment—the States of Colorado, Wyoming, and Utah.

The greatest development in oil shale itself, of course, is occurring within the State of Colorado.

At the moment, the Senator from Michigan and I are both due at the same committee meeting, so I do not intend to comment at great length upon his statement, but I do feel that some comment should be made with respect to it at this time.

First, I should like to say to my colleague, the Senator from Michigan, that he deserves a great deal of credit for the way he has approached the oil shale matter. This actually is one of the most complicated areas and fields in which I have ever had any experience or had to do any work. The further you get into it, the more complicated and complex it becomes.

In approaching this matter, I know that the Senator from Michigan was under—or an attempt was made to put him under—the influence of certain people who have some rather peculiar ideas and who, in my opinion, are peculiarly unqualified to discuss this matter, since they know little or nothing about it. So in having these hearings and coming forward with this forthright statement, I believe the distinguished Senator from Michigan has been objective and intelligent—although I do not quite agree with all of his conclusions—and I congratulate him on it. I should like to comment upon a few portions of his statement.

On page 2 of his statement he says, in effect, that the Secretary's regulation would result in monopolization by major integrated American oil companies. Actually, the regulations as presently written are an impediment to development, contrary to what some people think, since they do not provide any economic incentive or advantage to a firm engaged in research and development. The Secretary's regulations would put all patents in the public domain; and without some sort of advantage over potential competitors, there of course, is no incentive for research and development, because a company is not going to invest millions of dollars in research and development and then give what it discovers from that research and development to another company.

On page 3, the Senator from Michigan says:

> During our hearings witnesses advised us that technology is presently available through mining methods to market this resource at prices competitive with conventional crude.

I presume he was talking about the so-called Tosco process, which is supposed to have a working plant of 50,000 barrels per day in operation by 1970. I believe that earlier they expected to have commercial production by this year, but it will be at some later time. Of course, the Tosco operation is a very closely held operation so far as the results of their research are concerned, and I am not privy to any of the knowledge that has come from that particular research project.

However, I believe one thing could be done to encourage earlier production of shale oil, and I think I mentioned it in my statement before the Senator's committee, and that is that if we really want to develop an economically strong and viable oil shale industry in this country, we should do something about the depletion allowance on oil shale.

As the depletion laws now apply to oil shale, they apply to the shale as it comes out of the ground. This is a 15-percent depletion allowance. But as applied to the oil shale as it comes out of the ground, the depletion allowance is meaningless, because the shale essentially has no value as it comes out of the ground.

If a bill which is now pending before the Senate were given consideration by the Committee on Finance so that the point of application of the depletion allowance could be applied after the first retorting or processing, then I believe the statement made by the Senator from Michigan might well come into realization, and we would then be much closer to a technically and economically feasible oil shale industry.

On page 4, the Senator says "it is difficult to discover what, if any, progress is being made" at the Rifle Plant. I believe a few words of explanation are in order.

At the Rifle Plant a consortium financed a research project which is conducted under the Colorado School of Mines Research Foundation. As I recall, the negotiations with the Department of Interior leading up to this research contract consumed a year to 18 months and perhaps longer. This contract had several unusual features. One of them was that any company or any individual who wished to share in that research project could do so by putting up a pro rata share of the cost of research, and by putting up a pro rata share of the cost of research could then become a full partner in all of the results and benefits which might come from that research.

I do not know of another contract with the Federal Government which has provided such complete protection to the Federal Government and at the same time given every person in the United States, whether it is an individual, a company, a partnership, or whatever, an opportunity to come in and share completely.

Under that contract the raw data is constantly being submitted to the Department of the Interior, and the Department of the Interior has observers on the site. The raw data may be published by the Government 3 years after the termination of each stage of the research and development program. For example, with respect to stage one, completed in May of 1966, the data would be available for a publication in May of 1969, which is about 22 months from now. Obviously, the progress is not going

to be visible to the casual observer, since under the agreement this data is to be kept on a confidential basis during the 3-year waiting period.

The third interesting feature of this contract is that all processes developed by private money at this plant become available to the public upon the payment of a reasonable license fee.

On page 8 of the statement by the distinguished Senator from Michigan [Mr. HART], he refers to the "blocking up" program and says that it probably is not workable because the value cannot be determined adequately. Actually, the values of the land and shale can better be determined here than anywhere else. The Senator from Michigan makes estimates on the number of barrels in place, covering an area of nearly 5 million acres. It would seem logical that the value of parcels containing, for instance, 160 or 100 acres could rather easily be ascertained by comparison.

In addition, the Secretary indicated at the hearings before the subcommittee, that in exchanges permission would be grantd by both parties for coring, which would give excellent data upon which to estimate the value. With further respect to the "blocking up" plan of the Secretary's, the regulations under which the Secretary would authorize an exchange would not only make the values equal, but would cause the landowner to encumber, not only the land received, but also all other land he may own in the area, to certain conditions as prescribed by the Secretary with respect to development, conservation, and prevention of waste.

All of us are interested in all three of these aspects. However, these provisions are probably so restrictive that few, if any, exchanges will be consummated under them. It is true that in exchanges under forest lands these matters go into long negotiations. I see no reason to believe that if exchanges are made with respect to oil shale lands that would not involve the same long negotiations. Nevertheless, I think the actual value and total volume of oil in oil shale can probably be more accurately determined than it can be in the case of liquid petroleum or gas.

The Senator proposed on page 8 of his statement that leasing should be thrown open on a bid basis. I think this is a rather interesting proposal and wish to applaud him on his constructive thinking in this regard. The Government has done very well with respect to its outer Continental Shelf leasing program. As a matter of fact, on the June 13, 1967 sale, the Government received $512 million as bonus alone. In addition to that there will, of course, be royalties and rentals as we go down through the years, and as production proceeds.

Finally, on page 10, the Senator from Michigan suggested that a public corporation might work in cooperation with private corporations. However, in light of the point I made above with respect to revenues received from the Outer Continental Shelf, under a competitive bid program with reasonable rentals and royalties, the Government has fared quite well on its mineral interests and I see no reason for the Government to engage in a development program when at present, they have no particular expertise and the net benefits to the Government may be diminished over what they would be under a private development program.

Mr. President, it has been my privilege to watch the oil shale development program in Colorado for a number of years. I have been able to watch the development of Union Oil Shale Development, and I have followed the research program at Anvil Points under the Government and now under the consortium of six companies.

I feel that the economic impetus of private profit is going to bring more returns in research and development than all of the Government research that will ever be performed there or any other place that oil shale may be found.

With respect to the rifle plant, the Government originally wanted on a royalty-free basis all the background patents of the participating companies and, in addition, title to all inventions that would have been developed from the research. The contract, however, calls for a license to anyone on a reasonable royalty basis only on inventions developed at the plant, and, of course, the Government gets a free license.

There is one thing that many of our friends do not stop to consider, and this is not true with respect to the Senator from Michigan, because he did consider it, and his statement shows it. This is a very expensive proposition. This is not the sort of thing that the average individual on the street can get into. First of all, there is the great expense attendant on exploration. These shale deposits have been identified. It is pretty well known where they are. They may vary in depth from 25 feet to 30 feet so that it takes a great deal of coring and drilling to actually determine what is there. However, it can be determined, but it involves large amounts of money, and it is going to involve large amounts of money for anyone to develop and produce oil from oil shale. I have had numerous figures given to me by many people, and there was much testimony on this matter in hearings before the distinguished Senator from Michigan. It is estimated that on an average it will take an investment of around $125 million to build a plant that will produce 50,000 barrels of oil a day.

It is very obvious that the senior Senator from Colorado is not going to be engaged in this kind of project and the average man on the street cannot. It is one that has to be in a place where large amounts of money can be accumulated, and large investments and much risk are going to be involved, because until a commercial sized plant has actually operated we do not know whether we are going to have a viable and economically sound industry or not.

Again, I wish to compliment my friend, the Senator from Michigan, on some rather creative thinking. I believe he has been objective and I thought it was probably wise to call attention to a few of these matters in this statement.

(At this point Mr. TYDINGS assumed the chair.)

Mr. HART. Mr. President, will the Senator from Colorado yield?

Mr. ALLOTT. I am happy to yield to the Senator from Michigan.

Mr. HART. The Senator from Colorado is very kind in his comments, and I am grateful for them. It is not news to Senators, or to others interested in the subject of oil shale, that there is no one in this country, and not just in public office, who has followed more carefully and understands more fully the enormity of the resource, of the vastness, of the potential and the complexity of this specific problem and its development than the Senator from Colorado [Mr. ALLOTT]. His testimony before the subcommittee reflected this in fullest measure.

I am grateful that he found time—as we were both under pressure of a committee meeting at this moment—to join me in the Chamber. I am also grateful that he reacted as he did. I know that we are not in agreement on all aspects of this issue but to have him indicate, as he does, that there may be some value in the report which I have just made, is comforting indeed.

Mr. ALLOTT. I thank the Senator.

UPHOLDING THE RIGHT TO FREEDOM

Mr. ALLOTT. Mr. President, reports reach us daily of the protesters on our college campuses. Yet national surveys adequately support the contention that it is only a small minority which is leading the protests. Few, however, speak for the majority of our college students. Thus, I was more than pleased to read this article written by Miss Barbara Zarlengo, a sophomore at the University of Colorado, in the June 3, 1967, edition of the Denver Post.

I ask unanimous consent to have it printed in the RECORD and I commend it to my fellow Senators for its perception and thoughtfulness.

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

VOICE OF YOUTH: THE ROAD TO COMMITMENT

(By Barbara Zarlengo)

Shut yourself off from this world of reality for a moment and picture, if you will, a group of men clustered about an obsolete table suspended in the midst of eternity.

Resting on this table is a seemingly insignificant piece of parchment, drawing the undivided attention of those about. You can almost see the anxiety radiating from the tense gathering as a figure emerges and picks up the parchment.

The figure seems to square his shoulders and take on a new significance, a resplendent symbol of individuality. The silence is broken by a proud, ringing voice . . . "When in the course of human events it becomes necessary . . ." And thus a people destined to greatness unite under an eternal bond, the bond of freedom.

Elsewhere in the corridors of time we visualize another picture. In this scene, there is no group of men, no table, no parchment. Only a bleak segment of earth lies shrouded in a grey, foreboding veil. We see two obscure objects piercing the veil. One is shell-like and hard; the other, long and deadly: a rifle and a helmet, ludicrous symbols of a clash of being, the worst of its nature.

We hear from the nakedness of the forsaken land the voices of thousands who fought and died for what they believed. They cry out in the agony of a hell on earth. But their cries are not in vain. That supreme principle for which they sacrificed their existence reigns despite a master effort toward subversion.

Perhaps you are asking yourself the question, "Why—why so much for one privilege?"

We have had bestowed upon us a unique prerogative. Each of us in our meager existence may choose a course to follow. The road only leads in two directions, and once we have seriously begun to follow our choice there is no return. We have been tested and tempted, weak and strong, but we have survived. And in this survival alone we strengthen our grasp on our freedom.

We are once again being challenged as we have never been challenged before. Our opponents are far more wary and lethal. They are determined and in their determination will stop at nothing. Are we prepared to face such adversaries?

I look about and see two extreme factions vying for space on the road that leads away from adversity. There are those who are so involved in themselves they fail to perceive the violent conflict raging about them. And there are those who, perceiving the antagonism, withdraw into a shell in hope they will be spared the burden of making a decision.

I trust there is another faction—a majority which does realize its responsibility and which takes the road to commitment. Let us as young people unite with members of this faction in preserving a mutual advantage. Let us form a bond with them in molding an invincible foundation for liberty.

Let us incorporate ourselves into a vital, single-purposed body to uphold our sovereign right: the right to freedom.

THE EMILY GRIFFITH OPPORTUNITY SCHOOL IN DENVER, COLO.

Mr. ALLOTT. Mr. President, recently the Christian Science Monitor published an article concerning Denver's Emily Griffith Opportunity School. This article, entitled "Opportunity Keeps on Knocking," tells the story of this remarkable public high school whose students range in age from 16 to 95 and whose curriculum is practically unlimited. Its goal is simply to help the underprivileged get an education.

The story of this unique school began in 1907 when Miss Emily Griffith, a Denver public school teacher, tried through private initiative and imagination to break the cycle of poverty through education.

Today, 50 years after its founding, this unique educational experiment continues to flourish and provide for the needs and aspirations of those who want to help themselves through continued education. In this day and age, when it is so popular to seek only Federal assistance or programs it is refreshing to see the rewards of the dedication and imagination of the private citizen who saw a vision and helped us move toward it.

I ask unanimous consent to have this article printed in the RECORD.

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

OPPORTUNITY KEEPS ON KNOCKING

(NOTE.—Denver has an unusual public high school. Its students range in age from 16 to 95. Its curriculum is practically unlimited. Its aim: to help the underprivileged to get an education.)

(By Cynthia Parsons)

DENVER.—Bill Thompson is a dishwasher at an all-night diner. He's on from 10 p.m. to 6 a.m. He sleeps in the morning, but at 1 p.m. he's at the Emily Griffith Opportunity School in downtown Denver studying to be a jet aircraft repairman. He has put in 1,000 hours of training, with 800 more to go.

Helen Lowe works for a large Denver firm. She is a secretary, but she has never been trained in taking dictation from a machine. Every morning she spends an hour at the Opportunity School in a course in dictation. When she has completed the course she will be upgraded on the company pay scale.

Mrs. Mary Kimball has two children in school and a four-year-old at home. Once a week she watches a TV program which is teaching her how to sew. The TV teacher also instructs sewing classes at the Opportunity School, and Mrs. Kimball is on the waiting list for one of the advanced sewing classes.

LANGUAGE LEARNED

Juan Ramero arrived in Denver on a Saturday. On Monday his cousin had him registered in an English class. Juan quickly learned enough English to enroll in the Opportunity School's high-school program and he is following an individualized course through English, math, and social studies. His math teacher has assured Juan that he can take a basic electronic course next year in the evenings and continue his job as a polisher in a car-wash establishment.

In 1916, the year that the Denver Opportunity School opened its doors, 2,398 Juans, Marys, Helens, and Bills came to take advantage of its unique personalized educational service.

Last year, more than 32,000 young and older adults took at least one course at this public school.

The youngest students at the Opportunity School are 16. These pupils are enrolled in other Denver public high schools and take only one special course at the Opportunity School. The next youngest pupils are over 21 and quite possibly are school dropouts who want either to finish high school or take a course, such as shoe repair, which will give them an immediate, marketable skill.

The oldest student at this year-round 8 a.m.-to-10 p.m. school is 95. He is enrolled in a daytime oil-painting class and was at work on a flower still life the day I kibitzed over his shoulder.

The City of Denver operates 130 schools with an annual budget of $78 million. The Opportunity School spends $2 million of that each year. Enrollees who live and work outside the school district must pay a modest tuition, but for all Denver residents the courses are free.

SPECIAL COURSES SLATED

The Opportunity School will set up any course any time if there is sufficient interest and need. A rubber company, for example, which was opening a subsidiary company in Belgium, asked for and got a crash program in technical French. A group of men from several large advertising firms offered to conduct clinics for small-business operators. The clinics were set up at convenient locations around Denver and proved a tremendous boon to the small-business men who must handle their own advertising.

Another short clinic was held for store detectives.

A certain type of skilled machinist was needed for one large Denver company. The business took $85,000 worth of machinery over to the school, freed a foreman to teach a course, took the machinery back to the plant, and hired the students from the course who began production work on the same equipment on which they had trained.

The Opportunity School also tries to get ahead of job needs by feeling the business pulse of the community. For example, the school had trained TV repairmen before the first set was sold in Denver. The school also introduced jet-engine repair, and graduated certified repairmen before there was a jet at Stapleton Airport.

In the context of the nation's growth, Denver is still an American melting pot. Hundreds of immigrants first learn English and apply for citizenship in this mile-high city.

The school's citizenship teacher, Miss Esther Heller, is herself an immigrant from Poland who first learned English as a foreign language at the Opportunity School. Then she took the course in citizenship, following this by taking enough basic education courses to get a high-school diploma. She is now a college graduate, and a teacher at the university level as well as at the Opportunity School.

WAITING LIST GROWS

Along with several others, the citizenship class has a waiting list. On March 20, the waiting list for the more popular courses stood at 3,732.

At the same time, there are always some vacancies in classes because each student in each class moves along at his own pace. As soon as a student completes a course, the first one on the waiting list is notified. He may enter the class immediately—there is no waiting period.

Students enrolled in barbering or cosmetology normally put in an eight-hour day five days a week until they have studied the required hours and are ready to pass the state examinations. The many students who cannot come for more than one hour a day are also accommodated. This has been the school's policy since its beginning.

That beginning goes back to 1907, when Miss Emily Griffith, a Denver public-school teacher, visited the homes of her children to find out why their homework wasn't done and why their clothes were tattered and torn. She found that their fathers were often out of work, unskilled, and uneducated. She also discovered that mothers were inept at budgeting what little money they had and didn't recognize the potential of good schooling.

To break the cycle of poverty, sickness, and deprivation, Miss Griffith reasoned, a school was needed. Such a school should allow adults to do high-school work, should teach trade skills such as carpentry, sewing, auto mechanics, and welding.

Miss Griffith also determined that such a school need require no previous educational background, should be open and free to residents of Denver, should have teachers willing to double as counselors, should give no grades, and require no homework.

For 50 years the Emily Griffith Opportunity School in downtown Denver has pursued its original policy. The school also has reached outside its own buildings and conducts classes over TV and in more than 100 locations around the city.

COMPUTER USED

Most of the courses taught at the Opportunity School are devised right there. The teachers write their own curriculums, set up their own workbooks, and the school shop prints out the desired number of copies.

The Opportunity Schools owns its own IBM 1440 computer. The computer teacher heard that a 1440 had been damaged in a recent flood and asked for the machine. He got it for what it cost to transport it to the school, taught computer repair and maintenance to a class while cleaning it, and now

is able to use the computer in several special computer-technology classes.

Sewing is the most popular activity at the school. For a few of the women it is a hobby. But for most it is a way of making a living or of augmenting the family income.

The Opportunity School offers training to apprentices in such trades as barbering, boilermaking, carpentry, electrical construction, printing, plumbing, and sign painting. In some instances Opportunity School teachers go to the industrial plants to give instruction. In others, the students come to the school.

Women and girls living at homes and hospitals in the area are also included in the Opportunity School program. Teachers come to them with courses in bookkeeping, business education, business English.

This year, employees of the Colorado State Highway Department can take a course in letter writing. This work is given to those who already have typing skills, but who have not had a recent course in business writing.

Students interested in becoming salesmen, merchandisers, or sales managers take one of the more than 50 courses in distributive education. Art is taught for those who want to work on layout and designs of ads and sales displays. A career training course includes instruction in retail buying, advertising, credit, insurance, real estate, traffic, transportation as it effects business sales, small-business management, and other related topics.

EXPERIENCE OBTAINED

Denver's high-school seniors who elect distributive education spend the mornings in class and the afternoons on the job—to the tune of 15 hours a week.

The arts-and-crafts division is always full to overflowing. There are courses in basic drawing, ceramics, enamel on metal, jewelry-making, lapidary, silversmithing, sculpturing, woodworking, and painting. For many of the pupils in these courses the school is their social center.

A wishing well is kept at the front office for those who say, "I wish you taught XXX." If it's not taught, then the wish is put in the well which is frequently emptied. A sufficient number of Denver citizens all desiring the same program will have their wish granted.

The Opportunity School is just that—an opportunity. For those who are just lonely it is a place of companionship. For those who are illiterates it is a way out of darkness. For those beset by poverty it is the road to a job, dignity, and personal success.

COLORADO CITY—A BEAUTIFUL NEW CITY

Mr. ALLOTT. Mr. President, a beautiful new city is being built in Colorado with such overall appeal that it could be a model for America's cities of tomorrow. It is interesting to note that it is being done without any subsidies from Federal or State Governments. I am speaking of Colorado City which is 25 miles south of Pueblo.

While traffic congestion, air and water pollution, asphalt jungles, mass confusion and community decay are being attacked by America, from city hall to the White House, this entirely new city is being developed with bold, invigorating new concepts for family living and happiness. Colorado City, 25 miles south of Pueblo, is such a place.

This is a different kind of town. It is not like most American cities where the founders started the town on the banks of a stream, with no thought of how big the community would become. The kind of city where the old downtown streets and facilities eventually became inadequate. In other metropolitan areas, the problems multiplied as the suburbs sprawled. The city core decayed and there were too few places preserved for people to relax, to play, to regenerate themselves.

This is not true in Colorado City. Where you might expect to find Main Street there is a golf course, a large lake and several smaller ones. Greenhorn Creek, which comes tumbling out of the mountains only a few miles away, runs through the heart of family play areas.

Preplanning is a guarantee against sprawl. This city is created so it cannot grow beyond approximately 10,000 homes on 7,500 acres. The streets, parks, school sites, commercial areas, church locations and playgrounds are planned for the approximate 35,000 persons who will live there when growth is complete. Planning incorporates safeguards against decay, slums, and the economic cancers.

There is an industrial park where an electronics and precision parts manufacturing plant is setting the pace for smoke-free, light industry. Hard-to-find skilled machinists, toolmakers, and other craftsmen are moving to Colorado City because of the open countryside, sunshine, clean air, mountains and recreation.

In addition to all its built-in recreation, Colorado City is only 10 minutes from the San Isabel National Forest, and only 20 to 30 minutes by automobile from the heart of mountain hunting, fishing, and four-seasons recreation. And it is convenient to Pueblo, Colorado Springs, and the Denver metropolitan area via Interstate 25.

This community is unique and self-preserving because every property owner considers recreation the same as a utility. It is a service to the property, just like electricity, telephones, gas, and water—only recreation is cheaper than even water. Each property owner agrees to pay $10 a year for 10 years. For that low cost the entire family enjoys all the existing, and additional assured facilities, including baseball, basketball, swimming, boating, camping, driving range, golf, fishing, fencing, horseways, quoits, shuffleboard, skating, softball, rodeo, volleyball, bicycling, children's playgrounds, hiking trails, and picnic areas.

The Colorado City Metropolitan Recreation District has issued $250,000 worth of bonds to build these facilities. The Colorado City Development Co. gave the golf course and all other recreation areas to the district and is underwriting the operation until the plan becomes self-sustaining. A full-time recreation director has been employed.

Colorado City's schoolgrounds are surrounded by play areas that have no fences, so the openness has many around-the-clock uses.

Colorado City could become the American model for cities with the full, happy way of life, because it is demonstrating that not only the children, but the entire family can have this dimension of living for only pennies a day. All of this, Mr. President, at a cost that can be managed by the average family and without the benefit of Federal funds.

ADJOURNMENT UNTIL 11 A.M. TOMORROW

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 11 o'clock a.m. tomorrow.

The motion was agreed to; and (at 4 o'clock and 25 minutes p.m.) the Senate adjourned until tomorrow, Wednesday, July 12, 1967, at 11 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate July 11, 1967:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Marjorie N. Haislip, Brownsboro, Ala., in place of R. C. Wall, deceased.

Hugh M. Bates, Clanton, Ala., in place of R. R. Sutley, retired.

Oliver G. Bruner, Fort Deposit, Ala., in place of L. S. Bruner, retired.

James A. Mills, Jr., Pine Apple, Ala., in place of M. S. Ward, deceased.

ARKANSAS

Morris G. Harrison, Forrest City, Ark., in place of F. C. Seaton, retired.

CALIFORNIA

Ronald G. Telford, Burney, Calif., in place of A. E. Rider, retired.

Noelie M. Changala, El Toro, Calif., in place of W. A. Burrows, deceased.

John W. Blum, Jr., Maywood, Calif., in place of E. C. Allsop, transferred.

James W. Segale, Moccasin, Calif., in place of W. H. Segale, retired.

FLORIDA

James W. Anderson, Hialeah, Fla., in place of Fred Ewing, retired.

GEORGIA

John F. Atkinson, Jr., Juliette, Ga., in place of Harold Williams, Sr., retired.

ILLINOIS

Harold S. Gilvin, Cambridge, Ill., in place of W. H. Powers, retired.

Paul R. Hughes, Earlville,, Ill., in place of P. C. Zimmerman, retired.

Jackie L. Moore, Gilson, Ill., in place of M. L. Snell, retired.

Robert J. LaPointe, Westmont, Ill., in place of E. J. Stromberg, transferred.

INDIANA

James E. Jones, Bargersville, Ind., in place of R. O. Utterback, retired.

Loyd C. Browning, Madison, Ind., in place of L. D. Spann, retired.

Loran B. McMaster, Jr., Romney, Ind., in place of G. G. Barker, retired.

Max M. Dyer, Rossville, Ind., in place of A. L. Metzger, retired.

KENTUCKY

Lorene J. Elkins, Magnolia, Ky., in place of F. J. Salt, retired.

Charles H. Walker, Rumsey, Ky., in place of T. W. Stokes, retired.

MAINE

Ruby F. Small, South Thomaston, Maine, in place of David Pollock, retired.

MARYLAND

Arthur G. Virts, Jr., Boyds, Md., in place of E. G. Austin, retired.

L. Everett Marvel, Easton, Md., in place of J. F. Wallace, Jr., retired.

Dorothy C. Bowie, Faulkner, Md., in place of A. M. Swann, deceased.

MASSACHUSETTS

Lester A. Magnant, Webster, Mass., in place of W. H. Evans, retired.

MICHIGAN

Howard E. Gladman, Leland, Mich., in place of W. J. Johnson, retired.

MINNESOTA

Elfred M. Williams, Staples, Minn., in place of Evelyn McGivern, retired.

Laddie D. Forst, Jr., Strathcona, Minn., in place of A. G. Hoverson, deceased.

Sylvester G. Vogel, Victoria, Minn., in place of V. C. Heutmaker, retired.

MISSOURI

Denton C. Kelp, Holt, Mo., in place of L. W. Bartee, retired.

NEBRASKA

Duane L. Whitaker, Minatare, Nebr., in place of L. A. Breeden, deceased.

Richard D. Daniels, Scottsbluff, Nebr., in place of H. M. Runyon, retired.

NEW JERSEY

Joseph F. Grastara, Oradell, N.J., in place of T. D. Menchion, retired.

Sarah S. Goldberg, Roosevelt, N.J., in place of B. W. Blutstein, retired.

NEW YORK

Daniel J. Healy, Bay Shore, N.Y., in place of J. J. Bohuslaw, deceased.

Francis W. Whitmore, East Setauket, N.Y., in place of F. R. Danowski, retired.

NORTH CAROLINA

Dorothy A. Blanchard, Hobbsville, N.C., in place of S. R. Hobbs, retired.

Foster G. Rodgers, Stantonsburg, N.C., in place of B. B. Shingleton, retired.

Leslie B. White, Woodland, N.C., in place of H. R. Sams, retired.

NORTH DAKOTA

Blaine G. Meier, Riverdale, N. Dak., in place of O. E. Ditch, resigned.

OHIO

Harold G. Rearick, Gibsonburg, Ohio, in place of C. E. Felker, retired.

Samuel J. Mitchell, Philo, Ohio, in place of C. E. Morris, retired.

George P. Fillman, Port Washington, Ohio, in place of J. H. Welsch, retired.

OKLAHOMA

William S. Conaway, Valliant, Okla., in place of P. A. McDonald, resigned.

PENNSYLVANIA

Herbert W. Miller, Biglerville, Pa., in place of E. E. Carey, deceased.

Arthur D. Cummings, Callery, Pa., in place of H. K. Schmid, retired.

Mildred A. Cleary, Koppel, Pa., in place of C. A. Perriello, resigned.

Katherine A. Pirih, Langeloth, Pa., in place of E. M. Finney, retired.

SOUTH CAROLINA

Luther E. Watkins, Chappels, S.C., in place of L. N. Werts, retired.

James C. Parris, Gaffney, S.C., in place of J. C. Fowler, retired.

TENNESSEE

Howard I. Harris, Dukedom, Tenn., in place of J. F. Darnell, deceased.

TEXAS

Robert L. Mosty, Center Point, Tex., in place of L. M. Garrett, retired.

Harry D. Anderson, McCamey, Tex., in place of R. A. Johnson, retired.

VERMONT

John H. Harris, Proctorsville, Vt., in place of J. T. Pickett, retired.

VIRGINIA

Marion A. Waldron, Chesterfield, Va., in place of T. T. Cogbill, retired.

Garry G. Martin, Ripplemead, Va., in place of W. A. Guthrie, retired.

Charlotte H. Webb, Weems, Va., in place of I. E. Daniel, retired.

WEST VIRGINIA

Nettie B. Spessard, Glen Jean, W. Va., in place of G. W. Spessard, deceased.

Francis A. Atkins, Sutton, W. Va., in place of R. L. Pullen, transferred.

WISCONSIN

Audrey E. Winsauer, Boulder Junction, Wis., in place of R. B. Cary, retired.

Robert M. Hulverson, Durand, Wis., in place of L. J. Peterson, transferred.

IN THE AIR FORCE

The following officers for appointment as Reserve commissioned officers in the U.S. Air Force to the grade indicated, under the provisions of Sections 8218, 8351, 8363, and 8392, title 10 of the United States Code:

To be major generals

Benjamin J. Webster, FR974, lieutenant general, Regular Air Force, retired.

Conrad F. Necrason, FR1246, major general, Regular Air Force, retired.

To be brigadier general

Reginald M. Cram, FR5812, colonel, Regular Air Force, retired.

IN THE NAVY AND MARINE CORPS

Jack A. Burgess, Jr. (Naval Reserve Officers' Training Corps candidate) to be a permanent ensign in the Line or Staff Corps of the Navy, subject to the qualifications therefor as provided by law.

The following-named graduates from Navy enlisted scientific education program to be permanent ensigns in the line of the Navy, subject to the qualifications therefor as provided by law:

Jerry D. Ramsey
Keith R. Wire

The following-named (Naval Reserve officers) to be permanent lieutenants (junior grade) and temporary lieutenants in the Dental Corps of the Navy, subject to the qualifications therefor as provided by law:

Frederic S. Bryant	Gary R. Schwensow
Marion S. Fields, Jr.	Kent L. Taylor
George J. Hansen	

The following-named enlisted personnel to be ensigns in the Medical Service Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law:

Bruce R. Panas	Wendell L. Chappell
Robert B. Taylor	Leslie T. Foskey
William D. Lekvold	Eldor R. Oien
Francis W. Ohnemus	William M. McClannahan, Jr.
Howard T. Sixsmith, Jr.	Kenneth E. Moyer
Maurice T. Meaney	Todd R. Stemple
Gary T. Davis	Paul T. Bruder
James C. New	Gary H. Stovall
Fenton C. Miller, Jr.	Robert L. Mooers
Dennis M. Thomas	James H. Harrell
Edward M. Knodle	Rex H. Ishmael
Robert S. Bolshazy	Charles E. Montgomery
Robert D. Norvell	Thomas J. Chegash
Marvin E. Prigmore	
Leonard R. Mock	Virtus P. Haws, Jr.
Kenneth W. Shaffer	

The following-named enlisted personnel selected as alternates to be ensigns in the Medical Service Corps of the Navy, for temporary service, subject to the qualifications therefor as provided by law:

Paul E. Campbell	Donald R. Chandler
Charles D. Bransford	Harold Yates, Jr.
Nathan M. Sessions	Earl C. Wigle
Monte J. Kern	Owen L. Edgerton
Robert L. Wooldridge	John B. Tyndall
Jack W. Bartlett	Richard W. Ebersole
James R. Cannon	Robert L. Russnogle
James H. Pelphrey	Carl A. Armstrong, Jr.
James D. Solmen	Cloyd J. Parker
Harold E. Pulvermacher	Philip E. Dould
	Robert L. Springfield
Louis E. McKinzie	Marshall S. Duny
Hector Cornejo	Robert P. Legg
Paul J. Reed	John G. Aulls
George R. Lanerie	Charles A. Kelley
William F. Stratton	Elvin D. Rush
James E. Snyder	Richard C. Marks
Robert H. Rayno	David W. Brown
Derrel L. Waldroupe	Arthur P. McKinney
Ted A. Braitsch	Frederick J. Merkel
Clemeth W. Finley	William R. Aliff
James E. McCarty, Jr.	Paul F. Truran, Jr.
Daniel E. White	Jerauld H. Smith
Loren M. Coleman	William S. Bentley
Stuart A. Hess	Marcel D. Iczkowski
George S. Windham	David L. Wenrick
Walter E. Roberson	Albert F. Shannon
Wayne H. Berry	Elbert C. Hayes
James M. Blackford	Eugene C. Hanson

The following-named officers of the Navy are nominated for permanent promotion to the grade as indicated below:

LIEUTENANT, LINE

William E. Jackson

LIEUTENANTS, MEDICAL CORPS

Thomas H. Byrnes, Jr.	Malcolm M. Murdoch
Harvey J. Demaagd	Russell W. Pratt
William B. Echols	James L. Steffens
Crayton A. Fargason	Francis D. Wilken
Thaddeus E. Kelly	

LIEUTENANTS, CHAPLAIN CORPS

James E. Ammons, Jr.
John F. Walker.

LIEUTENANTS, DENTAL CORPS

Milton R. Felger	Charles H. Julienne
James R. Holtan	Jerry Rosenfeld

Michael D. Maley, U.S. Navy, for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of lieutenant (junior grade) and in the temporary grade of lieutenant.

Preston H. Fitzgerald, U.S. Navy, for transfer to and appointment in the Supply Corps of the Navy in the permanent grade of ensign.

The following-named (Army Reserve Officer Training Corps) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

George M. Wisham, Jr.

IN THE MARINE CORPS

The following named (staff noncommissioned officer) for temporary appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Lookenbill, Lawrence C.

The following named (meritorious noncommissioned officers) for permanent appointment to the grade of second lieutenant in the Marine Corps, subject to the qualifications therefor as provided by law:

Hammel, David W.
Smee, Ronald F.
Schopfel, William H.

EXTENSIONS OF REMARKS

Election Spending

EXTENSION OF REMARKS

OF

HON. JAMES KEE

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. KEE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include a recent public service television and radio newscast, "The Kee Report." The subject discussed is election spending, as follows:

This is Jim Kee, bringing you the Kee Report.

This week I would like to talk to you about one of the most perplexing problems of democratic government. This problem is the use of money, and sometimes the excessive use of money, in political campaigns.

Campaigning for political office has been costly since the early days of this Republic. But in recent times the cost of electioneering, especially where the presidency is at stake, has inflated to an alarming degree. Billboards and newspaper advertising and campaign buttons are more expensive than they used to be. But the major inflation has been caused by the advent of television and the candidate who tried to run a national campaign without television would be lost before he started.

Last year, Congress enacted the first major overhaul of Federal election laws in 25 years. A law was passed authorizing the use of tax money to finance presidential elections. The plan worked like this: as a taxpayer, you could instruct the Treasury Department to donate one dollar of your tax money to your favorite political party, either Democratic or Republican. It was estimated that in this way as much as $30 million could be raised for each of the two major political parties.

This year Congress had second thoughts and this plan of campaign financing was suspended until special guidelines are worked out to govern its operation. There is no doubt that the plan needs additional safeguards. It is also true that a major overhaul of existing statutes is badly needed.

The reason is that the spiraling cost of present-day campaigning has resulted in two potential dangers to the democratic process. The first danger is that only the candidate with the most wealthy backers may hope to win. The second danger is that if campaign costs keep on skyrocketing, a man of modest means will find himself unable to run for the White House. Although the next presidential election is more than a year away, the electioneering process is already in full swing.

There are many sincere citizens who oppose the idea of Federal financing for presidential campaigns because they fear it will encourage excessive spending by the major political parties. There is that danger but reasonable guidelines should keep spending within reasonable bounds.

The real need for change is found in the fact that existing Federal statutes are outdated and wholly unsuited to present day needs.

The so-called Hatch Act, which fixed a limit of $3 million for each campaign committee, was enacted before World War II. The purpose was to limit each party to $3 million. But each party could now legitimately spend that much in one month.

In the past, both major parties have set up independent committees to get around the law. In this way, they could exceed the $3 million limitation. But while the practice was legal, it was a subterfuge to get around the law—and the American people do not like subterfuge in the election of a President.

Federal financing of presidential elections may not be the ideal solution. But it is certainly an improvement on what we have today.

Thank you for listening.

Reaching the Unreached

EXTENSION OF REMARKS

OF

HON. JOHN P. HAMMERSCHMIDT

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. HAMMERSCHMIDT. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following, which was my Capitol report to my constituents on April 27:

I recently had a chance to examine an experimental workshop on wheels which came to Washington from Arkansas. I met and talked with leaders of the Arkansas Special Youth Project—who conceived the idea of the Mobile Unit as part of their cooperative venture to assist "disadvantaged" youngsters.

I am impressed with the possibilities of this program—which is known as "Reaching The Unreached."

The Agriculture Extension Services of the State and Federal Governments have worked together for almost three years—exploring ways to increase the informal education opportunities of young people who, for one reason or another, might not otherwise have a chance.

Through 4-H leaders, several experimental programs have been carried out.

The "workshop on wheels" is an old surplus bus, purchased from the State Department of Education. It was painted—fixed up inside. There are two work areas. For the boys, work benches, electric saws, drills, and various hand tools; for the girls a 4-burner gas range, double sink, three sewing machines, and table space.

The bus followed a schedule of visiting various communities. Up to 12 youngsters at a time were able to acquire new skills, and increase their chances for the future.

In another instance, a youth camp was established in a county where youngsters between 9 and 15 years old went to camp for up to five days. This was a new social and cultural experience for 42 children. They were from families of less than $2,000 a year annual income.

In another county, the Extension Service set up workshops which provided training in handicrafts, woodworking, knitting, etc. for almost 250 youngsters.

Yet another program utilized the skills of Home Demonstration Agents in training 87 girls in home management. This was real, honest-to-goodness education in how to wash dishes, polish silver, make beds, care for furniture, clean windows and woodwork, operate dishwashers and food disposers, clean trashcans, care for foods, clean ranges and refrigerators, care for floors, launder and iron clothing, and take care of the bathroom. Many of the girls had never seen any of the modern gadgetry which is supposed to make housekeeping chores easier.

I like this program because it does not involve vast sums of money. It operates with the advice and leadership of both volunteers and men and women who all their lives long have worked in behalf of rural America as government employees. They know the problems and the reasonable solutions. They are accepting the "challenge of tomorrow."

To Protect Our Older Citizens Against Unnecessary Hardship

EXTENSION OF REMARKS

OF

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. BROWN of Michigan. Mr. Speaker, it has been said that the true measure of a society is how well it treats its elderly citizens.

Our society has made a commitment to enrich and improve the lives of all senior citizens. I believe my distinguished colleagues in Congress are aware of this national responsibility to what sometimes appears to be America's forgotten generation.

Congress endorsed this goal when it passed medicare, the Older Americans Act, and other old-age assistance programs.

These needed measures have moved us closer to realizing the goals which we have set as objectives for our older Americans—an adequate income, a decent home, and a meaningful retirement. But the administration of many of these programs is not all that we would like it to be.

Social security, for instance, is the major source of income for about half of its beneficiaries over 65. Yet, too often, bureaucratic redtape and clerical errors have caused long delays for those who depend on social security checks.

For many of these people, the subsistence line is indeed a thin one. A delay of a month or even a few days means tightening the belt, doing without, and sometimes acute distress.

Therefore, I am introducing legislation today which would end unnecessary delays in social security payments to our needy senior citizens.

This legislation, similar to that introduced recently by U.S. Senators ROBERT GRIFFIN and HUGH SCOTT, would authorize local social security offices to make immediate payments for up to 60 days when presented with clear evidence of a valid claim.

Such a proposal would authorize a supervisor, to be designated in each local office, to order normal payment when he determines there is clear evidence of a proper claim. Persons would have a valid claim if their checks were more than 30 days late and new claimants could file for immediate payments after waiting 90 days.

Last month, I urged the Social Secu-

rity Administration to investigate slow payments of medicare claims and to recommend ways of improving the service of the private health groups which service the medicare program.

The introduction of this proposal today is a further attempt to offer an effective and practical way of protecting our older citizens against unnecessary hardship.

The Voting Age Should Not Be Lowered

EXTENSION OF REMARKS

OF

HON. EMANUEL CELLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. CELLER. Mr. Speaker, there is an attempt on the part of some delegates to the New York State Constitutional Convention to revise the voting age downward to that of 18. For reasons I have stated in the article which follows and which appeared in the American Legion magazine, and for additional reasons which appeared in the New York Times' excellent editorial, I strongly urge against the adoption of this proposal. As a further note of interest, it is significant that a poll taken by the American Legion magazine, a large majority voted against lowering the voting age.

I am opposed to lowering the voting age to 18.

When we consider how easily the adolescent is inflamed, how passionately he attaches himself to "causes," how imperative it is for him at that age to see in patterns of black or white without shadings lest he falter in his commitments, we can readily understand why the demagogue, and the dictator, and the hypnotic orator have been able, historically, to capture the youth of the land. Witness the regimes of Hitler and Mussolini. There are sound psychological reasons why the age of 21 has been considered the beginning of maturity.

There have been a number of non sequiturs used in argument in favor of imposing a national qualification of 18-year-old eligibility to vote. Among them will be found, "If he is old enough to fight, he is old enough to vote." Another is "If he is old enough to marry, he is old enough to vote."

The qualities which make for a good soldier hardly make for a good vote. Thus, "instant obedience," "to act quickly upon a command," "not to stop to question why," "quick reflexes," "physical fitness" are indispensable qualifications for good soldiering. And scrutiny, critical appraisal, a point of view and philosophy are essential in effective voting. So, to say that if he is old enough to fight he is old enough to vote is hardly following the principles of logic.

In some states, the age of consent in entering into marriage is as low as 16. If he is old enough to marry at 16, does it necessarily follow that he is old enough to vote? Many a lad or lass of 15 or 16 has earned enough money to pay taxes. Does it then follow that if he is old enough to pay taxes, he is old enough to vote?

There are some states which through referendum have asked their citizens to vote on the question of granting suffrage to 18-year-olds. Most of them have rejected this proposal, as have many of the state legislatures. At present only two states, Georgia and Kentucky, have a voting age of 18; one state, Alaska, has set its voting age at 19, and one state, Hawaii, at 20.

It is equally interesting to note that nearly all representative democracies have a minimum age requirement for voting of at least 21 years. This is no accident, for the cumulative experience of representative government—based on the concept of consent by the governed—has proven the need for political and social maturity, and a greater emotional stability than is possessed by the 18-year-old.

Unless I am given sounder arguments than I have heretofore been given, I see no reason for imposing a uniform voting age on all of the states.

The New York Times' editorial is as follows:

THE RIGHT VOTING AGE

It now appears probable that the Constitutional Convention will propose to lower the voting age to eighteen from 21, where it has been ever since the state's first Constitution was adopted in 1777. If this change were effected, the voting rolls would be enlarged by nearly a million inexperienced and immature voters—which is one reason why some politicians who are particularly popular with youth are in favor of it.

The argument is frequently advanced that since young men are drafted into the military service at eighteen they are entitled to vote at that age so that they may participate in making the policies for which they may have to fight. But the qualities that make a good soldier—courage and physical hardihood—are quite different from the experience and good judgment that make a good voter.

A young man or woman becomes liable to criminal prosecution as an adult instead of a juvenile offender at the age of sixteen, but not many people would argue from that that the voting age should be lowered accordingly. There is, in fact, no clear-cut age at which a youth becomes an adult in the eyes of the law. A woman can marry without the consent of her parents at eighteen, but a man must wait until he is 21. In most cases a contract entered into by an individual before he is 21 cannot be enforced if he disavows it.

What is really important is the age at which the voter is likely to make a valuable contribution to the solution of public questions. It cannot be denied that some boys and girls of eighteen are sufficiently mature and well informed to do so, but many more are not.

Only four of the fifty states in the Union—Georgia, Kentucky, Alaska and Hawaii—permit voting before 21. In recent years Missouri, Oklahoma, North Dakota, South Dakota, Idaho and Michigan have all rejected proposals to lower their requirements. Most of the Western European democracies make 21 the legal voting age. The balance of collective experience is heavily in favor of retaining the present 21.

A Unique Community Experience

EXTENSION OF REMARKS

OF

HON. ROGER H. ZION

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. ZION. Mr. Speaker, the southern Indiana community of Princeton is currently enjoying a status probably unique for the State and rare in this Nation.

It is debt free.

At the city council meeting held on June 19, Princeton's dynamic young mayor, Bill McConnell, announced that "as of July 1, this city will be debt free."

July 1 marked the date of final payment on the community's swimming pool bonds. With the receipt of funds by the bonding company, Princeton moved into a rather exclusive circle. The city's former indebtedness, besides the swimming pool bonds, was limited to $10,000 in school aid bonds. These were recently assumed by the North Gibson School Corp.

Related Mayor McConnell to the council, "I know of few, if any Hoosier communities which can state that they are debt free." McConnell announced that the city now has $180,000 in bonding power with which it may build for the future.

Mr. Speaker, I am certainly proud of Princeton and its city government and proud that this aggressive community is in my district. Under the leadership of their resourceful mayor, Princeton is making its mark on the economy of southern Indiana. Its hard-working citizens can commemorate July 1 as their own independence day. Today, I am pleased to ask this Congress to note Princeton's accomplishment.

The 60th Anniversary of American-Hungarian Federation

EXTENSION OF REMARKS

OF

HON. HUGH SCOTT

OF PENNSYLVANIA

IN THE SENATE OF THE UNITED STATES

Tuesday, July 11, 1967

Mr. SCOTT. Mr. President, the American-Hungarian Federation this year is celebrating its 60th anniversary. This is a national organization representing American-Hungarian churches, fraternal organizations, societies, clubs, and associations. It was chartered 60 years ago by a group of clergymen and civic leaders of that nationality in Cleveland, Ohio.

Historically, the federation has been the bulwark of Hungarian culture in our Nation. It is also a catalyst to Hungarian immigrants who want to become an active part of the American way of life by serving American ideals and maintaining American values.

Today the federation continues its good work under the leadership of President Albert A. Kiok, a municipal judge from Pittsburgh, Pa.

A major aim of the federation is to direct attention to the problems of Hungary and other Danubian countries under Soviet rule. This is done largely through their foreign relations committee, presided over by Dr. Emery G. Szekely of Temple University, in Philadelphia.

Through the efforts of the federation, Americans of Hungarian origin are cognizant of the responsibilities of U.S. citizenship and they willingly and eagerly accept their responsibilities. Yet, they maintain a kinship with their native

country and exercise an active concern with its problems.

The United States benefits through the cultural and intellectual endeavors of Hungarian-Americans. The American-Hungarian Federation has played a large part in furthering those endeavors.

Need for Apprentice Training Programs

EXTENSION OF REMARKS

OF

HON. WILLIAM L. ST. ONGE

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. ST. ONGE. Mr. Speaker, on June 29 I had the privilege of addressing the graduating class of Electric Boat Division of General Dynamics Corp.'s Apprentice School, located at Groton, Conn., in my congressional district. I was particularly pleased to make this address in view of the fact that the apprentice training program is making an important contribution toward filling the growing shortage of skilled workers in industry.

It is estimated that in the next 10 years our country will have to provide over 4 million new craftsmen. The problem is further complicated by the fact that the supply of skilled labor in recent years has become relatively small, while the demand for such labor has become relatively large. In the years ahead there will be substantially larger increases in the earnings of skilled workers and work will be much more plentiful.

An apprenticeship training program is an expensive and complex administrative problem for any firm. Training must be provided, classrooms set up, instructors chosen and trained, and the whole program must be carefully supervised. Unfortunately, there are not enough firms who are willing to invest in apprenticeship training. However, the effectiveness of such a program may be judged from the fact that since 1948 Electric Boat has trained 1,207 apprentices, of whom 933 are still working there.

The needs of American industry require dozens of other firms to follow Electric Boat's example. Therefore, Mr. Speaker, under unanimous consent I insert my remarks in the RECORD with the hope that this will encourage other companies to establish similar programs.

The address follows:

SKILLED LABOR IN THE ECONOMY OF AMERICA

(Address by Congressman WILLIAM L. ST. ONGE, apprentice graduation, Electric Boat, June 29, 1967)

Mr. Wilkens, Mr. Holschuh, Dr. Mali, officials of Electric Boat, relatives, and members of the 1966 and 1967 graduating classes, ladies and gentlemen:

As one who is not entirely unfamiliar with graduations, I note here today many things this graduation has in common with others I have attended in the past. Here, as elsewhere, the focus of attention and of envy are you, the graduates. This is *your* day. Here, too, one finds hosts of parents, relatives, friends, and well-wishers. There are, I see, a few more wives and children of graduates here than one would find at other graduations.

First, let me note something about the training program which our guests may not know, although the graduates themselves do. This is a double graduating class of apprentices, with 186 who completed their training in 1966, and an additional 62 who completed their training this year.

I believe that a few interesting facts will serve to illustrate the importance of this program. Since Electric Boat reactivated its apprenticeship training program in 1948, a total of 1,207 apprentices have received their graduation certificates. Of these, no less than 933 still work here at Electric Boat. This is more than three-fourths of the total number and is in itself the best evidence of the success of the program. Of these, 154 have been promoted to supervisory positions and not less than 442 to technicians' jobs of many kinds. This is an unparalleled record of accomplishment both in training and in retaining apprentices.

It is this prospect of achievement and promotion which sets graduates of an apprenticeship program such as this one apart from other graduates. Today you should not feel that this is the "commencement" of your working career, but rather that it constitutes a further, perhaps major, step forward along a road on which you, long ago, set your goal. Yesterday you were still apprentices, today you are journeymen. Some time ago you had decided upon a career as a pipefitter, machinist, welder, shipfitter, painter, carpenter or any other of the nineteen trades represented here today among you graduates. That marked your entrance into the "world of work." You have been working in that world for several years already, and here at Electric Boat where you gained considerable knowledge and experience.

For these reasons, I must speak to you today about the prospects opening to you now. At the same time, I am well aware that you have already developed an immediate interest in your trade and have acquired practical knowledge of its place in human affairs. I have chosen to try and place this interest and this knowledge of yours in a somewhat larger context. You are, as of today, skilled craftsmen. Let me talk for a few moments about you and about your fellow-craftsmen.

Taking skilled workers together, as a group, there are well over nine million of you in this country of ours. You earn—and this is a pretty general figure—about $7,000 to $8,000 a year on the average. You can translate that to $150 or $160 a week, on the average, if you wish. You should remember that, like any average, this in itself may be meaningless. The really significant thing about this figure is that *only* professionals, managers, and certain sales personnel, as occupational groups, earned more. Consequently, I would say that you have chosen wisely, with respect to your earnings prospects, in entering this field of employment.

On the other hand, skilled workers, as a group, have relatively not fared as well financially in recent years as the groups in our work force with lesser skills. Most of you who have followed labor matters in the newspapers or in your union periodical know that a major issue in the recent railroad shopcrafts dispute was the problem of skilled-unskilled wage differentials. This is also a major problem in the automobile industry, and elsewhere.

The years during and since World War II have been, for the most part, years of relatively full employment. Organized labor, addressing itself to the problems of working people in this period, found that the wage structure during the ten years of depression after 1929 had seriously broken down among the unskilled and semiskilled workers. Among such workers, wages as low as 50 or 75 cents an hour were still not unknown in those years. Wages of the skilled, however, had held up relatively well.

Thus, the union approach to wage adjustments, begun during the war years and continued after the war, was to put the greatest emphasis upon improving the earnings of the unskilled to a living wage. The method adopted was to seek wage increases per hour, in union agreements and through legislation, such as the Fair Labor Standards Act.

Over the years this procedure resulted in the now well-known phenomenon of a compression of the wage structure. The difference between skilled and unskilled remained the same in amount, but was compressed in proportion to the ability and training of the skilled worker. Instead of skilled work being worth over three times as much as unskilled, it became worth only about two-thirds more.

You know the problem, I am sure, from your own experience. How many times have you thought, during the years of your apprenticeship, that you were perhaps foolish not to take a regular job and forget the training? You can probably recall friends who dropped out for this very reason.

Due to this and other causes, to which I shall turn in a moment, the supply of skilled labor in recent years has become relatively small, while the demand for such labor has become relatively large. From this fact two conclusions emerge, both of which you will appreciate:

First, the push is now on to restore a part of this differential, by granting substantially larger increases in earnings to skilled workers than to unskilled and by shifting wage adjustment from a cents-per-hour basis to a percentage basis.

You can see this new approach in the current wage demands in the railroad shopcraft negotiations, where a 7 *percent* overall increase was coupled with a demand for an additional fifteen to twenty-five cents per hour for skilled workers, to help narrow the differential. Thus the wages in your crafts are going to become relatively much more attractive in the next few years.

Second, work is going to be generally much more plentiful. And this brings me to the other reasons I mentioned a moment ago about the supply of skilled labor being smaller than the demand.

In addition to the fact that job training has been relatively less attractive to the *worker* in recent years, it has been also relatively unattractive to *employers*. Few firms have as good a record in the promotion and carrying out of apprenticeship training programs as your firm, Electric Boat, has earned.

An apprenticeship training program is an expensive and a complex administrative problem for any firm. Not only must training be provided, classrooms set up, instructors chosen and themselves trained, but such a program must be carefully supervised. A coordinated effort, which extends to Hartford and to Washington, is involved. Not only are Electric Boat and the Metal Trades Council involved, but also the Connecticut State Department of Education and the Connecticut State Department of Labor and the U.S. Department of Labor.

You may have heard some talk about the role of the craft unions in holding down apprenticeship opportunities. I would not stand here and tell you this has never happened. But I can tell you that the Federal Bureau of Apprenticeship and Training has reported that in practically all trades, and in most areas of the United States, the number of apprentices allowed under the union rules has in recent years *consistently* exceeded the number employers were willing to train. There was always need for apprentices and no vacancies.

The problem is that there are simply not enough firms like General Dynamics, with foresight, who are willing to invest in apprenticeship training. We need dozens of more firms to follow the example of Electric

Boat. Unfortunately, very few have made any comparable effort.

The result is that, while the number of apprentices being trained to fill job vacancies was decreasing, the number of new jobs was increasing. Add to this a fact which is often overlooked, namely, that in most trades we must train a larger number of young workers than are now being trained just to replace the older workers as they retire from the work force. This leaves no journeymen to fill the new jobs.

Let me cite just a few more figures. The United States Bureau of Labor Statistics, in a recent study of the future need for skilled workers, found that the 9.2 million skilled craftsmen in 1965 would have to be increased to about 11.4 million by 1975. This is a hefty twenty-five percent increase of what looks like over two million new jobs in the next ten years.

Actually, that is hardly the half of it. These are only the *new* jobs, the additional jobs. During that same ten years, an additional 1.8 million jobs will open up because of deaths and retirement on the part of present jobholders. The need for new *skilled workers* in the next ten years will therefore be for over four million apprentices and journeymen, rather than two million.

Let me emphasize again, these are overall figures. But broken down, they are even more impressive. Take machinists. There are 325,000 machinists today. By 1975 we shall need another 105,000 including replacements.

Take plumbers and pipefitters, 150,000 will be needed. Painters, 130,000. Carpenters, 245,000. Electricians, 135,000. Tool and die makers, 45,000. But enough of the statistics. The point I am trying to make is that there are likely to be more vacancies for skilled jobs than men to fill them.

I only wish that I could address myself to every graduating class with the same confidence that I feel today, and tell them that their future was as bright and their positions as assured. You have indeed chosen wisely.

Your graduation certificate is not merely a license to go out and find a job, if and where you can, but it is a guarantee of an even better job at higher pay. It is lasting proof, not only of what you have learned, but that you have successfully served on the job with your fellow-craftsmen, and have years of experience already behind you. It is a letter of recommendation, a citation of achievement, as well as a diploma.

Again, my congratulations and my best wishes to all of you, to your employer, Electric Boat, and to your relatives and friends who are with us here today. It has been, indeed, a happy occasion. I appreciate having the opportunity to share it with you and to wish you much success in the years ahead.

Commencement Address by Senator Robert F. Kennedy

EXTENSION OF REMARKS

OF

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. O'NEILL of Massachusetts. Mr. Speaker, it is with considerable pride and pleasure that I submit for publication in the CONGRESSIONAL RECORD an outstanding address by the junior Senator from the State of New York, the Honorable ROBERT F. KENNEDY. Following is the commencement address delivered on June 1, 1967, at the third commencement of the School of the Holy Child, Potomac, Md.:

ADDRESS BY SENATOR ROBERT F. KENNEDY

I am very pleased to be here at your graduation ceremony.

Daniel Webster once said of his college, Dartmouth, that "It is a small school, yet there are those who love it".

This is a small school too; yet not only are there also many who love it; but I for one am sure that as its graduates increase in number and you come to full participation in society—as students and teachers, as workers and writers, eventually as wives and mothers—that by your conduct and your contributions, by the credit you will reflect on this school, that you will bring many others to love it as well.

From time almost beyond memory, it has been customary for graduating seniors to hear a lecture from someone whose own graduation took place long before.

Well here I am and I qualify for that description.

These lectures, although they take place on the occasion of your graduation, are called "commencement"—beginning.

And a beginning is what this is.

This is a beginning of greater independence from home and parents and the groups of your friends—and therefore the beginning of the loneliness of independent choice.

This is a beginning of participation in the affairs of your country—for young people can and do have an influence on this nation long before they reach the legal voting age of 21.

This is a beginning of contribution—the time when you begin the long process of "paying your dues"—giving of yourself to others, as others, your parents and teachers and all those who have worked and sacrificed to build this nation and our entire civilization, have given to you.

This then is commencement—the beginning of your adult life; you have new freedom and new responsibility.

What kind of world is it, that you are now joining? And what are the responsibilities you are being asked to assume?

Above all, this is a world of change—swirling, constant change.

This is more clear perhaps to your elders than to you; for we have in our lifetimes, passed already through two major wars, and now into a third; from passive acceptance of segregation, through a civil rights movement, into a new crisis of conflict between the races; from a bitter peace after World War Two, through a massive confrontation with the Soviet Union, into a tentative period of easing tensions—and now again into a time of uncertainty, and the rise of the Empire of China.

But even for you, the children of this time of change, there is much ahead that will be challenging—and dangerous—and hardest of all to understand.

For the world in which you take your place is a world in revolution, a world aflame with the desires and hatreds, the passions and dreams, of multitudes which will double in size just within our lifetimes.

Around the world—from the Straits of Magellan to the Straits of Malacca, from the Nile Delta to the Amazon Basin, in Jaipur and Johannesburg—we can hear the voice of the dispossessed, the insulted and injured of the globe.

For uncounted centuries, they have lived with hardship, with hunger and disease and fear.

For the last four centuries, they have lived under the political, economic, and military domination of the West—of Europe and in more recent years, of the United States.

We have shown them that a better life is possible; but we have not done enough to make it a reality.

We live in a country where people diet—but most of the world starves.

We buy 8 million new cars a year—while most of the world goes without shoes.

You are the healthiest generation of Americans in history, and you can expect to live far longer than the biblical threescore and ten—but half of the people buried in Latin American are under the age of four.

We and the other developed nations spend over $100 billion a year on armaments—while the poor countries cannot obtain the $10 billion they need to help two billion people begin to develop their economies.

And therefore this revolution is directed against *us*—against the powerful and the rich and the mighty, against the established order of which we are the principal part.

Yet it is a revolution carried out in the name of ideals we also share—social reform and political freedom, internal justice and international independence.

We can recognize the rightness of these ideals—for they were the ideals of our own revolution.

We can recognize their power—for they have sustained us throughout our history.

But in most of the world today, these are subversive ideals, subversive of the established order of power and privilege.

Political freedom is subversive in Russia, where writers go to prison for a metaphor.

Social reform is subversive in northeast Brazil, where a great Archbishop is called a communist, and his students thrown in jail, because he wants land for the peasants—peasants who now work 12 hours a day for less than 2 dollars a week.

Internal justice is subversive in South Africa, where a Nobel Peace Prize winner is imprisoned because he is black—and a Nobel Prize-winning writer, who is white, is restricted because he wishes justice for his black compatriot.

Thus our choice, in your lifetimes, will be whether to support the status quo, or the forces of change; whether to sit content in our storehouses, or share our wealth with our fellow human beings around the world; and; in the last analysis, whether to recognize the rights of others to the ideals for which we have fought so long—even when they can be achieved only in opposition to the status quo in which we ourselves are so comfortable.

As this is true for our nation in the world, so it is true for us as the fortunate within our own nation.

Here in the United States, I have seen children starving.

Here in the United States, here in the city of Washington, I have seen children living in rat-infested tenements, going to overcrowded and inadequate schools, without books to study or fathers to lean on, without a chance and without hope itself.

These people, too, demand change.

These people, too, demand hope for their children.

These people, too, demand to know why we spend less on programs to help people out of poverty—about $2 billion—than we spend to take care of our dogs, on which we spend $3 billion.

These people, too, demand a revolution, as profound as the revolution which gave our nation birth.

They ask: which side are we on?

Which side are *you* on?

If you were four years older, if you had graduated four years ago, the answers to our problems would have seemed simpler than they are today.

Your older brothers and sisters joined the Peace Corps and the Civil Rights movement, they worked in Appalachia and Harlem, Mississippi and Mauretania, with a firm belief in their power and ability to shape a world to the standard of their ideals.

But now our colleges, and many of our best young people seem to have turned from engagement to disengagement; from politics to passivity; from national purpose to personal satisfaction; from hope to nihilism;

and all too often, from confrontation with the suffering of their fellows—toward forgetfulness in the self-absorption of drugs.

What has disillusioned so many of them, will face you as well.

They are perplexed and troubled by the war in Vietnam—and it will perplex and trouble you as well.

They are disappointed with the slow pace of progress in civil rights, and with the new bitterness and potential violence which frustration has brought in the Negro—and you will be disappointed and frightened as well.

All the hypocrisies, all the everyday violations of the ideals we have tried to teach you, may repel and disappoint and anger you as well.

But whatever your disillusionment, whatever your disappointment, you cannot lose heart; for too much depends on you.

As President Kennedy said, "Our problems are man made—therefore they can be solved by man."

But they cannot be solved, the cruelties and obstacles of this world will not yield, to obsolete dogmas and outworn slogans, to those who have failed in the past.

I believe that injustice and want and human degradation can be lessened, that a better world can be built, that we can meet our challenges at home and abroad; but to do so we must rely on our young people, and especially on that privileged minority who are the educated young people of America.

This is the time, and yours is the generation, that cannot only remedy the mistakes of the past—but can transcend them.

"There is," said an Italian philosopher, "nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success than to take the lead in the introduction of a new order of things."

Yet this is the measure of the task of your generation and the road is strewn with many dangers.

First, is the danger of futility; the belief there is nothing one man or one woman can do against the enormous array of the world's ills—against misery and ignorance, injustice and violence.

Yet many of the world's great movements, of thought and action, have flowed from the work of a single man.

A young Italian explorer discovered the new world, a young general extended an empire from Macedonia to the borders of the earth and a young woman reclaimed the territory of France.

And it was the 32 year old Thomas Jefferson who proclaimed that all men are created equal.

"Give me a place to stand," said Archimedes, "and I will move the world."

These men moved the world, and so can we all.

Few will have the greatness to bend history itself; but each of us can work to change a small portion of events, and in the total of all those acts will be written the history of this generation.

Thousands of Peace Corps volunteers are making a difference in isolated villages and city slums in dozens of countries.

Thousands of unknown men and women in Europe resisted the occupation of the Nazis and many died, but all added to the ultimate strength and freedom of their countries.

It is from numberless diverse acts of courage and belief that human history is shaped.

Each time a man stands up for an ideal, or acts to improve the lot of others, or strikes out against injustice, he sends forth a tiny ripple of hope, and crossing each other from a million different centers of energy and daring those ripples build a current which can sweep down the mightiest walls of oppression and resistance.

The second danger is that of expediency; of those who say that hopes and beliefs must bend before immediate necessities.

Of course, if we would act effectively we must deal with the world as it is.

We must get things done.

But if there was one thing President Kennedy stood for that touched the most profound feelings of young people across the world, it was the belief that idealism, high aspirations and deep convictions are not incompatible with the most practical and efficient of programs—that there is no basic inconsistency between ideals and realistic possibilities—no separation between the deepest desires of heart and mind and the rational application of human effort to human problems.

It is not realistic or hard-headed to solve problems and take action unguided by ultimate moral aims and values.

It is thoughtless folly.

For it ignores the realities of human faith and passion and belief; forces ultimately more powerful than all the calculation of economists or generals.

Of course to adhere to standards, to idealism, to vision in the face of immediate dangers takes courage and self-confidence.

But we also know that only those who dare to fail greatly, can ever achieve greatly.

A third danger is timidity.

Few men are willing to brave the disapproval of their fellows, the censure of their colleagues, the wrath of their society.

Moral courage is a rarer commodity than bravery in battle or great intelligence.

Yet it is the one essential, vital quality for those who seek to change a world which yields most painfully to change.

Aristotle tells us that "At the Olympic games it is not the finest and the strongest men who are crowned, but they who enter the lists . . . So too in the life of the honorable and the good it is they who act rightly who win the prize."

I believe that in this generation those with the courage to enter the moral conflict will find themselves with companions in every corner of the world.

For the fortunate among us, the fourth danger is comfort; the temptation to follow the easy and familiar paths of personal ambition and financial success so grandly spread before those who have the privilege of education.

But that is not the road history has marked out for us.

There is a Chinese curse which says "May he live in interesting times."

Like it or not we live in interesting times.

They are times of danger and uncertainty; but they are also more open to the creative energy of men than any other time in history.

And everyone here will ultimately be judged—will ultimately judge himself—on the effort he has contributed to building a new world society and the extent to which his ideals and goals have shaped that effort.

In your hands, not with Presidents or leaders, is the future of your world and the fulfillment of the best qualities of your own spirit.

NBS Sponsors Symposium on Computer-Aided Typesetting

EXTENSION OF REMARKS

OF

HON. OMAR BURLESON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. BURLESON. Mr. Speaker, almost 600 people from 25 States and two foreign countries, interested in the field of computer-aided typesetting, converged on the new installation of the National Bureau of Standards in Gaithersburg, Md., on June 15 to take part in the 2-day "Symposium on Electronic Composition in Printing." The symposium was sponsored by the NBS Center for Computer Sciences and Technology to permit a state-of-the-art review of a rapidly advancing field of computer application which has great potentialities for increased efficiency and savings in the Federal Government.

The state of the art of photocomposition was well covered by representatives from the major manufacturers of photocomposing machinery. Participating companies included: Mergenthaler Linotype Co., Bell Telephone Laboratories, Photon, Inc., A. B. Dick Co., Fairchild Graphic Equipment, RCA, Stromberg-Carlson, and IBM. The policy of the Government concerning the new technology was made clear by James L. Harrison, Public Printer of the United States, and by John F. Haley, Staff Director of the Joint Congressional Committee on Printing.

As vice chairman of that committee, I am particularly proud of the role it has performed in initiating this significantly historical graphic arts achievement.

Our policy determination to give a mandate to the Public Printer to engage in a research and development program was the foundation on which today's structure has been built.

Designed to create a method whereby the ever-increasing waste that was resulting from computer printout composition would be reduced or eliminated, the decision was based on our review of a Joint Committee on Printing staff analysis which clearly identified a loss of legibility, great increase in bulk, and excessive increases in printing and binding costs.

From that rather quiet beginning, only about 6 years ago, we have successfully passed a number of important milestones, another one of which was the NBS Symposium, at which several papers were presented by representatives from research and printing and publishing organizations including Documentation, Inc.; Photo Data, Inc.; and American Chemical Society, Washington, D.C., chapter; and by Battelle Memorial Institute of Columbus, Ohio, and ROCAPPI, Inc., of Swarthmore, Pa.

Papers describing specific applications of the computer in typesetting were presented by representatives from the Air Force; the Government Printing Office; the Department of Health, Education, and Welfare; National Library of Medicine; U.S. Patent Office; Defense Supply Agency; and the National Bureau of Standards.

Session chairmen included Lowell P. Hattery of American University, Paul A. Ziemer of the Department of Commerce, Glenn E. Roudabush of the University of Pittsburgh, and Samuel N. Alexander and Mary E. Stevens of NBS. The symposium committee consisted of Richard W. H. Lee, Roy W. Worral, and W. R. Tilley of NBS.

The proceedings will be published in

the near future and will be available from the Superintendent of Documents, U.S. Government Printing Office.

Following the formal registration session, the program proceeded, as follows:

SESSION I. STATE OF THE ART

Overview, by Lowell P. Hattery, American University.

The Linotron System, by Donald H. Rollert, Mergenthaler Linotype Co.

Computer Image Drawing from Digital Data, by M. V. Mathews, Bell Telephone Laboratories.

High Speed 901 Zip, by Anthony G. Bernardo, Photon, Inc.

The Videograph Text Editor, by Glendon T. Gerlach, A. B. Dick Co.

The PhotoTextSetters, by A. J. Smith, Fairchild Graphic Equipment.

A Videocomp Systems Approach, by Aaron H. Coleman, RCA.

Micromation—Its Impact on the Photocomposing Industry, by J. J. Kalagher, Stromberg-Carlson.

IBM's Position in Electronic Composition and Text Editing, by Hans E. Weiss, IBM.

SESSION II. GOVERNMENT POLICY

An introduction, by Paul A. Ziemer, U.S. Department of Commerce.

Transition on the Tiber—A New Look at the G.P.O., by Hon. James L. Harrison, Public Printer of the United States.

Present and Projected Policies of the J.C.P., by John F. Haley, Staff Director, Congressional Joint Committee on Printing.

SESSION III. NON-GOVERNMENT APPLICATIONS AND RESEARCH

Introductory Remarks, by Glenn E. Roudabush, University of Pittsburgh.

Chemical Information—A Computer in Photocomposition, by Bernard G. Lazorchak, American Chemical Society.

The Import of Computerized Typesetting on Commercial Printing, by William C. Lamparter, Battelle Memorial Institute.

Computerized Typesetting Projections, by Kenneth B. Ludwig, Photo Data, Inc.

Classification in Computerized Text Processing, by Raymond P. Wishner, Documentation, Inc.

System 70, by John W. Seybold, ROCAPPI, Inc.

SESSION IV. GOVERNMENT APPLICATIONS

A Brief Overview, by Samuel N. Alexander, National Bureau of Standards.

Electronic Composition Within the Department of Health, Education, and Welfare, by E. Ray Lannon, Assistant Commissioner for Administration, Food and Drug Administration, HEW.

Electronic Composing System Applications, by John J. Boyle, Special Assistant to the Production Manager, U.S. Government Printing Office.

Use of GRACE at N.L.M., by Ronald E. Bogart, National Library of Medicine.

Computer Typesetting Program at NBS, by William R. Bozman, National Bureau of Standards.

Typewriter-to-Computer Roster Publication and Maintenance, by Arthur North, U.S. Patent Office (Now with Documentation, Inc.).

Implications of Electronic Composition System at DSA Publications, by William J. Beran, Defense Supply Agency.

Conversion to Linotron, by Victor G. Kehler, Department of the Air Force.

In conclusion I would like to cite the bill sponsored by my colleague, Congressman BROOKS, of Texas, which has become Public Law 89-306, under which the NBS Center for Computer Sciences and Technology has the responsibility for advising Federal agencies on the selection and use of computer-based systems to improve the cost effectiveness of their programs. In line with this responsibility, the Center is sponsoring the Symposium on Electronic Composition in Printing to permit a state-of-the-art review of a rapidly advancing field of computer application which has great potentialities for increased efficiency and savings in the Federal Government.

It is Time To Act on the President's Plan To Reorganize the District of Columbia Government

EXTENSION OF REMARKS

OF

HON. HENRY S. REUSS

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. REUSS. Mr. Speaker, for years the Congress and the executive branch and the American people have agreed publicly and privately that the District of Columbia must have a new form of government to face the modern problems which confront it.

For years Washington, D.C., has been treated like an orphan of the U.S. Government.

The time has come for us to see that Washingtonians have the tools with which they themselves can lift their city to the level of efficiency and dignity befitting a Nation's Capital.

President Johnson has worked hard to bring Washington into the mainstream of American governmental life.

He has asked Congress to allow a transformation and modernization of Washington's present Commission government into a strong executive-council form which can act and administer needed programs in education, health, crime prevention, housing, job and economic development.

He has asked for funds to move those programs forward.

Just the other day the President appealed on television to the Congress to permit "the people of the District to take their proper place in a progressive America."

We must do something for Washington now.

We ought to heed the words expressed in editorial opinion by two of Washington's most prominent radio and television stations—WMAL, the Evening Star station, and WTOP, the Washington Post station. They said: "The District needs the President's reorganization plan right now."

The District does need the President's reorganization plan right now.

It has needed it for many years. And it is the responsibility of the Congress to reject the disapproval resolution which has been introduced in this House and which would deny Washington the efficient and effective local government it needs.

Washington needs much more than a new form of local government. But this plan is the first step.

The text of the television remarks on the District reorganization plan made by President Johnson, and the texts of two editorials from stations WMAL and WTOP supporting the President's recommendations follow:

TELEVISION REMARKS OF THE PRESIDENT CONCERNING GOVERNMENTAL REVISIONS FOR THE DISTRICT OF COLUMBIA, JULY 10, 1967

The government of our nation's capital must be reorganized. It is high time to move it out of horse-and-buggy days and into the Twentieth Century.

Washington is America's fastest growing metropolitan area. Yet its people are burdened and its progress imperiled by the drag of antiquated government. Today our capital stumbles along, hobbled by wasteful and inefficient practices installed as *a temporary solution* 93 years ago—just after the Civil War.

This is shameful. It must stop. The people of the District must be allowed to take their proper place in a progressive America. The reorganization plan I sent to Congress offers that bright promise.

Divided authority will give way to a single, strong executive.

Tangled and confused lines of responsibility will be straightened and cleared.

With stronger leadership and broader representation, crime can be controlled, the streets can be safer, the people can have better housing, and better health.

I urge the Congress to support and approve this sensible and timely plan. I ask the people of the District to waken to their grave responsibilities—and the great opportunity now before them.

Here in our hands is the long-awaited chance to replace a jerry-built government of the 1870's with a new government for the new problems of the 1970's.

Time and opportunity will not wait. We dare not lose the chance they give us now.

WMAL EDITORIAL ON THE DISTRICT REORGANIZATION PLAN

Strip away all the camouflage and you find that President Johnson's plan for reorganizing the District Government should go into effect. Opposition in Congress seems based on political expediency or personal pique.

The House of Representatives should not disapprove the reorganization plan. The resolutions of disapproval introduced by Congressmen John McMillan and Joel Broyhill should be resoundingly defeated.

Before the resolutions of disapproval are voted on, we urge Congressmen to take a look at the pitiful state of the present, lame-duck District Government. If any government ever needed reorganization—this is it.

If there are flaws in the President's plan, the House District Committee will have plenty of time in the future to make corrections.

The District needs the President's reorganization plan right now.

WTOP EDITORIAL ON THE DISTRICT OF COLUMBIA REORGANIZATION

No local subject is more important to the District of Columbia than the fate of the President's reorganization proposal.

This plan, which would create a single commissioner and an appointed nine-member City Council, is the best way in sight to improve the caliber of D.C. government.

The plan is not perfect; the President is limited in what he can do to reform the District Building bureaucracy; without genuine self-government, municipal progress in Washington will continue to be limited.

But reorganization is a step forward and we are watching anxiously as congressional debate continues. The situation at this July 4th holiday break seems to be this:

Shortly after July 10th, the House Government Operations Committee probably

will vote to reject a disapproval motion on the reorganization plan, a motion filed by Representatives John McMillan and Joel Broyhill. This committee action would improve chances that the House itself will not reject reorganization.

Meantime, the House District Committee is continuing its deliberate deliberations on a reorganization plan of its own. If it wants to make a constructive contribution, the District Committee ought to concentrate on legislation to improve reorganization, not attempt any spoiling action against the President's basic plan.

The administration, for its part, is beginning the practice of those persuasive arts designed to convince Congress that the President is in dead earnest. One action the White House ought to take is to announce formally that the nine-member City Council would include at least three registered Republicans. This, we think, would help encourage GOP support on Capitol Hill.

Such support will be needed because the issue is touch and go. Sometime late next month or early in August it will be decided whether District of Columbia government is to be improved, or whether this city will continue to limp along under a municipal system which would be tolerated nowhere else in the United States.

Amend the Surplus Property Act

EXTENSION OF REMARKS

OF

HON. GARRY BROWN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. BROWN of Michigan. Mr. Speaker, today I have introduced legislation to amend the Surplus Property Act of 1944 to authorize certain surplus property of the United States to be donated for park and recreation purposes.

The Surplus Property Act authorizes conveyance to any State, political subdivision, or municipality, all of the right, title, and interest of the United States in and to any surplus land which in the determination of the Secretary of the Interior is suitable and desirable for use as a public park, public recreational area, or historic monument for the benefit of the public. Under provision of the act, conveyance for park or recreational purposes must be made at a price equal to 50 percent of the fair value of the property conveyed, based on the highest and best use of the property at the time it is offered for disposal. Conveyance of property for historic monument purposes under the act is made without monetary consideration.

Mr. Speaker, although our Nation is blessed with a great wealth of natural resources, the development of recreational facilities has not kept pace with the population explosion and economic growth. Preservation and development of our recreational, scenic, and historic sites is of the utmost importance to our well-being and that of future generations. Likewise, provision of open space in or nearby our densely populated urban areas is essential if they are to be satisfying and rewarding places in which to live.

In my own State of Michigan, for example, over 88 percent of the population resides in the southern one-third of the State. Yet, the vast majority of publicly owned land lies in the upper portion of the State. This situation makes it imperative that we undertake immediate programs for the preservation of open park and recreational space in urban and suburban areas.

The major problem facing Michigan and other States is that the prices for these lands are escalating at an ever-increasing rate. It has reached the point where State and local governments are finding it difficult to compete with individuals and developers for prime recreational lands even at the 50-percent discount price allowed under the Surplus Property Act.

In this connection, a recently completed Michigan outdoor recreation plan projects a 10-year expenditure of $150 million which will be needed for State parklands and development. Unfortunately, present funding sources will not be adequate to finance more than one-third of these anticipated needs during this 10-year period. Major new sources for obtaining and developing these lands must be found if we are to be successful in meeting this recreational challenge.

The Federal Government is committed to various programs to assist local public bodies in the acquisition of land to be used for park and recreation. Why, then, not donate surplus lands which would be suitable for this use?

While States are required to purchase lands from the U.S. Government for this purpose, they are, on the other hand, asked to give their State-owned lands to the Federal Government free of charge. My own State of Michigan has done this willingly in the past. Fifty percent or more of Isle Royale was State-owned and given to the Government at no cost. Michigan also donated some 5,000 acres of land lying within the Pictured Rocks National Lakeshore area and it is anticipated the State will donate over 8,400 acres of land to the Department of the Interior for the establishment of the Sleeping Bear National Lakeshore. Michigan is glad to give these lands in order to aid in the establishment of these outstanding National parks and recreation areas. However, it would seem only fair that surplus Federal lands suitable for park and recreational purposes be turned over to the States at no cost.

A review of the comprehensive statewide outdoor recreation plans submitted by the States for the years 1968 through 1977 to the Bureau of Outdoor Recreation reveals an estimated capital cost of $7.1 billion needed for acquisition and development projects. Of this total, approximately $2.8 billion would be for State projects and $4.3 billion for projects financed in part by local governments but sponsored by the States. These figures may be conservative when one considers the growing demand for State and local public recreation facilities in or adjacent to urban centers where costs are greatest. Furthermore, those figures do not include any estimates for eight of the States and three territories.

It is obvious that State and local governments will not meet needs of this magnitude over the next 10 years without Federal assistance. My amendment to the Surplus Property Act is a concrete proposal to give them some assistance.

It is important, Mr. Speaker, to emphasize that local levels of government could not indiscriminately claim surplus property for parks or recreation, for my amendment to the act states that the Secretary of the Interior must make a determination of whether or not the property in question is suitable, desirable, and needed for use as a public park or public recreational area.

Bilingual Educational Opportunities for America's 3 Million Non-English-Speaking Schoolchildren

EXTENSION OF REMARKS

OF

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, July 11, 1967

Mr. ROYBAL. Mr. Speaker, I had the honor of testifying at the recent Los Angeles hearings of the U.S. Senate Subcommittee on Bilingual Education—in support of Federal legislation to provide new bilingual educational opportunities to offer America's more than 3 million non-English-speaking elementary and secondary schoolchildren a better chance to achieve their full educational aspirations.

As the author of H.R. 8000, the Bilingual Educational Opportunity Act, and because of the urgent importance of the legislation to this vital segment of the Nation's school-age population, I would like to insert in the CONGRESSIONAL RECORD the text of my statement to the Senate subcommittee:

STATEMENT OF HON. EDWARD R. ROYBAL, REPRESENTATIVE, 30TH CONGRESSIONAL DISTRICT, CALIFORNIA, IN SUPPORT OF FEDERAL LEGISLATION TO PROVIDE BILINGUAL EDUCATION PROGRAMS BEFORE THE SPECIAL SUBCOMMITTEE ON BILINGUAL EDUCATION OF THE U.S. SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE, IN LOS ANGELES, CALIF., JUNE 24, 1967

Mr. Chairman, and Members of the Subcommittee: I am happy to be able to discuss with you today the important subject of bilingual education for America's non-English-speaking schoolchildren, and to outline for you some of the reasons why I have supported the effort to achieve this goal by joining in introducing my own companion legislation in Congress: H.R. 8000, the Bilingual Educational Opportunity Act.

First of all, I want to express my personal appreciation to the Members of the Special Subcommittee, for your initiative and outstanding leadership in the effort to promote the cause of bilingual education. In particular, I want to commend you for scheduling these Los Angeles hearings to offer interested California citizens an opportunity to make a meaningful contribution to the legislative process.

Secondly, I want to make it clear that I am in favor of the very best possible bilingual education bill we can pass this year in Congress.

By this I mean that, while my own bill,

H.R. 8000, would, in my opinion, serve as an excellent beginning for a long-overdue program of assistance to local school districts to promote bilingual education, I also believe that each of the bills introduced in the House and Senate has merit, and though differing in various particulars, could become the basis of a valuable start in the right direction.

In addition, many worthwhile suggestions for substantive changes and technical improvements will undoubtedly result from this Committee's extensive hearings, and will also develop in the course of further Congressional consideration of the bilingual education proposals.

Therefore, I think it is important that all of us who are convinced of the need for bilingual education should work together to assure passage—this year—of the best bill obtainable, given all the legislative and parliamentary circumstances, plus the practical consideration of the very limited time remaining in the present session of Congress.

If we are able to secure favorable action by Congress this year on a sound beginning in bilingual education, we can then focus our future energies on improving, perfecting, and refining these programs, as we gain greater experience and increased knowledge in this relatively new field of academic endeavor.

With that thought in mind, Mr. Chairman, and with your permission, rather than concentrate on the technical aspects of the legislation, I would like to emphasize the urgent need for national programs of this type, especially here in California, and in America's other Southwestern States—and to discuss with you briefly the general provisions of my bill, H.R. 8000, the Bilingual Educational Opportunity Act.

I would hope that through your help, and the help of all the other Members of the House and Senate who have introduced bilingual education bills this year, we in Congress will be able to enact legislation during the present session that will make a significant start toward establishing a system of bilingual education programs for America's more than 3 million non-English-speaking elementary and secondary school children—to offer them for the first time a real chance to achieve their full educational potential.

I have been encouraged and deeply gratified by the overwhelmingly favorable response this proposal has received, not only from Members of Congress on both sides of the political aisle, but also from the members of the teaching profession on the local, state, and national levels, and, particularly, from community leaders and organizations from the non-English-speaking ethnic and nationality groups who have a vital interest in this subject.

Briefly, my bill, H.R. 8000, is designed to assist local school districts in setting up new and imaginative systems of bilingual education, individually tailored to meet the specialized needs of Spanish-speaking grade and high school students living mainly in the Southwestern States, New York and Florida; French-speaking youngsters in Louisiana and along the Canadian border; children of Oriental ancestry chiefly located on the West Coast and in Hawaii; students of American Indian descent; as well as other school-age children of non-English-speaking background residing in widely scattered sections of the country.

Since the majority of non-English-speaking young people in the United States have learned Spanish at home as a result of a long heritage of Spanish culture in the Southwest, or because their families came from Mexico, Puerto Rico, Cuba, or other Latin countries, the primary beneficiaries of any nationwide bilingual education program would undoubtedly be Spanish-speaking children.

However, under H.R. 8000, the benefits of bilingual education would also be shared by American youngsters from a wide variety of other family linguistic and cultural backgrounds: French, Oriental, American Indian, Eskimo, Portuguese, Greek, Italian, Polish, Hungarian, and many more.

In fact, I would anticipate that the number of children from many of these linguistic groups will increase substantially in the next few years as a result of the recent liberalization of the Immigration Act—so that special language programs may be necessary to meet this situation alone.

Few, indeed, would dispute the fact that there is an urgent need to find constructive solutions to the unique bilingual/bicultural education problems faced by the hundreds of thousands of American school children who are members of our many non-English-speaking ethnic and nationality groups.

The situation is just beginning to receive the long-overdue national recognition it deserves as one of the most critical education problems in the United States—calling for immediate, aggressive, remedial action to help overcome the serious learning difficulties experienced by this important segment of the Nation's school-aged population.

However, Mr. Chairman, I regret to say that, so far, little or no progress has been made toward finding adequate answers to the highly complex problems involved.

And today, job opportunities, income levels, economic advancement, in fact, all the aspects of personal and family well-being, are closely linked to educational achievement and the ability to communicate effectively with one another.

Those of our citizens who are severely handicapped because of language barriers in our modern, predominantly English-speaking society suffer a continuing denial of the opportunity to participate and share fully in the rich abundance of 20th Century America.

What we need, and what my bill, H.R. 8000, represents, is an effort to develop the kind of local-state-federal cooperative approach I believe is necessary to meet the special educational needs of the large number of students in the United States to whom English is a second language.

The compelling urgency for greater attention to this area is graphically demonstrated by the fact that the median of years of school completed for Spanish-speaking in the Southwest is 7.1 years, whereas for the Anglo child in the Southwest, it is 12.1 years, and for the non-white child it is 9.0 years of school completed.

This tragic record of educational disparity and underachievement in the Southwest, has been called "the greatest single failure of our system to provide equality of educational opportunity in this region."

Moreover, this failure continues on into the vital field of higher education.

For example, according to the population ratio right here in the State of California, some 20,000 students from the Spanish-speaking community should be enrolled on the twenty-seven campuses of our fine University and State College systems.

However, fewer than 2,000 are actually enrolled!

As a modest beginning to help remedy this appalling situation, my bill would provide $7 million the first year, with larger amounts earmarked for succeeding years, to enable local school districts to initiate comprehensive bilingual systems of teaching non-English-speaking students.

H.R. 8000 authorizes federal financial assistance to local education agencies to conduct a variety of programs such as:

original research and demonstration pilot projects in the field of bilingual education;

intensive pre-school Headstart-type programs specifically designed to orient and prepare non-English-speaking children for smoother transition to, and more rapid advancement in, the elementary school environment;

activities to emphasize the mutually reinforcing learning-aid benefits of the ability to speak a language other than English, and the ability to speak English;

regular, on-going school-system-wide bilingual education programs;

the teaching of both English and the language spoken in the home so as to enable non-English-speaking students to become truly bilingual and bicultural;

programs designed to impart to non-English-speaking students a knowledge of and pride in their ancestral language and cultural heritage;

programs to attract and retain as teachers promising individuals of non-English-speaking ethnic or nationality background;

community efforts to establish closer cooperation between the school and the home; and

other related activities which promote the purposes and objectives of bilingual education.

In addition, my bill would provide a 9-man "Advisory Committee On Increasing Educational Opportunity For Bilingual Children" within the Federal Office of Education, with the U.S. Commissioner of Education serving as Chairman.

Of the eight regular members of the Advisory Committee, four are required to be educators with experience in dealing with the educational problems of children who speak English as a second language.

Moreover, at least four of the Committee members must be of non-English-speaking ethnic or nationality background!

This arrangement would assure that the Advisory Committee would always have the benefit of the views of persons with an academic background in bilingual education, as well as of those with personal experience with the problems of bilingual children.

Persons with these kinds of experience and background would be especially valuable when advising the Commissioner on establishing general program policy, drafting criteria and regulations for approval of projects, and in advising on approval or rejection of applications.

Another significant provision of H.R. 8000 is that, in order for a grant application to be approved, provision must be made for the participation of children who may be enrolled in nonprofit private schools in the area to be served, whose educational needs are of the type which this legislation is intended to meet.

In California, and the other Southwestern States, this requirement is an important one because it will assure that the full benefits of bilingual education will be available to all our children, regardless of whether they attend public schools or not.

My bill also provides additional authorization to set up special centers for training teachers of bilingual children, and for supporting special summer and regular session institutes for such teachers.

Finally, the measure makes research in the field of bilingual education eligible for funding under the provisions of the Cooperative Research Act.

Mr. Chairman, I do not want to suggest that my bill is a perfect piece of legislation, nor that it cannot be improved upon.

In fact, I am confident that you and your fellow Committee Members will, as a result of these hearings, be in an excellent position to make both technical and substantive improvements in the language of the differing proposals that have been submitted for consideration. And, in future years, with the practical experience we will have gained in conducting bilingual education programs in all parts of the country, we will be able to amend the statute as this experience indicates.

I understand that suggestions have already come from various sources to revise the bill for such purposes as to add further emphasis to the teacher and teacher-aide

training aspects of the program, to stress adult education especially for parents of non-English-speaking children, to provide a more flexible criteria or formula for distributing funds for bilingual education and to review the extent of involvement in and contribution toward the overall program by state education authorities.

I trust the Committee will consider these and other ideas as it continues its analysis of the problem, and attempts to devise the best legislative approach to its solution.

In this connection, and as additional evidence of the urgent need for supporting the principle of bilingual education for America's non-English-speaking school children, I would like to draw the Committee's attention to a recent survey on the teaching of Spanish to Spanish-speaking students, entitled "The Invisible Minority", in which the National Education Association found that this group of bilingual and bicultural young people represented what it called "the most acute educational problem in the Southwest."

The N.E.A. study continued: "Many of these young people experience academic failure in school. At best, they have limited success. A large percentage become school dropouts. And little headway is being made against the problem.

"Spanish-speaking children start school with a decided handicap (the almost exclusive use of Spanish), fall behind their classmates in the first grade, and each passing year finds them farther behind.

"They are conditioned to failure in the early years of their schooling, and each additional year only serves to reinforce their feelings of failure and frustration."

The Spanish-speaking student "knows some English but has used it infrequently. The language of his home, his childhood, his first years, is Spanish. His environment, his experiences, his very personality have been shaped by it.

"But he soon discovers that English is the only language acceptable in schools."

In addition to the language barrier, the survey found that children of Spanish-speaking background "encounter a strange and different set of cultural patterns, an accelerated tempo of living, and, more often than not, teachers who, though sympathetic and sincere, have little understanding of the Spanish-speaking people, their customs, beliefs, and sensitivities."

The National Education Association report concluded: "The need is for action—now!

"To meet the problem fully, however, further legislation and substantially increased appropriations are needed. A more intensive effort to recruit additional teachers from among the Spanish-speaking is another imperative. Additional research, especially of a demonstration nature, is yet another. An extended series of needs could be listed. But the urgent need is for action and innovation in local school districts almost everywhere."

Mr. Chairman, I believe the bilingual education proposals you are now considering represent the kind of immediate legislative action recommended by the N.E.A. to help overcome the serious linguistic handicaps suffered by America's 3 million non-English-speaking elementary and secondary schoolchildren.

Also on a positive note, Mr. Chairman, I am convinced that we should begin to think of bilingualism in this country, not so much as a problem, but as a great opportunity and a potential national asset of tremendous value—if we will but develop it as such.

Up to now in our schools, millions of young people who speak a language other than English have been cheated or damaged or both by ill-informed educational policies which have made of their bilingualism an ugly disadvantage in their lives.

It is certainly absurd that our national educational policy has directed the expenditure of an estimated billion dollars a year to teach foreign languages—in our schools, colleges, universities, and government agencies—and yet virtually none of this effort has gone to maintain and develop the already existing cmpetence of American children who speak these same languages as a result of their family background.

For instance, with some 4 million native speakers of French or Spanish in our country, these are the two languages most widely taught, and yet, they are also the ones for which we recognize the greatest unfulfilled need.

It is absolutely incongruous to me that we should continue to largely waste the native-speaking talents and abilities of our own citizens, when there is such an urgent need for those very talents right here in the United States.

But, Mr. Chairman, I believe that your Committee is providing the kind of forward-looking, progressive leadership we need to end, once and for all, this tragic waste, and to begin to utilize the extensive linguistic abilities of our own people.

With endorsements of bilingual education from the Association of Mexican-American Educators, the Affiliated Teacher Organizations of Los Angeles, the Los Angeles City Council, the Los Angeles County Board of Supervisors, and the recent "Neuvas Vistas" Conference sponsored by the California State Department of Education—plus enactment by the California Legislature this Spring of a bill (proposed by the California Teachers Association) to permit school districts to establish bilingual instruction programs when deemed educationally advantageous to their pupils—I believe your Committee should have a friendly reception here on the West Coast, and you can feel assured of the enthusiastic support of all those who are interested in improving the educational opportunities of America's non-English-speaking students.

And, with the wholehearted backing of the National Education Association, the unmistakable evidence of fast-growing nationwide support on the local and State level for this long-needed legislation, and the active contribution of Members of both House and Senate, I am greatly encouraged that our joint efforts will be successful this year.

If such a bright prospect is realized, much of the credit will belong to the pioneering leadership provided by this Committee.

Thank you again for coming to California, and for offering our citizens an opportunity to express their thoughts on this vital subject.

SENATE

WEDNESDAY, JULY 12, 1967

The Senate met at 11 o'clock a.m., and was called to order by Hon. ROBERT C. BYRD, a Senator from the State of West Virginia.

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

Our Father God, whose most searching words are heard in the silences of the soul, give, we beseech Thee, to Thy servants who here wrestle with the Nation's problems, quiet hearts and open minds welcoming all truth from whatever direction it may come.

May the fret and fever of their own spirits not add to the confusion of a bewildered age instead of helping and healing.

Lift our eyes, we pray Thee, above the foggy valley of narrow loyalties and partisan interests to vaster vistas where small things are seen as small and great things as great. Remove far from us even unrecognized bigotries and prejudices based on misunderstanding.

In the crises of our times join us with those who across the waste and wilderness of human hate and need, preparing the way of the Lord, throw up a highway for our God. Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., July 12, 1967.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. ROBERT C. BYRD, a Senator from the State of West Virginia, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. BYRD of West Virginia thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States, submitting the nomination of David Statler Black, of Washington, to be Under Secretary of the Interior, was communicated to the Senate by Mr. Geisler, one of his secretaries, which nominating message was referred to the Committee on Interior and Insular Affairs.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 11, 1967, was dispensed with.

SUBCOMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. MANSFIELD, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Military Construction of the Committee on the Armed Services.

The Subcommittee on Government Research of the Committee on Government Operations.

The Special Subcommittee on the Arts and Humanities of the Committee on Labor and Public Welfare.

The Subcommittee on Migratory Labor of the Committee on Labor and Public Welfare.

On request of Mr. BYRD of West Virginia, and by unanimous consent, the following subcommittees were authorized to meet during the session of the Senate today:

The Subcommittee on Employment,